

KaShui¹⁹⁸⁰

Ka Shui International Holdings Limited
嘉瑞國際控股有限公司

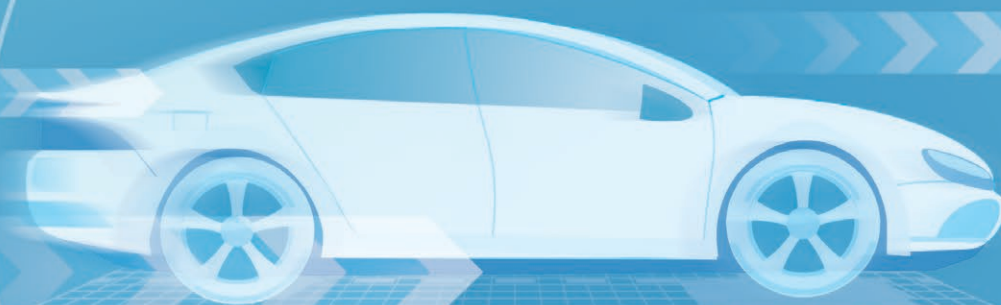
Incorporated in the Cayman Islands with Limited Liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號：822

2022

ANNUAL REPORT 年報

Technovation
Drives the
Smart Future



科技創新
智訊未來

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Mr. Wong Wing Chuen (*Vice Chairman*)
Mr. Chu Weiman (*Chief Executive Officer*)
Ms. Chan So Wah

Independent Non-Executive Directors

Professor Sun Kai Lit, Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *GBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

CHIEF EXECUTIVE OFFICER

Mr. Chu Weiman

CHIEF FINANCIAL OFFICER

Mr. Seto Sai Cheong Paul
(appointed with effect from 29 August 2022)

AUTHORISED REPRESENTATIVES

Mr. Chu Weiman
Ms. Yam Suk Yee, Celia
(resigned with effect from 24 August 2022)
Ms. Leung Lai Seung
(appointed with effect from 24 August 2022)

COMPANY SECRETARY

Ms. Yam Suk Yee, Celia
(resigned with effect from 24 August 2022)
Ms. Leung Lai Seung
(appointed with effect from 24 August 2022)

AUDIT COMMITTEE

Mr. Kong Kai Chuen, Frankie (*Chairman*)
(formerly known as Kong To Yeung, Frankie)
Professor Sun Kai Lit, Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *GBS, MH, JP*
Mr. Andrew Look

NOMINATION COMMITTEE

Professor Sun Kai Lit, Cliff *BBS, JP* (*Chairman*)
Ir Dr. Lo Wai Kwok *GBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)
Mr. Chu Weiman

董事

執行董事

李遠發先生 (*主席*)
黃永銓先生 (*副主席*)
初維民先生 (*行政總裁*)
陳素華女士

獨立非執行董事

孫啟烈教授 *BBS, JP*
盧偉國博士工程師 · *GBS, MH, JP*
陸東先生
江啟銓先生
(前稱江道揚)

行政總裁

初維民先生

首席財務總監

司徒世昌先生
(於二零二二年八月二十九日獲委任)

授權代表

初維民先生
任淑儀小姐
(於二零二二年八月二十四日辭任)
梁麗嫦小姐
(於二零二二年八月二十四日獲委任)

公司秘書

任淑儀小姐
(於二零二二年八月二十四日辭任)
梁麗嫦小姐
(於二零二二年八月二十四日獲委任)

審核委員會

江啟銓先生 (*主席*)
(前稱江道揚)
孫啟烈教授 *BBS, JP*
盧偉國博士工程師 · *GBS, MH, JP*
陸東先生

提名委員會

孫啟烈教授 *BBS, JP* (*主席*)
盧偉國博士工程師 · *GBS, MH, JP*
陸東先生
江啟銓先生
(前稱江道揚)
初維民先生

REMUNERATION COMMITTEE

Professor Sun Kai Lit, Cliff *BBS, JP (Chairman)*
Ir Dr. Lo Wai Kwok *GBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)
Mr. Chu Weiman

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong

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, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited

WEBSITE

www.kashui.com

薪酬委員會

孫啟烈教授 *BBS, JP (主席)*
盧偉國博士 *工程師 · GBS, MH, JP*
陸東先生
江啟銓先生
(前稱江道揚)
初維民先生

註冊辦事處

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港主要營業地點

香港九龍
九龍灣宏光道一號
億京中心B座29樓A室

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, KY1-1100
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17M樓

核數師

羅申美會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

香港上海滙豐銀行有限公司
渣打銀行(香港)有限公司
中國銀行(香港)有限公司

網址

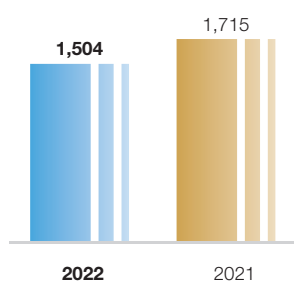
www.kashui.com

FINANCIAL HIGHLIGHTS

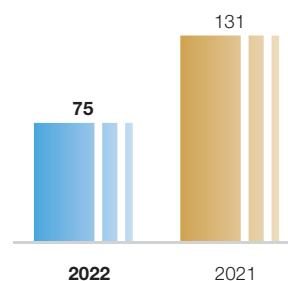
財務概要

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元 (Restated) (重列)
RESULTS		
Revenue	1,504,439	1,714,549
Profit attributable to owners of the Company	74,844	131,139
EBITDA	183,767	248,716
PER SHARE DATA		
Basic earnings per share (HK cent(s))	8.37	14.67
Total dividends per share (HK cent(s))	2.3	4.0
— Interim dividend paid per share (HK cent(s))	0.3	1.0
— Proposed final dividend per share (HK cent(s))	2.0	3.0
Dividend payout ratio	27.5%	27.3%

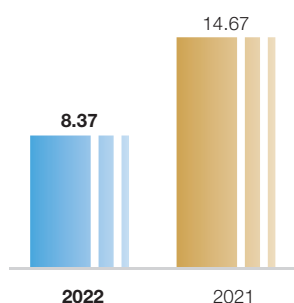
Revenue (HK\$ million)
收入(百萬港元)



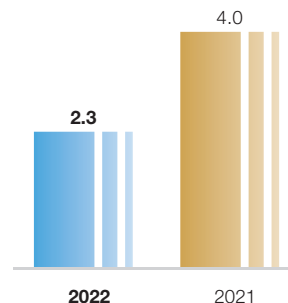
Profit attributable to owners of the Company (HK\$ million)
本公司權益持有人應佔溢利(百萬港元)



Basic earnings per share (HK cent(s))
每股基本盈利(港仙)



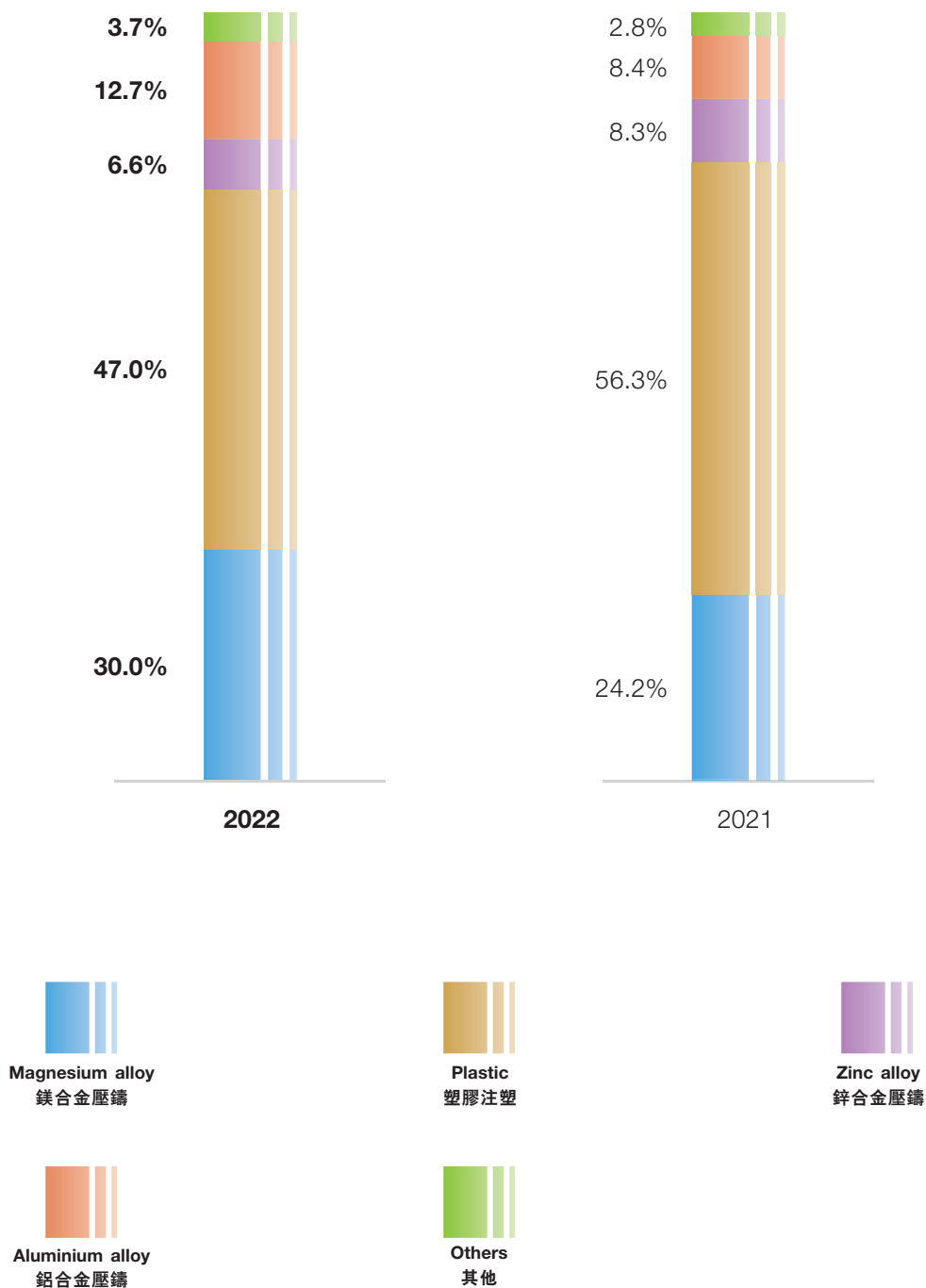
Total dividends per share (HK cent(s))
每股總股息(港仙)



FINANCIAL HIGHLIGHTS (CONTINUED)

財務概要(續)

Revenue percentage by business segments
按業務分部的收入百分率



KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2022 Final Results
28 March 2023

Annual General Meeting
30 May 2023

Ex-dividend Date for 2022 Final Dividend
5 June 2023

2022 Final Dividend Payment Date
19 June 2023

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Leung Lai Seung
Company Secretary
Ka Shui International Holdings Limited
Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong
Tel: (852) 3759 8900
Fax: (852) 2412 1743
Email: candy.leung@kashui.com

財務日誌

二零二二年全年業績公告
二零二三年三月二十八日

股東週年大會
二零二三年五月三十日

二零二二年末期股息除淨日期
二零二三年六月五日

二零二二年末期股息派發日期
二零二三年六月十九日

股份代號

822

每手股數

2,000股

投資者關係

梁麗嫦小姐
公司秘書
嘉瑞國際控股有限公司
香港九龍
九龍灣宏光道一號
億京中心B座29樓A室
電話：(852) 3759 8900
傳真：(852) 2412 1743
電郵：candy.leung@kashui.com

CHAIRMAN'S STATEMENT 主席報告

Chairman Lee Yuen Fat
主席 李遠發



Dear Shareholders,

On behalf of the Board of Directors of Ka Shui International Holdings Limited (the “Company” or “Ka Shui”), I am pleased to present you the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022 (the “Year”).

In 2022, the global business environment faced considerable turbulence and challenges. The outbreak of the COVID-19 pandemic prompted major economies to adopt highly accommodative fiscal and monetary policies since 2020, leading to persistent inflationary pressures in 2022. Furthermore, ongoing geopolitical conflicts contributed to significant fluctuations in energy and commodity prices and the rising cost of living, resulting in weakened consumer demand. Despite these challenges, Ka Shui remained vigilant and adaptable to the changing market conditions to mitigate operational risks.

致各位股東：

本人謹代表嘉瑞國際控股有限公司（「本公司」或「嘉瑞」）董事會，欣然向閣下提呈本公司及其附屬公司（統稱為「本集團」）截至二零二二年十二月三十一日止年度（「本年度」）之經審核全年業績。

二零二二年，全球營商環境面臨相當大的動盪和挑戰。新型冠狀病毒疫情的爆發促使多個主要經濟體自二零二零年來採取高度寬鬆的財政和貨幣政策，導致二零二二年通脹壓力持續。此外，持續緊張的地緣政局影響促使能源和商品價格大幅波動，生活成本也繼續上漲，導致消費者需求減弱。儘管面臨這些挑戰，嘉瑞仍然保持警惕和能適應千變萬化市場環境的能力，以降低經營風險。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

For the Year, the Group recorded revenue of HK\$1,504,439,000 (2021: HK\$1,714,549,000) and profit attributable to owners of the Company was HK\$74,844,000 (2021: HK\$131,139,000). The Board of Directors recommended the payment of a final dividend of HK2.0 cents (2021: HK3.0 cents) per share for the Year after careful consideration of our Group's future business development as well as our financials. Taking into account the interim dividend of HK0.3 cent (2021: HK1.0 cent) per share, the dividend pay-out ratio for the Year would be approximately 27.5% (2021: 27.3%).

With the common goal of reducing global carbon emissions, the demand for material lightweighting has become even more acute. The Group has been providing various lightweighting solutions (including die casting and plastic injection molding) for many years. The Group's business segments have broadened to cover a wide range of products and services, including communication devices and accessories, automotive components, personal care and smart home products. Our innovative and advanced technologies in lightweight materials and intelligent production and management has enabled us to secure long-term and in-depth partnerships with leading brands in the personal computer and automobile sectors. Our long-term business strategy focuses on deepening the application of the lightweight material solutions. Our self-developed low-floor LPG extended-range minibus launched in 2022 can diversify our business on the one hand, and more importantly, it demonstrates the application of lightweight materials in the new energy vehicle parts. The whole vehicle implements low-carbon travel from materials to fuels.

Ka Shui is determined to collaborate with industry leaders to establish a leading R&D and production development platform of lightweight solutions in the world. This move will allow us to cater to a wider range of industries, to deepen our penetration in the existing industries and peripheral markets, as well as to quickly establish our presence in emerging markets, thereby maximizing our scale in a short period of time. In addition to the horizontal expansion, we recognize the importance of vertical upstream integration to ensure raw material supply and quality in this increasingly unpredictable business environment, thus seeking to make further investments along the supply chain.

年內，本集團的收入為1,504,439,000港元(二零二一年：1,714,549,000港元)及本公司權益持有人應佔溢利為74,844,000港元(二零二一年：131,139,000港元)。經審慎考慮本集團未來業務發展及財務狀況後，董事會建議派發本年度末期股息每股2.0港仙(二零二一年：3.0港仙)。連同中期股息每股0.3港仙(二零二一年：1.0港仙)，本年度的派息率約為27.5%(二零二一年：27.3%)。

在全球減碳排放的共同目標之下，對材料輕量化的需求更為殷切，集團多年來提供各種材料輕量化方案(包括合金壓鑄和塑膠注塑成型)。本集團的服務涵蓋範圍廣泛的產品和業務，包括通訊設備及配件、汽車零部件、個人護理和智能家居產品。我們在輕量化材料和創新先進技術加上智能化生產及管理使我們能夠與個人電腦和汽車領域的領先品牌建立長遠而深入的合作關係。我們的長期業務策略著重深化在輕量化材料解決方案方面的應用，在2022年推出自主研发的低地台石油氣增程小巴，一方面可以令我們的業務更加多元化，更重要是以自研小巴深化輕量化材料在新能源汽車的零部件上的應用作示範，整架車由材料至燃料都貫徹低碳出行。

嘉瑞致力與行業領導者合作，建立全球領先的輕量化解方案研發及生產開發平台。此舉將使我們能夠迎合更廣泛的行業，增加我們對現有行業和周邊市場的市場滲透率，並能儘快地打入新興市場，從而在短時間內實現規模最大化。除了橫向擴張，我們意識到供應鏈上游整合的重要性，能在這越來越難以預測的營商環境中可確保原材料的供應和質量，因此正尋求在供應鏈上作進一步投資。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Risk management is critical in the ongoing geopolitical conflicts, potential global supply chain disruptions, and the trend of deglobalization. To mitigate these risks, Ka Shui has strategically decided to expand its manufacturing base and operation outside of China, to stay close to customers. This move will not only allow us to take advantage of regional benefits, such as lower energy and raw material, costs and government incentives, but it will also expand our capacity to support growth of purchase orders from different parts of the world.

As the industrial sector continues to adopt energy conservation and green manufacturing practices, Ka Shui is committed to minimizing our environmental footprint, conserving energy and natural resources, and enhancing the safety of our employees, community, and products. Our focus on sustainable business growth through renewable production processes and environmentally friendly practices demonstrates our commitment to creating a better world.

Finally, I would like to express my heartfelt gratitude to our shareholders, business partners, and customers for their unwavering support during these challenging times. We thank our fellow directors and all employees for their commitment to delivering our promise and driving innovation. With these strategies in place, Ka Shui is well-positioned to achieve sustainable growth in the coming years.

Lee Yuen Fat

Chairman of the Group

Hong Kong, 28 March 2023

在持續的地緣政治衝突、潛在的全球供應鏈中斷和去全球化的趨勢中，風險管理至關重要。為了降低這些風險，嘉瑞戰略性地決定將其製造基地及運作擴展到中國以外的地區，以貼近客戶。此舉不僅能讓我們擁有區域優勢，例如較低的能源及原材料成本和政府激勵措施，且還能讓我們提升承受來自世界各地的訂單增長的能力。

隨著工業領域持續採用節能和綠色製造實踐，嘉瑞致力於減少我們的環境足跡、節約能源和自然資源，並提高我們的員工、社區和產品的安全。我們專注於通過可再生生產流程和環保實踐實現可持續業務增長，表明我們致力於創造更美好的世界。

最後，我想衷心感謝我們的股東、業務夥伴及客戶在這充滿挑戰的時代對我們提供堅定的支持。我們感謝我們的各位董事和全體員工致力於兌現我們的承諾和推動創新。有了這些策略，嘉瑞已做好準備在未來幾年實現可持續增長。

李遠發

集團主席

香港，二零二三年三月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(A) FINANCIAL REVIEW

During the year under review, the emergence of COVID-19 new variants around the world, soaring inflation and contractionary policies adopted in the West had led to a decline in both local and global consumption markets. In view of this, the Group's overall revenue for the year ended 31 December 2022 (the "Year") recorded a year-on-year decrease of approximately 12.3% to HK\$1,504,439,000 (2021: HK\$1,714,549,000). This is primarily attributed to the unsatisfactory performance in the sales of plastic and zinc alloy business. As a result, the consolidated profit attributable to owners of the Company reduced to approximately HK\$74,844,000 (2021: HK\$131,139,000), representing a drop of 42.9% when compared with that of last year. The Group's gross profit for the Year also decreased by approximately 28.2% to HK\$335,334,000 (2021: HK\$467,235,000 (Restated)) and gross profit margin was approximately 22.3% (2021: 27.3% (Restated)).

The Group's EBITDA, computed as profit before tax, depreciation, amortisation and finance costs, amounted to approximately HK\$183,767,000 (2021: HK\$248,716,000).

(B) BUSINESS REVIEW

Plastic business

The revenue of plastic business was affected by the decline of consumption around the world due to COVID-19 pandemic, high inflation and contractionary policies in the West. In this relation, the revenue of plastic business segment had decreased by approximately 26.7% to HK\$706,584,000 (2021: HK\$964,538,000), which accounted for approximately 47.0% (2021: 56.3%) of the Group's overall revenue. The Group will continue to attempt to acquire more orders from different customers by providing the varieties of products and enhancing quality of our products and services for plastic injection and precision products.

(A) 財務回顧

年內，新型冠狀病毒新變種在全球各地的出現、通脹飆升和西方採取的緊縮政策導致本地和全球消費市場雙雙下滑。因此，本集團截至二零二二年十二月三十一日止年度（「本年度」）的整體收入較去年錄得約12.3%之跌幅至1,504,439,000港元（二零二一年：1,714,549,000港元）。這主要是由於塑膠及鋅合金業務的銷售業績不理想。因此，本公司權益持有人應佔綜合溢利減少至約74,844,000港元（二零二一年：131,139,000港元），較去年下降42.9%。本集團年內毛利也減少約28.2%至335,334,000港元（二零二一年：467,235,000港元（重列）），毛利率約為22.3%（二零二一年：27.3%（重列））。

本集團的未計利息、稅項、折舊及攤銷前盈利（以稅項、折舊、攤銷和融資成本前盈利計算）約為183,767,000港元（二零二一年：248,716,000港元）。

(B) 業務回顧

塑膠業務

新型冠狀病毒疫情、高通脹膨脹率和西方的緊縮政策，塑膠業務的收入受到全球消費下降的影響。因此，塑膠業務分部的收入下降約26.7%至706,584,000港元（二零二一年：964,538,000港元），佔本集團整體收入約47.0%（二零二一年：56.3%）。本集團將繼續嘗試通過提供多樣化的產品及提高塑膠注塑和精密產品方面的品質和服務質量，從而在不同的客戶獲得更多訂單。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Magnesium alloy business

In light of the satisfactory performance in new energy vehicles in 2022, the revenue of the magnesium alloy business slightly increased by approximately 8.6% to HK\$451,100,000 (2021: HK\$415,207,000), accounting for approximately 30.0% of the Group's overall revenue (2021: 24.2%). The focus of the Group on magnesium alloy business will remain on exploring new applications of magnesium alloy in new energy vehicles in the hope of improving the sales performance of magnesium alloy business in the forthcoming future.

Aluminium alloy business

Driven by the rising sales in new energy vehicles, the revenue of the aluminium alloy business for the Year increased by approximately 31.8% to HK\$190,367,000 (2021: HK\$144,417,000) when compared with that of the previous year. The segment's contribution to the Group's overall revenue had also grown from approximately 8.4% in 2021 to approximately 12.7% in 2022. In view of the increasing awareness of people and government in relation to environmental protection and sustainable development, the new energy vehicle market has substantial growth potential. The Group will strive to expand diversified applications of aluminum alloy in new energy vehicles to enhance the profitability of this segment in the forthcoming future.

Zinc alloy business

The persistence of COVID-19 pandemic greatly weakened the consumption in household products. As such, the revenue of the zinc alloy business for the year ended 31 December 2022 was approximately HK\$99,327,000 (2021: HK\$142,537,000), representing a decrease of approximately 30.3% when compared with that of 2021. This business segment accounted for approximately 6.6% of the Group's overall revenue (2021: 8.3%).

鎂合金業務

鑑於二零二二年新能源汽車業務表現理想，鎂合金業務的收入輕微上升約8.6%至451,100,000港元(二零二一年：415,207,000港元)，佔集團整體收入約30.0%(二零二一年：24.2%)。本集團鎂合金業務的重點仍是探索鎂合金在新能源汽車的不同應用，期望未來能進一步提升鎂合金業務的銷售業績。

鋁合金業務

受新能源汽車銷量上升的推動下，本年度鋁合金業務的收入較去年增加約31.8%至190,367,000港元(二零二一年：144,417,000港元)。該分部對本集團整體收入的貢獻也從二零二一年的約8.4%上升至二零二二年的約12.7%。鑑於人們和政府對環境保護及可持續發展的意識日益增強，新能源汽車市場具有巨大的增長潛力。未來，本集團將致力擴展鋁合金在新能源汽車的多元化應用，以提升該分部的盈利。

鋅合金業務

新型冠狀病毒疫情持續肆虐，大大削弱了家用產品的銷售。因此，截至二零二二年十二月三十一日止年度的鋅合金業務收入約為99,937,000港元(二零二一年：142,537,000港元)，與二零二一年相比減少約30.3%。該業務分部約佔本集團整體收入的6.6%(二零二一年：8.3%)。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Others

The revenue of other businesses (trading of lighting products, production of smart home products and provision of new energy vehicle power systems) increased by approximately 19.2% to HK\$57,061,000 (2021: HK\$47,850,000) when compared with that of the previous year.

(C) PROSPECTS

The global business landscape in 2023 remains uncertain due to ongoing economic and political turbulence. Ongoing geopolitical conflicts, coupled with the cycle of rising interest rates, are expected to persist in the foreseeable future. Nonetheless, the Group has noted positive developments such as the recent deceleration of inflation in the West and the revival of supply chains, as well as deflationary tendencies in the goods sector. Furthermore, the reopening of China, following its exit from disease prevention policy, is anticipated to spur global economic growth. Ka Shui will remain vigilant and agile in response to the ever-changing market conditions while consolidating its competitive edge in innovation, especially in lightweight material application and precision mould development. The Group is prepared to respond to the economic cycle promptly.

Ka Shui is committed to the provision of diversified magnesium industry chain related professional services, with the following “Four New” strategy (“New Materials, New Business, New Markets, New Opportunities”) being the Group’s long-term development.

New Materials

After years of research and development, Ka Shui’s magnesium alloy of high thermal conductivity and its complete production process (including mould making, die-casting, post-machining and surface treatment) have finally been developed. The current thermal conductivity of the material is 100W/(m•K), which doubles that of the conventional magnesium alloy. The main application for this material is in high-end notebooks, AR/VR wearable electronic products and automotive electronic components, which solves the heat dissipation problem.

其他

與去年相比，其他業務（照明產品貿易、智能家居產品製造及提供新能源汽車動力系統業務）收入增加約19.2%至57,061,000港元（二零二一年：47,850,000港元）。

(C) 展望

由於持續的經濟和政治動盪，二零二三年的全球商業前景仍不明朗。持續緊張的地緣政局以及利率上升的週期，預計在可預見的未來中持續存在。儘管如此，本集團還是留意到西方國家近期通脹放緩和供應鏈復甦等一些正面發展，以及商品行業通貨緊縮的趨勢。而且，中國取消防疫政策後重新開放，預計將會刺激全球經濟增長。嘉瑞將保持警惕和靈活應變能力，以應對瞬息萬變的市場環境，同時鞏固其在創新方面的競爭優勢，尤其在輕量化材料應用和精密模具開發方面。本集團致力於及時為經濟週期做好準備。

嘉瑞致力提供多元化鎂產業鏈相關的專業服務，以下是集團長遠發展的「新材料，新業務，新市場，新機遇」— 四新策略。

新材料

經歷了多年的研發，嘉瑞高導熱鎂合金材料及完整生產工藝（包括模具開發，壓鑄，加工及表面處理）終於開發完成。目前該材料的導熱系數為100W/(m•K)，是常規鎂合金的1倍以上。該材料的主要應用場景是在解決散熱問題的高端筆記本，AR/VR可穿戴電子產品及汽車電子組件上。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Besides, the Group has been cooperating with domestic and foreign technology research and development institutions for other magnesium alloy materials including high strength, high toughness and high flow magnesium alloy, which can be widely used in automotive instrument parts, car body structure parts, chassis parts and triboelectric system, etc.

In addition to new materials for magnesium alloys, Ka Shui has also been developing the market for new materials for germ-repelling plastics.

Recently, the American Society for Testing and Materials (“ASTM”) E35.15 Committee recently recognized Ka Shui as an active participant and key technical contact in the development of the ASTM E3371-22 antimicrobial standard. Like traditional antimicrobial materials, germ repellent materials are difficult to demonstrate technically through visual and other means, and require a test report based on the appropriate test standard. With the latest ASTM E3371-22 standard, it will help to promote the Group’s new materials and increase the recognition of our products by our customers. In addition to the international standards, Ka Shui also actively participates in the establishment of the Chinese National Standard Committee on Plastic Aging Branch (TC15/SC5) regarding the establishment of germ-repelling test standards, in anticipation of further promoting the internal circulation business.

New Business

Lightweight solutions for new energy vehicles have always been a focus of the Group’s development.

Lightweight technology has become increasingly crucial in the automotive industry, both for traditional and new energy vehicles, in the pursuit of enhanced energy efficiency and reduced environmental impact. According to a research report, the global automotive lightweight materials market attained a size of US\$67.2 billion in 2021, with an expected compound annual growth rate of 8.1% from 2021 to 2027, reaching US\$107.0 billion by 2027.

除此之外，集團一直和國內外科技研發機構合作其他鎂合金材料包括高強、高韌及高流動鎂合金，以配合廣泛應用於汽車儀表配件、車身結構件、底盤配件及三電系統等。

除了鎂合金新材料之外，嘉瑞也一直開展斥菌塑料新材料的市場。

最近，美國材料和試驗協會國際組織（「ASTM」）E35.15委員會認可嘉瑞是ASTM E3371-22斥菌標準開發時的積極參與者以及重要技術聯絡人。與傳統抗菌材料一樣，斥菌材料是難通過視覺及其他方式展現其技術效果，均需要提供基於相應測試標準的檢測報告。有了最新的ASTM E3371-22標準的規範，有助集團新材料的推廣，也會增加客戶對我司產品的認可度。國際標準之外，嘉瑞亦同時積極參與中國國標委塑膠老化分會(TC15/SC5)有關斥菌測試標準的建立，期待進一步促進內循環業務。

新業務

新能源汽車的輕量化方案一直都是集團發展的重點。

為了提高能源效率和減少對環境的影響，輕量化技術在汽車行業變得越來越重要，無論是對於傳統還是新能源汽車。根據一份研究報告，二零二一年全球汽車輕量化材料市場規模達到672億美元，預計二零二一年至二零二七年年均複合增長率會達到8.1%，其規模將在二零二七年達到1,070億美元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Ka Shui currently provides lightweight products and solutions for various types of vehicles, including electric, plug-in, and hybrid electric vehicles in China. In addition to decorative auto parts, the Group is directing its efforts towards developing various large magnesium alloy components such as cross car beam, seat skeleton, battery pack case, electric control box, dashboard LCD screen skeleton and commercial vehicle hydrogen storage bottle holder, etc., as well as the components of other integrated electronic systems, including autopilot system, intelligent display system, intelligent control system and heat dissipation system, so as to improve the energy saving of vehicles.

With its large-scale die casting system and machining capacity, the Group possesses a competitive advantage to design and produce massive automotive components in one piece. The Group is optimistic about the growth prospects of the automotive lightweight market and is well-positioned to leverage its product knowledge, innovation, production capacity, and industry experience to increase its market share in the near term.

At present, the self-developed low-floor LPG extended-range minibus launched by the Group can diversify its business on the one hand, and more importantly, it demonstrates the application of lightweight materials in the new energy vehicle parts. The whole vehicle implements low-carbon travel from materials to fuels.

As it is well known, apart from the new energy vehicle business, the sustainable energy and energy storage sector also has great potential for future development. The Group has plans for the development of related products and components and expects that this business can bring new growth momentum to the Group.

New Markets

On July 21, 2020, Chinese President Xi Jinping emphasized the need to smooth out the dual domestic and international circulation. In addition to consolidating the internal circulation business, Ka Shui has to actively explore new international markets.

嘉瑞目前提供適用於各類車輛的輕量化產品和解決方案，包括中國的電動式、插電式和混合動力汽車。除汽車裝飾零部件外，本集團正致力開發各種大型的鎂合金部件，如儀錶盤骨架、座椅骨架、電池包箱體、電控箱、三連屏骨架等、商用車儲氫瓶支架等、自動駕駛系統、智能顯示系統、智能控制系統、散熱系統等綜合電子系統等零部件，從而提高汽車的續航力。

憑藉其大型壓鑄系統及精加工能力，本集團在設計和生產大型汽車零部件方面均可實現一體成型。本集團對汽車輕量化市場的增長前景持樂觀態度，並充分準備利用其產品知識、創新、生產能力和行業經驗以在短期內增加其市場份額。

目前，集團推出的自主研發低地台石油氣增程小巴，一方面可以令集團業務更加多元化，更主要是以自研小巴深化輕量化材料在新能源汽車的零部件上的應用作示範，整架車由材料至燃料都貫徹低碳出行。

眾所周知，除了新能源汽車業務之外，可持續能源及儲能領域今後也有巨大的發展潛力。集團對相關產品及零部件的發展已有部署，並期待該業務可以為集團帶來新的增長動力。

新市場

二零二零年七月二十一日中國國家主席習近平強調要暢通國內國際雙循環。嘉瑞除了要鞏固內循環業務外，更要積極開拓國際新市場。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

In response to the country's "One Belt, One Road" and "Go Global" strategies, the Group is actively exploring the expansion of its business in Central Asia, the Middle East and North America to meet local and neighboring demands and hedge against risks arising from geopolitics.

New Opportunities

With over 40 years of rich experience in the metal manufacturing industry and the backbone of our Industry 4.0 establishment, the Group is actively developing extended businesses. For example, the vertical development of the whole magnesium industry chain and the export of professional services of intelligent manufacturing solutions, in order to leverage our research and development, innovation and manufacturing experience to bring new growth drivers for the Group.

In addition, intelligent products are the general trend. Ka Shui has already accumulated sufficient experience in moving from components to intelligent products, for instance, its smart home products have been sold to overseas markets. The Group will continue to invest in this sector and expects to participate in the development and manufacture of intelligent products in different fields.

Apart from the traditional manufacturing business, the Group has also been actively developing the application of 3D printing in recent years. We are now working closely with the National Intelligent Foundry Industry Light Alloy Innovation Center to promote "rapid casting", cultural creation and conservation areas by mean of 3D sand printing services and solutions.

Rapid casting refers the use of 3D printing technology to quickly build sand mould and use the traditional casting process to shape the metal prototype and subsequently finish the final product with a small amount of finishing. This process is particularly suitable for small batches and also saves a lot of time and money compared to conventional full machining.

響應國家「一帶一路」及「走出去」戰略部署，集團正積極研究中亞、中東及北美擴充業務，以滿足當地及周邊需求，也同時對沖地緣政策帶來的風險。

新機遇

建基於超過40年的豐富金屬製造業經驗及工業4.0的建設，集團正積極開拓伸延業務。例如全鎂產業鏈條的垂直發展及智能製造方案專業服務的輸出，務求利用自身的研發、創新及製造經驗，為集團帶來新的增長點。

另外，智能化產品是大勢所趨。嘉瑞從零部件走向智能化產品已經有一定的積累，如我司已有智能家居產品銷向海外。集團會繼續在這方面的投入，並預期會參與不同領域的智能化產品的開發及製造。

除了傳統製造業務外，近年來集團也積極開發3D打印的應用。我司現正與「國家智能鑄造輕合金創新中心」緊密合作，共推「快速鑄造 — 快鑄」，文創及保育等領域的3D砂型打印服務及方案。

快鑄顧名思義就是利用3D打印技術快速建立砂型模具，並利用傳統澆注工藝，塑造金屬原型，再通過少量的精加工完成成品。此工藝特別適合小批量的產品，也比典型的全加工節省了不少時間及費用。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The extension from rapid casting to sand-based cultural and conservation products has also opened the way for 3D business diversification. Since the main raw material for 3D sand printing is ordinary sand and the whole product life cycle is environmentally friendly, the service has started to be welcomed by customers who value environmental, social and governance (“ESG”) in Hong Kong and the Mainland, and the 3D printed products have started to be displayed in different places for long or short term.

Ka Shui sees this project not only as a new business opportunity, but also a highlight of the value and position that it places on ESG for the Group’s sustainable development.

(D) LIQUIDITY AND FINANCIAL RESOURCES

The Group has adopted a prudent policy in financial resources management, maintaining an appropriate level of cash and cash equivalents as well as adequate facilities to meet the requirements of day-to-day operations and business development, at the same time controlling borrowings at a healthy level.

The principal sources of working capital of the Group during the Year was from cash flows generated from operating activities and bank borrowings. As at 31 December 2022, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$246,013,000 (2021: HK\$282,712,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

The interest-bearing borrowings of the Group as at 31 December 2022 were bank loans and loan from non-controlling interests with an aggregate amount of approximately HK\$69,806,000 (2021: HK\$144,161,000). All of these borrowings were denominated in Hong Kong dollars and Euros (2021: Hong Kong dollars and Euros) and which were primarily subject to floating interest rates. The borrowings with maturities falling due within one year, in the second to fifth year with repayment on demand clause and in the second to fifth year

由快鑄伸延到砂型文創及保育產品也打開了3D業務多元化之路。由於3D砂型打印的主要原材料是普通的砂子又整個產品生命週期都是環保的，該服務開始受到香港及內地重視環境、社會與管治(「環境、社會與管治」)價值的客戶歡迎，3D打印的產品已經開始在不同場所長期或短期擺放。

該項目除了是一個新業務機會之外，它也突顯嘉瑞重視環境、社會與管治對集團可持續發展的價值及立場。

(D) 流動資金及財務資源

本集團在財務資源管理方面採取了審慎的政策，維持適當水平的現金和現金等價物以及足夠的信貸額度以滿足日常運營和業務發展的需求，同時將借款控制在健康水平。

本集團於年內主要營運資金來源為經營業務所得現金流及銀行借款。於二零二二年十二月三十一日，本集團擁有有限制銀行存款和銀行及現金結餘約246,013,000港元(二零二一年：282,712,000港元)，當中大多數以美元、人民幣或港元計值。

本集團於二零二二年十二月三十一日的計息借款為銀行貸款及非控股權益貸款，總額約為69,806,000港元(二零二一年：144,161,000港元)。該等借款全部以港元及歐元(二零二一年：港元及歐元)計值，所採用的利率主要為浮動利率。將於一年內到期、於第二至第五年到期(包括按還條款)及於第二至第五年到期(不含按

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

without repayment on demand clause amounted to HK\$60,502,000, HK\$8,333,000 and HK\$971,000 respectively (2021: HK\$36,000,000, HK\$96,858,000 and HK\$11,303,000 respectively).

As at 31 December 2022, the net gearing ratio (a ratio of the sum of the total bank borrowings and loan from non-controlling interests less restricted bank balances (if any) and bank and cash balances divided by the total equity) of the Group was not applicable since the Group had net cash (restricted bank balances (if any) and bank and cash balances less total borrowings) of HK\$176,207,000 (2021: net cash of HK\$138,551,000).

As at 31 December 2022, the net current assets of the Group were approximately HK\$533,429,000 (2021: HK\$520,446,000), which consisted of current assets of approximately HK\$906,171,000 (2021: HK\$1,010,572,000) and current liabilities of approximately HK\$372,742,000 (2021: HK\$490,126,000), representing a current ratio of approximately 2.4 (2021: 2.1).

(E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. Currently, the Group has not entered into any financial instrument for hedging purposes. However, the Group will closely monitor its overall foreign exchange exposure and take appropriate measures to mitigate the risks that the Group faces from exchange rate fluctuations.

(F) CONTINGENT LIABILITIES

As at 31 December 2022, the Group had no material contingent liabilities.

(G) CHARGE ON ASSETS

As at 31 December 2022, none of the assets of the Group were pledged.

要求償還條款)之銀行貸款金額分別為60,502,000港元、8,333,000港元及971,000港元(二零二一年:分別為36,000,000港元、96,858,000港元及11,303,000港元)。

於二零二二年十二月三十一日,由於本集團之現金淨額(有限制銀行存款(如有)以及銀行及現金結餘減去銀行總借貸)為176,207,000港元(二零二一年:現金淨額為138,551,000港元),因此,淨借貸比率(以銀行借款及非控股權益貸款總和減有限制銀行存款(如有)和銀行及現金結餘除以權益總額之比率)不適用於本集團。

於二零二二年十二月三十一日,本集團流動資產淨值約為533,429,000港元(二零二一年:520,446,000港元),包括流動資產約906,171,000港元(二零二一年:1,010,572,000港元)及流動負債約372,742,000港元(二零二一年:490,126,000港元),流動比率約為2.4(二零二一年:2.1)。

(E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此,本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險承擔。目前,本集團尚未訂立任何金融工具作對沖用途。但是,本集團將密切監察其整體外匯風險承擔及採取合適措施以減低本集團面對匯率波動所帶來之風險。

(F) 或然負債

於二零二二年十二月三十一日,本集團並無任何重大或然負債。

(G) 資產抵押

於二零二二年十二月三十一日,本集團並無資產作為抵押。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(H) SIGNIFICANT INVESTMENTS, ACQUISITIONS OR DISPOSAL

On 19 December 2022, an indirect wholly-owned subsidiary of the Company (the “Purchaser”) entered into the sale and purchase agreement with Mr. Lee Yuen Fat (“Mr. Lee”) and Ms. Chan So Wah (“Ms. Chan”) as vendors, pursuant to which the Purchaser has agreed to acquire the entire issued share capital of Bestgrand Enterprises Limited (“Bestgrand”) at a consideration of HK\$7,534,000 (“Acquisition”). Bestgrand is the sole legal and beneficial owner of the properties of Room 403 and 404, Block A, Guanlan Garden, Golf Avenue, Guanlan Town, Baoan District, Shenzhen, the PRC.

As vendors are Mr. Lee (being the chairman of the Board, an executive director and controlling shareholder of the Company) and Ms. Chan (being the executive director of the Company), vendors are connected persons of the Company and the Acquisition constituted a connected transaction for the Company. As one or more of the applicable percentage ratios in respect of the Acquisition under the aforesaid sale and purchase agreement exceeds 0.1% but is less than 5%, the Acquisition is subject to reporting and announcement requirements but is exempt from the circular and independent Shareholders’ approval under Chapter 14A of the Listing Rules.

Details of the above Acquisition are set out in the Company’s announcement dated 19 December 2022. As at the date of this report, the Acquisition has completed.

Save for the above, during the Year, the Group did not have any significant investments, acquisitions or disposals.

(H) 重大投資、收購或出售

於二零二二年十二月十九日，本公司之一家間接全資附屬公司(「買方」)與李遠發先生及陳素華女士(「賣方」)訂立買賣協議收購百亨企業有限公司(「百亨」)的全部已發行股本，代價為7,534,000港元(「收購事項」)。百亨為位於中國深圳市寶安區觀瀾鎮高爾夫大道觀瀾豪園A棟403、404室的住宅物業的唯一法定及實益擁有人。

由於李先生(即本公司的董事會主席、執行董事及控股股東)及陳女士(即本公司的執行董事)為賣方，故賣方為本公司的關連人士，且收購事項構成本公司的一項關連交易。由於以上提及的有關買賣協議項下的收購事項的一項或多項適用百分比率超過0.1%但低於5%，故根據上市規則第14A章，收購事項須遵守申報及公告規定，惟獲豁免遵守通函及獨立股東批准規定。

上述收購事項的詳情載於本公司日期為二零二二年十二月十九日的公告內。於本報告日期，收購事項已完成。

除上文所述外，年內，本集團並無任何重大投資、收購或出售。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

(I) HUMAN RESOURCES

As at 31 December 2022, the Group had approximately 3,750 full-time employees (31 December 2021: 4,200). The Group attributes its success to the hard work and dedication of all staff, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including retirement schemes, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme as incentives and rewards for those qualifying staff who have made contributions to the Group. The aforesaid share award scheme was expired on 9 January 2023.

The Group provides regular training courses for different levels of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organises different kinds of recreational activities, including New Year gathering, various sports competitions and interest groups. The aim is to promote interaction among staff, establish a harmonious team spirit and promote a healthy lifestyle.

(I) 人力資源

於二零二二年十二月三十一日，本集團約有3,750名全職僱員(二零二一年十二月三十一日：4,200名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬待遇，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。上述提及之股份獎勵計劃已於二零二三年一月九日失效。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團亦舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係、建立和諧團隊精神及提倡健康生活。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員

EXECUTIVE DIRECTORS

Mr. Lee Yuen Fat, aged 67, founded the Group in 1980 and is the Chairman of the Group. Mr. Lee was appointed as an Executive Director of the Company since 2 June 2007 and is a director of certain subsidiaries of the Company. He is also a director of Precisefull Limited, which is the controlling shareholder of the Company. Mr. Lee is responsible for the formulation of the overall business strategies of the Group. He has over 40 years of experience in the die casting industry. Mr. Lee holds a Master of Science Degree in Materials Engineering from the Yanshan University in the PRC. Mr. Lee was conferred the “China Foundry Lifetime Achievement Award” by the China Foundry Association, an award of Honorary Fellowship and Fellowship of Management and Business Administration by the Professional Validation Council of Hong Kong Industries and is the Vice Chairman of the Professional Validation Council of Hong Kong Industries. Mr. Lee has been appointed by the Foundry Industry Association, Guangdong Province as an Expert of the Casting Industry and is selected for its Expert Database. He has been appointed by the Shenzhen Longgang District Municipal People’s Government as an excellent expert of Longgang District, Shenzhen and is the Professorate Senior Engineer conferred by the Human Resources and Social Security Department of Guangdong Province of China.

Mr. Lee was one of the founding members and was the Chairman of the Hong Kong Diecasting Association (now become the Hong Kong Foundry Association (the “HKFA”)) in 1989. He was elected as the first Chairman of the HKFA and Hong Kong Federation of Innovative Technologies and Manufacturing Industries (formerly known as Federation of Hong Kong Machinery and Metal Industries) in 2008 and 2011 respectively. Mr. Lee is currently the Chairman of Hong Kong Federation of Innovation Technologies and Manufacturing Industries, Vice Chairman of the PRD Council of Federation of Hong Kong Industries, Shenzhen Division, a member of the Fifth Industry Training Advisory Committee of Manufacturing Technology (Tooling, Metals & Plastics) of Hong Kong Qualifications Framework and a member of Vocational Training Council Manufacturing Technology Training Board. Mr. Lee currently continues to be the Rotating Chairman of Die Casting Branch of the China Foundry Association, Executive Director of the China Foundry Association, the

執行董事

李遠發先生，67歲，於一九八零年創辦本集團及為本集團之主席。李先生於二零零七年六月二日獲委任為本公司執行董事，彼為本公司若干附屬公司之董事。彼亦為Precisefull Limited（本公司控股股東）之董事。李先生負責制定本集團整體業務策略。彼擁有逾40年壓鑄業經驗，持有中國燕山大學材料工程碩士學位。此外，李先生獲中國鑄造協會授予中國鑄造行業終身成就獎，及獲香港工業專業評審局頒授榮譽院士及工商院士，並擔任香港工業專業評審局副主席一職。李先生被廣東省鑄造行業協會聘為鑄造行業專家，併入選其專家庫，及被深圳市龍崗區人民政府聘為深圳市龍崗區優秀專家及獲中國廣東省人力資源和社會保障廳授予正高級工程師職稱。

李先生為香港壓鑄學會（現時為香港鑄造業總會）創辦人之一，及後於一九八九年出任該會會長。彼分別於二零零八年及二零一一年被選為香港鑄造業總會和香港創新科技及製造業聯合總會（前稱香港機械金屬業聯合總會）首任會長。李先生現任香港創新科技及製造業聯合總會主席、香港工業總會珠三角工業協會深圳分部副主席、香港資歷架構製造科技業（模具、金屬及塑膠）第五屆行業培訓諮詢委員會委員及職業訓練局製造科技業訓練委員會委員。李先生現繼續擔任中國鑄造協會壓鑄分會輪值理事長、中國鑄造協會常務理

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Managing Vice Chairman of the Fifth General Committee of the Guangdong Foundry Industry Association and the Vice Director General of Foundry Branch of the Guangdong Mechanical Engineering Association. Mr. Lee is also currently Deputy Director of the Domestic Technical Correspondence Working Group Expert of the International Organization for Standardization Foundry Machinery Technical Committee ISO/TC306, and a member of the Light Alloy Industry Technology Innovative Alliance Expert Committee of Guangdong Province. Mr. Lee is the brother-in-law of Ms. Chan So Wah, the executive director of the Company.

Mr. Wong Wing Chuen, aged 61, joined the Group in 1988 and was appointed as an Executive Director and Vice Chairman of the Company on 2 June 2007 and 1 January 2017 respectively. He is a director of certain subsidiaries of the Company. Mr. Wong is also currently the director of manufacturing of the Group and is responsible for the Group's manufacturing activities. Mr. Wong has over 38 years of experience in die design and manufacturing and the die casting industry. He is an Associate of the Professional Validation Council of Hong Kong Industries.

Mr. Chu Weiman, aged 66, joined the Group in February 2021 and is currently the Chief Executive Officer of the Group. He was appointed as an Executive Director, a member of the remuneration committee and nomination committee of the Company on 1 September 2021. He is primarily responsible for the overall management and supervision of the execution of the overall business strategies of the Group. Mr. Chu holds a master's degree of business administration from the University of Southern California, USA, a master's degree of science in engineering from the University of California, Los Angeles, USA and a bachelor's degree in power mechanical engineering from National Tsing Hua University, Taiwan. He is a licensed professional engineer of California, USA. Prior to joining the Group, Mr. Chu was an executive director and the chief executive officer of trading division of Leeport (Holdings) Limited (Stock code: 387), a company listed on the main board of the Hong Kong Stock Exchange, from February 2015 to December 2020 and from September 2016 to December 2020 respectively. Mr. Chu has held various senior positions in multi-national companies with operations in Hong Kong and mainland China and worked as the branch director for Innovation

事、廣東省鑄造行業協會第五屆常務副會長及廣東省機械工程學會鑄造分會理事長。李先生現亦擔任國際標準組織鑄造機械技術委員會ISO/TC306國內技術對口工作組專家副主任委員及廣東省輕合金產業技術創新聯盟專家委員會委員。李先生為本公司執行董事陳素華女士之大伯。

黃永銓先生，61歲，於一九八八年加入本集團，並分別於二零零七年六月二日及二零一七年一月一日獲委任為本公司執行董事及副主席。彼為本公司若干附屬公司之董事。黃先生現時亦是本集團制作總監及負責本集團之製造業務。黃先生擁有逾38年模具設計與製造及壓鑄業經驗，為香港工業專業評審局的副院士。

初維民先生，66歲，於二零二一年二月加入本集團，現為本集團行政總裁。彼於二零二一年九月一日獲委任為本公司執行董事、薪酬委員會及提名委員會成員。彼主要負責本集團的整體管理及監督整體業務策略的執行。初先生持有美國南加州大學工商管理碩士學位、美國加利福尼亞大學洛杉磯分校工程碩士學位及台灣國立清華大學動力機械系學士學位。彼為美國加利福尼亞州的註冊專業工程師。在加入本集團之前，初先生分別於二零一五年二月至二零二零年十二月及二零一六年九月至二零二零年十二月擔任香港聯交所主板上市的公司力豐(集團)有限公司(股票代號：387)的執行董事及貿易部行政總裁。初先生曾在多間於香港和中國內地經營業務的跨國公司擔任不同高級職位，

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Process and Automation Branch and branch director for Manufacturing Productivity Branch of Hong Kong Productivity Council during the years between 2000 and 2007. He is currently a general committee member of the Chinese Manufacturers' Association of Hong Kong.

Ms. Chan So Wah, aged 64, joined the Group in 1999 and was appointed as an Executive Director of the Company on 1 April 2019. She is a director of certain subsidiaries of the Company. Ms. Chan is currently the director of planning and management of the Group and is primarily responsible for overseeing the Group's business development as well as planning and management. She has over 35 years of experience in sales, marketing and management. She holds a master's degree in business administration obtained through distance learning education from the Centenary College in New Jersey, USA and she is a Fellow of the Professional Validation Council of Hong Kong Industries (Die Casting and Foundry Industry). Ms. Chan was awarded Asian Outstanding Leadership Award for Women in September 2019 by Asian College of Knowledge Management. She is the sister-in-law of Mr. Lee Yuen Fat, the Chairman and the Executive Director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Sun Kai Lit Cliff BBS, JP, aged 69, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the remuneration committee as well as the nomination committee of the Company and a member of the audit committee of the Company. Professor Sun has over 40 years of experience in the household products manufacturing industry. Professor Sun was appointed by the Hong Kong Special Administrative Region Government (the "HKSAR Government") as Justice of the Peace in July 2003 and was awarded the Bronze Bauhinia Star by the HKSAR Government in July 2006. He had been a member of the Chinese People's Political Consultative Conference of Shenzhen, Ningbo and Zhejiang Committee for over 20 years. He is currently the Honorary President of the Federation of Hong Kong Industries, Honorary Chairman of The Hong Kong Exporters' Association, Honorary Chairman of the Hong Kong Q Mark Council, the Honorary President of the Hong Kong Plastics Manufacturers Association, the Supervising President of Guangdong Overseas Chinese Enterprises Association and an Adjunct Professor of the

並於二零零零年至二零零七年間擔任香港生產力促進局創新暨自動化部副總裁及生產技術部副總裁。他現時為香港中華廠商聯合會會董。

陳素華女士，64歲，於一九九九年加入本集團，並於二零一九年四月一日獲委任為本公司執行董事。陳女士為本公司若干附屬公司之董事。陳女士現為本集團策劃及管理總監，主要負責監督本集團的業務開展及策劃管理等事宜。陳女士擁有逾35年銷售、市場推廣及管理經驗。彼持有美國新澤西世紀學院工商管理碩士學位(遙距課程)及為香港工業專業評審局之院士(壓鑄及鑄造業)。陳女士於二零一九年九月獲亞洲知識管理學院授予「亞洲傑出女領袖獎」。彼為本公司主席及執行董事李遠發先生的弟婦。

獨立非執行董事

孫啟烈教授 BBS, JP，69歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會及提名委員會主席及審核委員會成員。孫教授於家居用品製造業擁有逾40年經驗。孫教授於二零零三年七月獲香港特別行政區政府(「香港特區政府」)頒發太平紳士榮譽，並於二零零六年七月獲香港特區政府頒發銅紫荊星章。彼曾任中國人民政治協商會議深圳市、寧波市及浙江省委員逾20年。彼現時為香港工業總會名譽會長、香港出口商會名譽主席、香港優質產品標誌局名譽主席、香港塑膠業廠商會名譽會長、廣東省僑商投資企業協會監事長及

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高級管理人員(續)

City University of Hong Kong. Professor Sun is currently an independent non-executive director of Wisdom Education International Holdings Company Limited (Stock code: 6068), which is listed on the main board of the Hong Kong Stock Exchange.

Ir Dr. Lo Wai Kwok GBS, MH, JP, aged 70, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the member of the audit committee, nomination committee and remuneration committee of the Company. Ir Dr. Lo holds a doctoral degree in engineering, master's degrees in engineering and in business administration respectively and a bachelor's degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institute of Engineers. Ir Dr. Lo was awarded the "Young Industrial Awards of Hong Kong" and the "Ten Outstanding Young Persons Selection" in 1992, the Medal of Honour of the HKSAR Government in July 2001, and was appointed as Justice of the Peace by the HKSAR Government in July 2004. Ir Dr. Lo was also awarded the Bronze Bauhinia Star, the Silver Bauhinia Star and the Gold Bauhinia Star in July 2009, July 2015 and July 2021 by the HKSAR Government respectively. Ir Dr. Lo is currently a member of the Legislative Council of Hong Kong, representing the Engineering functional constituency. He has over 40 years of experience in the electronic and power supply industry and is an Adjunct Professor of the City University of Hong Kong. Ir Dr. Lo was an independent non-executive director of China United Venture Investment Limited (formerly known as Glory Mark Hi-Tech (Holdings) Limited and its change of company name took effect from 11 April 2022) (Stock code: 8159) from November 2016 to June 2020, a company listed on the GEM board of the Hong Kong Stock Exchange.

Mr. Andrew Look, aged 58, was appointed as an Independent Non-executive Director of the Company on 16 December 2009. He is the member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Look holds a bachelor's degree in commerce from the University of Toronto, Canada and has over 30 years of experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland ("UBS") as the head of Hong Kong research, strategy and product. He was rated as the best

香港城市大學客席教授。孫教授現為香港聯交所主板上市的公司光正教育國際控股有限公司(股份代號：6068)的獨立非執行董事。

盧偉國博士工程師，GBS, MH, JP，70歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。盧博士持有工程學博士學位、工程及工商管理碩士學位與工程學學士學位，並為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港特區政府榮譽勳章的得獎者，更於二零零四年七月獲香港特區政府委任為太平紳士。盧博士亦分別於二零零九年七月、二零一五年七月及二零二一年七月獲香港特區政府頒發銅紫荊星章、銀紫荊星章及金紫荊星章。盧博士現為香港立法會議員，代表工程功能界別。彼於電子及電源供應業積累超過40年經驗及於香港城市大學出任客席教授。盧博士於二零一六年十一月至二零二零年六月期間出任於香港聯交所GEM板上市的公司新華聯合投資有限公司(前稱輝煌科技(控股)有限公司，公司名稱變更自二零二二年四月十一日起生效)(股份代號：8159)的獨立非執行董事。

陸東先生，58歲，於二零零九年十二月十六日獲委任為本公司獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。陸先生持有加拿大多倫多大學商科學士學位，於香港及中國股票市場資產投資分析累積逾30年經驗。由二零零零年至二零零八年，陸先生於瑞士銀行(「瑞士銀行」)出任香港研究、策略及產品部主管。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is currently an independent non-executive director of Hung Fook Tong Group Holdings Limited (Stock code: 1446), CITIC Resources Holdings Limited (Stock code: 1205), EC Healthcare (Stock code: 2138) and L.K. Technology Holdings Limited (Stock Code: 558), all of which are listed on the main board of the Hong Kong Stock Exchange.

Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), aged 59, was appointed as an Independent Non-executive Director of the Company on 11 May 2015. He is the chairman of the audit committee of the Company and the member of the nomination committee and remuneration committee of the Company. Mr. Kong is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants (the United Kingdom). He has accumulated approximately 30 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates. Mr. Kong is currently a consultant of a company providing company secretarial, risk management and financial advisory services and is an independent non-executive director of Auto Italia Holdings Limited (Stock code: 720), a company listed on the main board of the Hong Kong Stock Exchange.

Save as disclosed, there is no other information of the Directors which has to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

Ir Chan Sin Wing, aged 50, joined the Group in 2004 and is the director of enterprise development of the Group. He is primarily responsible for overseeing the research and development as well as new business development of the Group. Mr. Chan holds a master's degree in industrial engineering and industrial management and a bachelor degree in engineering from the University of Hong Kong.

陸先生曾於二零零一、二零零二、二零零三、二零零五、二零零六及二零零七年獲得《亞洲貨幣》雜誌(一本以企業及財經讀者及投資者為對象之著名財經及資本市場月刊)頒發「香港最佳策略員」及「最佳分析師」殊榮。陸先生現為香港聯交所主板上市的公司鴻福堂集團有限公司(股份代號: 1446)、中信資源控股有限公司(股份代號: 1205)、EC Healthcare醫思健康(股份代號: 2138)及力勁科技集團有限公司(股份代號: 558)的獨立非執行董事。

江啟銓先生(前稱江道揚), 59歲, 於二零一五年五月十一日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席、本公司提名委員會及薪酬委員會成員。江先生是香港會計師公會會員及英國特許公認會計師公會資深會員。彼於香港上市公司及國際商業綜合企業累積了約30年的會計、審計、企業融資及項目管理的經驗。江先生現時為一間提供公司秘書、風險管理與財務顧問服務之公司的顧問及香港聯交所主板上市的公司意達利控股有限公司(股份代號: 720)的獨立非執行董事。

除上文披露者外, 概無其他董事的資料須根據上市規則第13.51(2)條之規定予以披露。

高級管理人員

陳善榮工程師, 50歲, 於二零零四年加入本集團, 為本集團企業拓展總監, 主要負責監督本集團的研發工作及新業務發展。陳先生持有香港大學工業工程及工業管理碩士學位和工程學學士學位。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

He is currently a Fellow and the Chairman of the Manufacturing, Industrial and Systems Division of the Hong Kong Institution of Engineers. He is also the Professorate Senior Engineer conferred by the Human Resources and Social Security Department of Guangdong Province of China. Prior to joining the Group, he worked as a senior consultant of the Hong Kong Productivity Council for over nine years.

Mr. Seto Sai Cheong Paul, aged 61, joined the Group in August 2022 and is currently the chief financial officer of the Company. Mr. Seto is a fellow of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, and a fellow of The Taxation Institute of Hong Kong (“TIHK”). Mr. Seto is also a chartered tax adviser of TIHK. He holds a professional diploma in accountancy from Hong Kong Polytechnic (now known as Hong Kong Polytechnic University). Mr. Seto has over 30 years of experience in finance, accounting and taxation, and has held senior management positions in multi-national corporations and several main board listed companies in Hong Kong. Prior to joining the Company, Mr. Seto was (i) the chief financial officer of Perennial International Limited (stock code:725) from September 2018 to November 2021, and (ii) the director of accounting of China Healthwise Holdings Limited (formerly known as Lung Cheong International Holdings Limited and Haier Healthwise Holdings Limited respectively) (stock code:348) from December 2000 to August 2008, all of which are listed on the main board of the Hong Kong Stock Exchange.

Mr. Chan Man Fu, aged 51, joined the Group in 2016 and is currently the financial controller of the Company. Prior to joining the Company, Mr. Chan has held senior financial positions in different listed companies in Hong Kong and has over 25 years of experience in the areas of audit, finance and treasury management. He holds a master’s degree in business administration from the Hong Kong Baptist University and is a member of the Hong Kong Institute of Certified Public Accountants.

彼現時為香港工程師學會資深會員及製造、工業及系統分部主席。彼亦獲中國廣東省人力資源和社會保障廳授予正高級工程師職稱。加入本集團前，陳先生曾任香港生產力促進局高級顧問逾九年。

司徒世昌先生，61歲，於二零二二年八月加入本集團，現為本集團之首席財務總監。司徒先生為香港會計師公會資深會員、英國特許會計師公會資深會員及香港稅務學會（「香港稅務學會」）資深會員。司徒先生亦為香港稅務學會的特許稅務師。彼持有香港理工學院（現稱香港理工大學）頒發之會計專業文憑。司徒先生在財務、會計與稅務擁有逾30年的經驗，並於跨國企業及多間香港主板上市公司擔任高級管理職位。在加入本公司之前，司徒先生曾(i)於二零一八年九月至二零二一年十一月擔任恒都集團有限公司（股份代號：725）之首席財務官及(ii)於二零零零年十二月至二零零八年八月擔任中國智能健康控股有限公司（前稱龍昌國際控股有限公司及海爾智能健康控股有限公司）（股份代號：348）之財務董事，以上均為聯交所主板之上市公司。

陳文賦先生，51歲，於二零一六年加入本集團，現為本集團之財務總監。於加入本公司前，陳先生曾於多間香港上市公司擔任高級財務職位及於審計、財務與財資管理範疇擁有超過25年經驗。彼持有香港浸會大學工商管理碩士學位及為香港會計師公會會員。

DIRECTORS' REPORT

董事會報告

The board of directors of the Company (the “Board”) have the pleasure in submitting its report together with the audited consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and precision components. The principal activities of the subsidiaries are set out in note 24 to the financial statements.

BUSINESS REVIEW

A fair review of the business of the Group, together with a description of the principal risks and uncertainties facing by the Company, as well as indication of likely future developments in the business of the Group are set out in the sections “Business Review” on pages 10 to 12, “Principal Risks and Uncertainties facing the Company” on pages 63 to 64 and “Prospects” on pages 12 to 16 of this report respectively. An analysis using financial key performance indicators is set out in the sections “Segment Information” on pages 235 to 239 and “Five-Year Financial Summary” on page 304 in this report.

As an innovative high-tech enterprise, the Group is committed to offering one-stop solutions and professional services to meet the various needs of our customers, while building an environmentally-friendly corporation that pays close attention to conserving natural resources. The management will review the Group’s environmental practices from time to time and will consider implementing further ecology friendly measures and practices in the operation to enhance environmental protection and sustainability.

During the year, as far as the Board is aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group’s business and operations.

本公司董事會（「董事會」）欣然提呈嘉瑞國際控股有限公司（「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年度之董事會報告及經審核綜合財務報表。

主要業務

本集團以生產及銷售鋅、鎂及鋁合金、塑膠注塑產品及零部件，主要售予從事家居用品、3C（通訊、電腦及消費者電子）產品、汽車零部件及精密部件的客戶為主。附屬公司之主要業務載於財務報表附註24。

業務回顧

本集團中肯業務回顧，連同本公司所面對主要風險及不明朗因素之描述、以及本集團業務日後可能出現之發展，分別載於本報告第10至12頁之「業務回顧」、第63至64頁之「本公司所面對主要風險及不明朗因素」及第12至16頁之「展望」內。使用關鍵財務績效指標作出之分析載於本年報第235至239頁之「分部資料」及第304頁之「五年財務概要」內。

作為創新及高科技企業，本集團致力提供一站式解決方案及專業服務以迎合我們客戶之不同需求，同時關注保護自然資源以建設環保型的企業。管理層將不時檢討本集團的環保常規，並將考慮在營運中進一步實施對環境有益的措施及常規，以促進環境保護及可持續發展。

年內，就董事會所知，本集團並無重大違反適用法律及法規，而對本集團業務及營運造成重大影響。

The Board recognises that our employees are invaluable assets contributing to the Group's future success. The Group provides competitive remuneration packages to attract, motivate and retain our employees. The Board also regularly reviews the remuneration packages of our employees and makes necessary adjustments to bring them in-line with the prevailing market practices. The Board also recognises that maintaining good relationships with our customers and suppliers is vital to achieve the Group's long-term goals.

It is the Group's environment policy to (i) observe all applicable national and local laws and regulations strictly; (ii) establish, implement and strengthen our environmental management system, as well as setting of goals for environment achievements; (iii) progressively introduce cleaner production and striving to conserve resource consumption and reduce waste or effluent discharges; (iv) provide training and education to promote the idea of sustainable development across our supply chain; and (v) provide means for relevant interested parties and the public to get access to our environmental performance.

The Board considers that the Group has conducted its operations in accordance with the environmental policy in all material respects during the year ended 31 December 2022. Details of the environmental performance of the Group during the year ended 31 December 2022 are set out in the section "Environmental, Social and Governance Report" on pages 69 to 138.

The Group's business has complied with the relevant laws and regulations that have a significant impact on the Group as a whole.

The Group aims at conducting business activities in accordance with the highest standards of business ethics and integrating environmentally and socially responsible management practices across the entire organization. The approaches adopted by our Group mainly focus on four key areas. Within each of these four areas, we have solicited opinions from our stakeholders and have identified 27 corporate social responsibility-related topics and have adopted numerous specific targeted policies and goals. Detailed discussions on the environmental policies and performance, compliance with the relevant local laws

董事會認同僱員為貢獻本集團日後成功的無價資產。本集團提供具競爭力的薪酬待遇，以吸引、激勵及留聘僱員。董事會亦定期審閱僱員的薪酬待遇，並按現時市場慣例進行必要調整。本集團亦重視與客戶及供應商維持良好關係，認為此對達成本集團之長遠目標而言至關重要。

本集團的環境政策為：(i)嚴格遵守所有適用的國家及地方的法律及法規；(ii)建立、實施及加強環境管理體系，並制定環境成果目標；(iii)逐步推行清潔生產、努力節約資源的使用及減少廢物或廢水排放；(iv)提供培訓及教育，以在我們的整個供應鏈宣揚可持續發展的理念；以及(v)為相關利益方和公眾提供獲取我們的環境績效的途徑。

董事會認為，於截至二零二二年十二月三十一日止年度，本集團的運作在所有重大方面均按照本集團的環境政策進行。有關本集團截至二零二二年十二月三十一日止年度的環境績效詳情載於「環境、社會及管治報告」一節第69至138頁。

本集團的業務已遵守對本集團整體有重大影響的相關法律法規。

集團旨在按照最高商業道德標準進行業務活動，並整合及實施對環境和社會負責的企業管理。本集團採取的方法主要集中在四個關鍵領域。在這四個領域中的每一個領域，我們都徵求了持份者的意見，並找出二十七個與企業社會責任相關的主題，並採用了許多針對性的政策和目標。有關環境政策及表現之詳細討論、對本集團構成重大影響之地方相關法律法規之遵守情況及本集團

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

and regulations that have a significant impact on the Group and the account of the key relationships of the Group with employees, customers and suppliers are set out in the section headed “Environmental, Social and Governance Report” on pages 69 to 138 of this report.

EMOLUMENT POLICY AND RETIREMENT BENEFITS SCHEME

The Group's emolument policy, including salaries and bonuses, is in line with the local practices where the Company and its subsidiaries operate. The Group has also put in place a share option scheme and share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group. The aforesaid share award scheme was expired on 9 January 2023. The Remuneration Committee of the Company makes recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management and the grant of share options. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to directors and senior management of the Group, having regard to the Group's financial performance, individual performance and comparable market statistics.

The Group has joined a mandatory provident fund scheme (“MPF Scheme”) for all employees (including the executive directors of the Company) in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules of the MPF Scheme. The employees of the Company's subsidiaries established in the PRC are members of a state-managed retirement scheme operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme. No forfeited contribution is available to reduce the contribution payable under the above schemes.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 148.

與僱員、客戶及供應商之主要關係之詳細論述載於本報告第69至138頁之「環境、社會及管治報告」一節。

薪酬政策及退休福利計劃

本集團之薪酬政策(包括薪金及花紅)符合本公司及其附屬公司經營當地之一般慣例。本集團亦已採納購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。上述所提及之股份獎勵計劃已於二零二三年一月九日失效。本公司之薪酬委員會就本公司董事及高級管理人員之薪酬政策及架構以及授出購股權向董事會推薦意見，並經考慮本集團之財務表現、個人表現及可供比較之市場數據資料，以審閱及釐定本集團董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。

本集團為所有香港僱員(包括本公司之執行董事)參與強制性公積金計劃(「強積金計劃」)。強積金計劃是根據強制性公積金計劃條例向強制性公積金計劃管理局登記。根據強積金計劃，僱主及僱員在強積金計劃下都須作相應數額之供款，供款率為強積金計劃之規則而規定。本公司於中國成立之附屬公司之僱員為由中國政府營運之國營退休計劃之成員。該等附屬公司需按薪酬成本之一定比率貢獻至該退休計劃。並無已沒收的供款可用以削減須根據上述計劃支付的供款。

業績及分派

本集團於年內之業績載於第148頁之綜合損益表內。

INTERIM AND FINAL DIVIDEND

An interim dividend of HK0.3 cent was declared and paid during the year. The Board had recommended the payment of a final dividend of HK2.0 cents per share for the year ended 31 December 2022 to the shareholders whose names appear on the register of members of the Company on Monday, 12 June 2023. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Tuesday, 30 May 2023, the final dividend will be paid on or about Monday, 19 June 2023.

The register of members of the Company will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23 May 2023.

The register of members will be closed from Wednesday, 7 June 2023 to Monday, 12 June 2023, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 6 June 2023.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF THE YEAR

No significant events affecting the Group that require additional disclosures or adjustments occurred after the financial year ended 31 December 2022.

RESERVES

Movements in reserves during the year are set out in the consolidated statement of changes in equity on page 152.

中期及末期股息

於年內，本公司宣派了中期股息每股0.3港仙。董事會已建議向於二零二三年六月十二日(星期一)名列本公司股東名冊之股東派付截至二零二二年十二月三十一日止年度之末期股息每股2.0港仙。待本公司股東在二零二三年五月三十日(星期二)舉行之應屆股東週年大會批准後，末期股息將於二零二三年六月十九日(星期一)或前後派付。

本公司將於二零二三年五月二十四日(星期三)至二零二三年五月三十日(星期二)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零二三年五月二十三日(星期二)下午四時三十分前送交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辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17M樓。

本公司將於二零二三年六月七日(星期三)至二零二三年六月十二日(星期一)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。若需符合資格獲派末期股息，所有股份過戶文件連同有關股票及過戶表格須於二零二三年六月六日(星期二)下午四時三十分前送交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辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17M樓。

自年末以來影響本集團的重大事件

截至二零二二年十二月三十一日止財政年度後，概無影響本集團而須另行披露或調整的重大事件。

儲備

本年度內，儲備之變動情況載於第152頁之綜合權益變動表。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

As at 31 December 2022, the Company's reserve available for distribution amounted to approximately HK\$211,233,000 (2021: HK\$209,117,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 19 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the percentage of the Group's major customers and suppliers attributable to the Group's total sales and total purchases was as follows:

Sales

— the largest customer	31.7%
— five largest customers combined	61.1%

Purchase

— the largest supplier	3.82%
— five largest suppliers combined	13.27%

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) had an interest in the Group's five largest customers and suppliers.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2022 and assets and liabilities of the Group as at 31 December 2018, 2019, 2020, 2021 and 2022 are set out on page 304.

SHARE CAPITAL

There was no movement in the Company's issued share capital during the year.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and share award scheme described below, the Group has not entered into any equity-linked agreements during the year.

於二零二二年十二月三十一日，本公司之可供分派儲備約為211,233,000港元(二零二一年：209,117,000港元)。

物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註19。

主要客戶及供應商

於本年度內，本集團之主要客戶及供應商應佔總營業額及總採購額之百分比如下：

銷售

— 最大客戶	31.7%
— 五大客戶合計	61.1%

採購

— 最大供應商	3.82%
— 五大供應商合計	13.27%

概無任何本公司董事、其緊密聯繫人士或任何股東(據董事所知擁有5%以上的本公司已發行股份數目者)於本集團首五大客戶及供應商擁有權益。

財務概要

本集團於截至二零二二年十二月三十一日止過往五個財政年度之業績以及本集團於二零一八年、二零一九、二零二零、二零二一年及二零二二年十二月三十一日之資產及負債的概要載於第304頁。

股本

本公司的已發行股本於本年度內並無變動。

股票掛鈎協議

除下文所述之購股權計劃及股份獎勵計劃外，本集團於年內並無訂立任何股票掛鈎協議。

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$154,000 (2021: HK\$322,000).

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities of the Company.

THE BOARD

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

Executive Directors

Mr. Lee Yuen Fat ("Mr. Lee") (*Chairman*)
Mr. Wong Wing Chuen (*Vice Chairman*)
Mr. Chu Weiman (*Chief Executive Officer*)
Ms. Chan So Wah

Independent non-executive directors

Professor Sun Kai Lit, Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *GBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

The biographical details of the directors are set out on pages 20 to 24 of this report.

During the year under review, no director resigned from his/her office or refused to stand for re-election to his/her office due to reasons relating to the affairs of the Company.

捐款

於本年度，本集團作出之慈善及其他捐款合共約為154,000港元(二零二一年：322,000港元)。

股份優先購買權

本公司之組織章程細則及開曼群島之公司法中並無股份優先購買權之條文，規定本公司必須按比例發售新股予現有股東。

稅項減免

就本公司所知，概無本公司股東因持有本公司證券而獲得任何稅務減免。

購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事會

於本年度內及截至本報告日期止，本公司之董事為：

執行董事

李遠發先生(「李先生」)(*主席*)
黃永銓先生(*副主席*)
初維民先生(*行政總裁*)
陳素華女士

獨立非執行董事

孫啟烈教授 *BBS, JP*
盧偉國博士 *工程師 · GBS, MH, JP*
陸東先生
江啟銓先生
(前稱江道揚)

董事之履歷詳情載列於本報告之第20至第24頁。

於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

In accordance with the Company's Articles of Association, Mr. Lee, Professor Sun Kai Lit, Cliff and Ir. Dr. Lo Wai Kwok will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors is currently in force and was in force throughout the financial year.

The Company has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the directors of the Group.

DIRECTORS' SERVICE CONTRACTS

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save for the connected transaction as set out in the section "Connected Transaction And Related Party Transactions" on pages 46 to 47 of this report, there were no transactions, arrangements or contracts of significance (inclusive of provision of services to the Company or any of its subsidiaries), which is significant in relation to the Company's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director (including entity connected with a director) and the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

根據本公司組織章程細則，李先生、孫啟烈教授及盧偉國博士工程師於即將舉行之股東週年大會上退任，惟彼等均符合資格並願意膺選連任。

獲准許之彌償條文

為董事訂立之獲准許彌償條文於整個財政年度一直生效且現時正在生效。

本公司於年內辦理董事責任保險及續保有關保險，為本集團董事提供適當保障。

董事之服務合約

擬於即將召開之股東週年大會上膺選連任之董事，概無與本公司訂立本集團不可於一年內毋須賠償(法定補償除外)而終止之服務合約。

董事及控股股東於重大交易、安排或合約之權益

除在本報告第46至47頁之「關連交易及關聯方交易」一節所披露外，年內，本集團並無任何於公司業務而言重大之投資、收購或出售。本公司、其控股公司、其任何附屬公司或同系附屬公司概無參與訂立本公司董事(包括與董事有關連的實體)及控股股東直接或間接擁有重大權益，而於年內或年終仍屬有效之重大交易、安排或合約(包括向本公司或其任何附屬公司提供服務)。

管理合約

本年度內，本公司並無訂立或進行任何與本公司全部或重要業務有關之管理及行政合約。

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported the following details of loan facilities which exist at any time during the year ended 31 December 2022 and up to the date of this report and include covenants requiring specific performance obligations of the controlling shareholder of the Company.

On 21 December 2018, Ka Shui Manufactory Co., Limited (the "Borrower"), the indirect wholly owned subsidiary of the Company, entered into a facility agreement with a bank, under which a term loan facility for an aggregate amount of up to HK\$100 million was extended to the Borrower (the "2018 Facility Agreement"). Any draw-down of the loan under the said facility would be repayable by eight quarterly instalments commencing the 15th month after its own draw-down date. The Borrower may drawdown the 2018 Facility Agreement for a period of 18 months from the date of the 2018 Facility Agreement. As at 31 December 2022, the loan under the said facility had been drawn down in full, with the last drawn down date on 8 June 2020. The 2018 Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall at all times beneficially own (whether directly or indirectly) not less than 50% of the shareholding and equity interest in the Borrower and the Company and maintain management control over both the Borrower and the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the 2018 Facility Agreement. If an event of default under the 2018 Facility Agreement occurs and is not remedied in accordance with the terms of the 2018 Facility Agreement, the bank may (among other things) cancel its further commitments under the 2018 Facility Agreement, and/or declare that all or part of the loans together with accrued interests under the 2018 Facility Agreement would become immediately due and payable.

根據上市規則第13.21條之披露

根據上市規則第13.21條之規定，董事會匯報下列於截至二零二二年十二月三十一日止年度及截至本報告日期止任何時間存在並附帶對本公司控股股東施加特定履約責任契諾之貸款融資詳情。

於二零一八年十二月二十一日，本公司之間接全資附屬公司嘉瑞製品有限公司（「借方」）與一間銀行訂立一份融資協議（「2018融資協議」）。根據此融資協議，借方取得定期貸款融資金額達100,000,000港元。按此融資之任何提取貸款將由各自提取日期起計第15個月開始分八期按季償還。借方可以訂立2018融資協議的18個月期限內提取2018融資協議貸款。截至二零二二年十二月三十一日，此融資下的貸款已全部提取完畢，最後提取日期為二零二零年六月八日。2018年融資協議載有對本公司控股股東（定義見上市規則）及執行董事李先生須履行之特定責任，李先生須於任何時候於借方及本公司實益擁有（無論直接或間接）不低於50%之股權和權益及維持於借方和本公司之管理控制權。違反上述須履行之特定責任將構成2018融資協議項下之違約事件。若2018融資協議項下之違約事件出現及未有根據2018融資協議的條款予以補救，銀行可根據2018融資協議（其中包括）取消其作出的進一步承諾，及／或宣布2018融資協議項下的全部或部分貸款連同應計利息將隨即到期支付。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Save as disclosed above, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2022 and as at the date of this report.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the directors and the top five highest paid individuals of the Group are set out in notes 16(a) and 15(b) to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2022, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of

除上文披露者外，於二零二二年十二月三十一日及於本報告日期，董事並不知悉有任何其他事項須根據上市規則第13.18條之規定作出披露。

董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註16(a)及15(b)。

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及淡倉

於二零二二年十二月三十一日，本公司董事及主要行政人員，於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7至第9分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及淡倉)；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及淡

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Listed Companies (the "Model Code") in the Rules Governing the Listing on Securities on the Stock Exchange (the "Listing Rules") were as follows:

倉；或根據聯交所證券上市規則(「上市規則」)上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

(A) Long and Short Positions in the Shares of the Company

(A) 本公司股份之好倉及淡倉

Name 名稱	Capacity 身份	Number of ordinary class of shares 持有普通股股份數目	Approximate percentage of issued voting shares in the Company 佔本公司已發行表決權股 概約百分比
Executive Directors 執行董事			
Mr. Lee 李先生	Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾	440,000,000 (long position 好倉)	49.23%
	Founder of a discretionary trust who can influence how the trustee exercise his discretion ⁽²⁾ 可影響受託人如何行使其酌情權的全權信託之創立人 ⁽²⁾	127,980,000 (long position 好倉)	14.32%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	11,050,000 (long position 好倉)	1.24%
Ms. Chan So Wah 陳素華女士	Beneficial owner 實益擁有人	668,000 (long position 好倉)	0.07%
Independent Non-Executive Directors 獨立非執行董事			
Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	8,800,000 (long position 好倉)	0.98%
Ir Dr. Lo Wai Kwok GBS, MH, JP 盧偉國博士工程師 · GBS, MH, JP	Beneficial owner 實益擁有人	1,000,000 (long position 好倉)	0.11%

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Notes:

1. Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. The 127,980,000 shares, in which 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal Development Limited ("Beautiful Crystal") and Beautiful Colour Assets Limited ("Beautiful Colour") respectively (both companies are wholly-owned by YF Lee Family Trust). YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC (Jersey) Limited ("UBS TC") as trustee on 20 February 2014. The discretionary objects are family members of Mr. Lee. Mr. Lee is the settlor of YF Lee Family Trust and is deemed to be interested in the 127,980,000 shares held by Beautiful Crystal and Beautiful Colour under the SFO.

附註：

1. 李先生持有Precisefull Limited (「Precisefull」)全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此而被視為擁有Precisefull於本公司所持有之權益。
2. 該127,980,000股股份分別由 Beautiful Crystal Development Limited (「Beautiful Crystal」)及 Beautiful Colour Assets Limited (「Beautiful Colour」)持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC (Jersey) Limited (「UBS TC」)作為受託人於二零一四年二月二十日成立之全權信託，其受益對象為李先生之家族成員。李先生作為YF Lee Family Trust之信託委託人，根據證券及期貨條例，彼被視為於Beautiful Crystal及Beautiful Colour所持有之127,980,000股股份中擁有權益。

(B) Long position in underlying Shares of the Company – physically settled unlisted equity derivatives

(B) 於本公司相關股份的好倉 — 實物交收非上市股本衍生工具

Name	Capacity	Number of underlying ordinary class of shares in respect of the share options granted ^(Note) 已授出購股權所涉及的相關普通類別股份數目 ^(附註)	Approximate percentage of issued voting shares in the Company 佔本公司已發行表決權股概約百分比
姓名	身份		
Mr. Lee	Beneficial owner	2,000,000 (long position)	0.22%
李先生	實益擁有人	(好倉)	
Mr. Wong Wing Chuen	Beneficial owner	2,000,000 (long position)	0.22%
黃永銓先生	實益擁有人	(好倉)	
Ms. Chan So Wah	Beneficial owner	2,000,000 (long position)	0.22%
陳素華女士	實益擁有人	(好倉)	

Note: Details of the above share options granted by the Company are set out in the section headed "Share Option Scheme" in this report.

附註：上述本公司已授出的購股權詳情載於本報告「購股權計劃」一節。

Save as disclosed above, as at 31 December 2022, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules. In addition, save as disclosed above, at no time during the year ended 31 December 2022 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2022, the following persons (being substantial shareholders and other persons), other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances

除上文所披露者外，於二零二二年十二月三十一日，概無本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7至第9分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及淡倉；或根據標準守則須知會本公司及聯交所之權益及淡倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零二二年十二月三十一日止整年內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

主要股東及其他於本公司及其相聯法團之股份、相關股份及債券的權益及淡倉

於二零二二年十二月三十一日，下列主要股東及其他人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2至第5分部須向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Long Positions in the Shares

Name	Capacity	Number of ordinary class of shares (Long position)	Approximate percentage of issued voting shares in the Company
名稱	身份	普通股股份數目 (好倉)	佔本公司已發行為表決權股概約百分比

Substantial shareholders

主要股東

Precisefull	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	440,000,000	49.23%
UBS TC	Trustee ⁽²⁾ 受託人 ⁽²⁾	127,980,000	14.32%

Other persons

其他人士

Beautiful Crystal	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	77,980,000	8.73%
Beautiful Colour	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	50,000,000	5.59%

Notes:

1. Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal and Beautiful Colour respectively (both companies are wholly owned by YF Lee Family Trust). The YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC as trustee on 20 February 2014.

Save as disclosed above, at no time during the year, the directors and the chief executive of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the

公司股東大會投票之任何類別股本面值5%或以上之權益或淡倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或淡倉：

股份之好倉

附註：

1. 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
2. Beautiful Crystal及Beautiful Colour分別持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC作為受託人於二零一四年二月二十日成立之全權信託。

除上文所披露者外，於本年度內，本公司董事及主要行政人員並不知悉任何其他人士(本公司董事或主要行政人員除外)於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2至第5分部披露之權益或淡倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類

Company under the provisions of Divisions 2 to 5 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted by ordinary resolution of shareholders of the Company at the annual general meeting of the Company held on 19 May 2017.

The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. The Share Option Scheme will remain valid until 18 May 2027 and the options granted to a grantee will be accepted through payment of HK\$10 as consideration for acceptance.

The participants of the Share Option Scheme may include directors, employees, consultants, professionals, customers, suppliers, agents, partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

An option shall be deemed to have been granted and accepted, when the Company, within 30 days from the date on which an option is offered to an eligible participant, receives, among others, a non-refundable payment of HK\$10 (or such other sum in any currency as the Board may determine) as consideration for the grant.

The maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and under any other share option scheme(s) adopted by the Company must not in aggregate exceed 10% of the shares in issue as at the date of approval of the Share Option Scheme. In addition, the maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes involving the issue or grant of share options by the Company must not, in aggregate, exceed 30% of the shares in issue from time to time.

別股本面值5%或以上權益，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或淡倉。

購股權計劃

於二零一七年五月十九日舉行的本公司股東週年大會上，本公司股東以普通決議案方式採納購股權計劃（「購股權計劃」）。

購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。購股權計劃將一直有效至二零二七年五月十八日及授予承授人的購股權將通過支付10港元作為接納代價而被接納。

購股權計劃之參與者包括本集團或本集團持有權益公司或該公司的附屬公司之董事、僱員、顧問、專業人士、客戶、供應商、代理商、合作伙伴、諮詢人及承辦商。

購股權於當本公司之購股權已向合資格參與者提呈發售當日起計30日內應被視為已授出及獲接納，收取（其中包括）作為授出代價的不可退還付款10港元（或董事會可能釐定任何貨幣的其他金額）。

根據購股權計劃及本公司所採納之其他購股權計劃將予授出之購股權獲悉數行使時可能發行之股份數目，最高不得超過批准購股權計劃當日已發行股份之10%。此外，根據購股權計劃及任何涉及發行或授出本公司購股權的購股權計劃已授出但尚未行使或將予行使之購股權獲行使時可能發行之股份數目，合共不得超過本公司不時已發行股本之30%。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

The total number of shares issued and to be issued upon exercise of the options already granted or to be granted to each participant under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised and outstanding share options) in any 12-month period up to and including the date of such grant should not exceed 1% aggregate of the shares in issue as at the date of such grant. Any grant of further options above this 1% limit shall be subject to approval of the shareholders of the Company at general meetings, with such participant and his associates abstaining from voting.

The period within which the options must be exercised will be specified by the Board at the time of the offer of grant, and must expire no later than 10 years from the date of grant. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme.

The subscription price for any share under the Share Option Scheme will be a price determined by the Board and will be not less than the highest of:

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share on the date of the grant.

The total number of ordinary shares available for issue under the Share Option Scheme as of the effective date of the scheme was 89,376,140, representing 10.0% of the issued share capital of 893,761,400 Shares as at the date of this report.

根據購股權計劃及本公司所採納之其他購股權計劃向每名參與者已授出或將予授出之購股權(包括已行使及尚未行使之購股權)獲行使而於任何12個月期間(包括授予當日)已發行及將予發行之股份總數,不得超過授出日期已發行股份總數之1%。任何進一步授予超過1%上限之購股權必須於股東大會上獲股東批准,而有關參與者及其聯繫人士須放棄投票。

董事會將於授出購股權要約時指明購股權須予行使的期限,必須不遲於購股權授出起計十年。購股權計劃之條款下並無有關必須持有購股權之最短期限或可行使購股權而必須達到之表現目標之一般規定。

購股權計劃項下股份的認購價將由董事會決定,惟該價格不得低於以下最高者:

- (i) 授出有關購股權日期(須為營業日)聯交所每日報價表所列股份收市價;
- (ii) 緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價;及
- (iii) 授出日期股份之面值。

截至計劃生效日期,購股權項下可供發行的普通股總數為89,376,140股,相當於截至本報告日期893,761,400股股份的已發行股本的10.0%。

DIRECTORS' REPORT (CONTINUED) 董事會報告(續)

On 31 October 2022, an aggregate of 40,210,000 share options of the Company was granted under the Share Option Scheme to subscribe for up to an aggregate of 40,210,000 ordinary shares, representing approximately 4.50% of the existing issued share capital of the Company.

As at 1 January 2022 and 31 December 2022, the number of options available for grant under the currently in-place scheme mandate for the Share Option Scheme was 89,376,140 options and 49,166,140 options, respectively, representing approximately 10.0% and 5.5% of the total issued share capital of the Company as at the date of this report.

As at 1 January 2022 and 31 December 2022, the total number of ordinary shares available for issue (less those exercised, cancelled and lapsed) under the Share Option Scheme was 89,376,140 and 89,376,140, representing 10.0% and 10.0% of the issued share capital of 893,761,400 Shares as at the date of this report respectively.

Details of the share options granted to (i) each of the Directors, chief executive or substantial shareholders of the Company, or their respective associates, (ii) each related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the ordinary shares in issue; and (iii) other employee participants, related entity participants and

於二零二二年十月三十一日，本公司授出合共40,210,000份購股權，以認購本公司股本中最多合共40,210,000股普通股，佔本公司已發行股本約4.50%。

於二零二二年一月一日及二零二二年十二月三十一日，購股權計劃現行生效的計劃授權項下可供授出的購股權數目分別為89,376,140份購股權及49,166,140份購股權，相當於本報告日期本公司已發行股本總數的約10.0%及5.5%。

於二零二二年一月一日及二零二二年十二月三十一日，購股權計劃項下可供發行的普通股總數(減已行使、已註銷及已失效的股份)分別為89,376,140股及89,376,140股，相當於於本報告日期893,761,400股股份的已發行股本的10.0%及10.0%。

根據本公司於二零二二年十二月三十一日已向(i)本公司各董事、最高行政人員或其他的主要股東，及彼等各自的聯繫人；(ii)在任何12個月期間已授予和將授予超過已發行普通股0.1%的購股權的各相關實體參與者或服務供應商；及(iii)按類別

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

service providers by category, and remained outstanding as at 31 December 2022 under the Share Option Scheme are as follows:

劃分的其他員工參與者、相關實體參與者和服務供應商授出而尚未行使之購股權之詳情如下：

Date of Grant	Exercise Price	Exercise period	Outstanding as at 1 January 2022 二零二二年一月一日 尚未行使	Granted during the year 年內授出	Lapsed during the year 年內失效	Cancelled during the year 於年內 已註銷	Exercised during the year 年內行使	Outstanding as at 31 December 2022 二零二二年十二月三十一日 尚未行使
授出日期	行使價 HK\$ 港元	行使期						

(A) Directors, chief executive or substantial shareholders of the Company (and their respective associates)

董事、行政總裁或主要股東(及彼等各自的聯繫人)

Directors

董事

Mr. Lee Yuen Fat	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	2,000,000	—	—	2,000,000
李遠發先生	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)					
Mr. Wong Wing Chuen	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	2,000,000	—	—	2,000,000
黃永銓先生	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)					
Ms. Chan So Wah	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	2,000,000	—	—	2,000,000
陳素華女士	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)					

Directors' associate

董事之聯繫人

Mr. Li Yuen Wah	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	600,000	—	—	600,000
李遠華先生	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)					

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

	Date of Grant	Exercise Price	Exercise period	Outstanding as at 1 January 2022 二零二二年 一月一日 尚未行使	Granted during the year 年內授出	Lapsed during the year 年內失效	Cancelled during the year 於年內 已註銷	Exercised during the year 年內行使	Outstanding as at 31 December 2022 二零二二年 十二月三十一日 尚未行使
	授出日期	行使價 HK\$ 港元	行使期						
(B) Each related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the ordinary shares in issue 在任何12個月期間已授予和將授予超過已發行普通股 0.1% 的購股權的各相關實體參與者或服務供應商									
Mr. Keung Wing Ching	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	2,000,000	—	—	—	2,000,000
姜永正先生	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)						
Mr. Au Yeung Kai Chor	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	2,000,000	—	—	—	2,000,000
歐陽啟初先生	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)						
(C) Other service providers 其他服務供應商									
Other service providers	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	1,800,000 (Note 3)	—	—	—	1,800,000 (Note 3)
其他服務供應商	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)		(附註3)				(附註3)
(D) Employee participants 員工參與者									
Employee participants	31 October 2022	0.39 (Note 1)	31 October 2023 to 31 October 2027 (Note 2)	—	27,810,000	—	—	—	27,810,000
員工參與者	二零二二年十月三十一日	0.39 (附註1)	二零二三年十月三十一日至二零二七年十月三十一日 (附註2)						
Total 合計				0	40,210,000	0	0	0	40,210,000

Notes:

- The closing price immediately before the date of grant (i.e. 31 October 2022) was HK\$0.385.
- All options granted are vested in two tranches within a period of two years in proportions of 50% and 50% of the share options granted, i.e. 50% of the share options granted shall vest on the 1st anniversary of the grant (i.e. 31 October 2023) and the remaining 50% of the share options granted shall vest on the 2nd anniversary of the grant (i.e. 31 October 2024).

附註:

- 緊接授出日期(即二零二二年十月三十一日)前的收市價為0.385港元。
- 所有已授出的購股權歸屬期為按50%及50%比例的已授出購股權於兩年內分兩批歸屬,即50%的已授出購股權應於授出日期的第一個週年(即二零二三年十月三十一日)歸屬,而餘下50%的已授出購股權應於授出日期的第二個週年(即二零二四年十月三十一日)歸屬。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

3. It refers to the aggregate options granted to other service providers and remained outstanding as at 31 December 2022, without taking in account 2,000,000 and 2,000,000 options granted to service providers, Mr. Keung Wing Ching and Mr. Au Yeung Kai Chor, respectively, as separately disclosed under "(B) Each related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the ordinary shares in issue" in the table above.
4. There was no performance target for all options granted on 31 October 2022.
5. Since there was no exercise of options during the year ended 31 December 2022, therefore this report is not required to disclose the weighted average closing prices of the Shares immediately before the dates on which the options were exercised during the year.

The share options granted are recognised in the financial statements. The information on measurement of the fair value of share options is set out in note 39(a) to the financial statements.

SHARE AWARD SCHEME

On 10 January 2013 (the "Adoption Date"), the Board adopted a share award scheme (the "Share Award Scheme") under which the ordinary shares of the Company (the "Awarded Shares") may be awarded to selected persons to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme was valid and effective for a term of ten years commencing on the Adoption Date until 9 January 2023.

The participants of the Share Award Scheme included executives, officers, employees, directors of the Company or any of its subsidiary, any business or joint venture partner, investor, consultant, adviser or agent of any member of the Group.

The Share Award Scheme shall be subject to the administration of the Administration Committee in accordance with the rules of the Share Award Scheme and the terms of the trust deed.

3. 誠如上表「(B)每名相關實體參與者或服務提供商，已授出及於任何12個月期內將予授出的購股權超過已發行普通股的0.1%」單獨披露者，指已向其他服務提供商授出的購股權總數，並於二零二二年十二月三十一日仍為尚未行使，並無計及已向服務提供商姜永正先生及歐陽啟初先生分別授出的2,000,000份及2,000,000份購股權。
4. 於二零二二年十月三十一日已授出的所有購股權概無業績目標。
5. 由於截至二零二二年十二月三十一日止年度概無行使購股權，故本報告緊接年內購股權獲行使當日前無須披露股份的加權平均收市價。

授出的購股權已於財務報表確認。有關計量購股權公平值之資料載於財務報表附註39(a)。

股份獎勵計劃

於二零一三年一月十日（「採納日期」），董事會採納股份獎勵計劃（「股份獎勵計劃」）。據此，本公司普通股股份（「獎勵股份」）可授予經甄選人士以表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。股份獎勵計劃將由採納日期起生效，有效期為十年至二零二三年一月九日。

股份獎勵計劃之參與者包括本公司或其任何附屬公司之行政人員、高級職員、僱員、董事、本集團之任何業務或合營夥伴、投資者、顧問、諮詢人或代理。

股份獎勵計劃會依據股份獎勵計劃之規則及信託契據之條款，由行政管理委員會管理。

Pursuant to the Share Award Scheme, the Board shall select the eligible persons for participation in the Share Award Scheme and determine the number of shares to be awarded. Shares shall be acquired by an independent trustee at the cost of the Company or shares will be allotted to the independent trustee under the general mandate granted or to be granted by the shareholders of the Company at general meetings from time to time and be held in trust for the awarded persons until the end of each vesting period. Vested shares shall be transferred at no cost to the awarded persons. No money shall be payable on the Awarded Shares granted under the Share Award Scheme.

Where any Awarded Shares are proposed to be offered to a connected person of the Company (as defined under Chapter 14A of the Listing Rules), such offer of Awarded Shares has to be first approved by the independent non-executive directors of the Company and the Company shall comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of such offer (including but not limited to the obtaining of independent Shareholders' approval if necessary).

Based on the 890,435,400 Shares in issue as at the Adoption Date, the maximum number of Awarded Shares under the Share Award Scheme would be 44,521,770 shares, representing approximately 4.98% of the issued share capital of the Company as at 31 December 2022 and as at the date of this report, and the maximum number of shares which may be awarded to an awarded person under the Share Award Scheme would be 8,904,354 shares.

Any awarded shares and the related income thereof which are referable to a selected person shall vest in that selected person in accordance with the timetable and conditions as imposed by the Board at its absolute discretion.

Since the Adoption Date and up to 31 December 2022 (the "Relevant Period"), only 210,000 award has been granted during the year ended 31 December 2014, all of which have been vested, and as a result there was no unvested award as at 1 January 2022 and up to 31 December 2022.

根據股份獎勵計劃，董事會將甄選合資格人士參與股份獎勵計劃，並釐定予以獎勵股份之數目。股份將由獨立受託人購入，成本由本公司支付，或股份將根據於股東大會上不時由本公司股東授予或將授予的一般授權分配予獨立受託人，並以信託方式為獲獎勵人士持有，直至各歸屬期完結止。歸屬股份將無償轉讓予獲獎勵人士。根據股份獎勵計劃授出的獎勵股份無需支付任何款項。

倘擬向本公司之關連人士(定義見上市規則第14A章)授予任何獎勵股份，該授予獎勵股份之建議須事先經本公司獨立非執行董事批准，且本公司將就有關建議遵守上市規則第14A章之適用規定(包括但不限於在需要時取得獨立股東批准)。

根據於採納日期已發行890,435,400股股份計算，股份獎勵計劃可授出之獎勵股份數目上限為44,521,770股股份(佔本公司於二零二二年十二月三十一日及於本報告日期已發行股份4.98%)及股份獎勵計劃可獎勵予每名獲獎勵人士之股份數目上限為8,904,354股股份。

任何獎勵股份及其可轉介予選定人士的相關收入應根據董事會全權酌情決定的時間表及條件歸屬於該選定人士。

由於採納日期及直至二零二二年十二月三十一日(「有關期間」)，僅於截至二零一四年十二月三十一日止年度授出210,000項獎勵，所有獎勵已獲歸屬，因此，於二零二二年一月一日及直至二零二二年十二月三十一日止年度並無尚未歸屬的獎勵。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

For the year ended 31 December 2022, no Awarded Share was granted, vested, lapsed or cancelled pursuant to the Share Award Scheme.

As at 1 January 2022 and 31 December 2022, 44,311,770 ordinary shares remains available for future grants of the awards, representing approximately 5.0% of the total issued share capital of the Company as at the date of this report.

The number of shares that may be issued in respect of options and awards granted under the Share Option Scheme and the Share Award Scheme during the Year divided by the weighted average number of ordinary shares in issue for the Year is 0.045.

The Share Award Scheme expired on 9 January 2023.

COMPETING BUSINESS

None of the directors of the Company had any interest in any business, which competes or is likely to compete, either directly or indirectly, with the Company or any of its subsidiaries during the year under review. Each of Mr. Lee and Precisefull (the controlling shareholders (within the meaning of the Listing Rules) of the Company) has provided a written confirmation, which has been reviewed and confirmed by the independent non-executive directors of the Company, confirming that they have complied with the terms of a Deed of Non-competition entered into between them and the Company for the year ended 31 December 2022.

PUBLIC FLOAT

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

CONNECTED TRANSACTION AND RELATED PARTY TRANSACTIONS

On 19 December 2022, Good Hero Development Limited (佳濠發展有限公司), an indirect wholly-owned subsidiary of the Company (the "Purchaser") entered into the sale and purchase agreement with Mr. Lee Yuen Fat ("Mr. Lee") and Ms. Chan So Wah ("Ms. Chan") as vendors, pursuant to which the Purchaser has agreed to acquire the entire

於截至二零二二年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份，亦無獎勵股份歸屬、失效或取消。

於二零二二年一月一日及二零二二年十二月三十一日，44,311,770股普通股仍為可供日後授出的獎勵，相當於本公司於本報告日期的已發行股份總數的約5.0%。

根據購股權計劃及股份獎勵計劃年內授出的購股權及獎勵而可能發行的股份數目除以已發行普通股加權平均數等於0.045。

股份獎勵計劃已於二零二三年一月九日失效。

競爭業務

於回顧年度，本公司董事概無於與本公司或其任何附屬公司競爭或可能競爭、直接或間接的任何業務中擁有任何權益。本公司控股股東(定義見上市規則)李先生及 Precisefull 各自已提供書面確認，並由本公司獨立非執行董事審閱及確認，彼等於截至二零二二年十二月三十一日止年度內已遵守本公司與彼等所訂立之不可競爭契據之條款。

公眾持股量

於本報告日，根據本公司可以得悉之公開資料及本公司董事亦知悉之情況下，本公司已按上市規則之要求，維持足夠公眾持股量。

關連交易及關聯方交易

於二零二二年十二月十九日，本公司之一家間接全資附屬公司 Good Hero Development Limited (佳濠發展有限公司)(「買方」)與賣方李遠發先生(「李先生」)及陳素華女士(「陳女士」)訂立買賣協議收購百亨企業有限公司(「百亨」)的全部已發行股本，代價為7,534,000港元(「收購事項」)。收購

issued share capital of Bestgrand Enterprises Limited (“Bestgrand”) at a consideration of HK\$7,534,000 (“Acquisition”). Bestgrand is the sole legal and beneficial owner of the properties of Room 403 and 404, Block A, Guanlan Garden, Golf Avenue, Guanlan Town, Baoan District, Shenzhen, the PRC.

As vendors are Mr. Lee (being the chairman of the Board, an executive director and controlling shareholder of the Company) and Ms. Chan (being the executive director of the Company), vendors are connected persons of the Company and the Acquisition constituted a connected transaction for the Company. As one or more of the applicable percentage ratios in respect of the Acquisition under the aforesaid sale and purchase agreement exceeds 0.1% but is less than 5%, the Acquisition is subject to reporting and announcement requirements but is exempt from the circular and independent Shareholders' approval under Chapter 14A of the Listing Rules. The Company has complied with the requirement under Chapter 14A of the Listing Rules in respect of the Acquisition. The Acquisition also constituted a related party transaction for the Company.

Details of the above Acquisition are set out in the Company's announcement dated 19 December 2022. As at the date of this Report, the Acquisition has completed. The Acquisition was also set out in the section headed “Significant Investments, Acquisitions and Disposal” in the Management Discussion and Analysis in this report.

Save as disclosed above, there was no other non-exempted connected transaction entered into by the Company during the year. The related party transactions as disclosed in note 43 to the consolidated financial statements, save as disclosed above, do not fall within the definition of connected transactions under Chapter 14A of the Listing Rules.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transaction.

事項亦構成本公司的一項關連交易。百亨為於中國深圳市寶安區觀瀾鎮高爾夫大道觀瀾豪園A棟403、404室的住宅物業的唯一法定及實益擁有人。

由於李先生(即本公司的董事會主席、執行董事及控股股東)及陳女士(即本公司的執行董事)為賣方，故賣方為本公司的關連人士，且收購事項構成本公司的一項關連交易。由於上述買賣協議項下的收購事項的一項或多項適用百分比率超過0.1%但低於5%，故根據上市規則第14A章，收購事項須遵守申報及公告規定，惟獲豁免遵守通函及獨立股東批准規定。本公司就收購事項已遵守上市規則第14A章的規定。本收購事項亦構成本公司的一項關聯方交易。

上述收購事項的詳情載於本公司日期為二零二二年十二月十九日的公告內。截至本報告日期，收購事項已完成。收購事項亦載於本報告的管理層討論及分析「重大投資、收購和出售」一節內。

除上文所披露外，本公司於年內並沒有訂立其他非豁免關連交易。綜合財務報表附註43所載各關聯人士交易，除上文所披露外，不屬於上市規則第14A章關連交易的定義。

本公司確認，其已就上述關連交易遵守上市規則第14A章的披露規定。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

EVENTS AFTER THE REPORTING PERIOD

On 28 March 2023, the Board has recommended the payment of a final dividend of HK2.0 cents per share (2021: HK3.0 cents per share) for the year ended 31 December 2022 to the shareholders whose names appear on the register of members of the Company on Monday, 12 June 2023. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on Tuesday, 30 May 2023, the final dividend will be paid on or about Monday, 19 June 2023.

AUDITOR

At the last annual general meeting of the Company, RSM Hong Kong was re-appointed as the auditor of the Company.

The consolidated financial statement has been audited by RSM Hong Kong who will retire and, being eligible, offer themselves for re-appointment.

The Company will propose a resolution in relation to the re-appointment of RSM Hong Kong and to set its remuneration at the forthcoming annual general meeting.

OTHER CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Other changes in directors' and chief executive's information for the year ended 31 December 2022 are set out below:

Mr. Lee Yuen Fat, an executive director of the Company, was conferred the "China Foundry Lifetime Achievement Award" by the China Foundry Association in September 2022.

Save as the information disclosed above, there is no change in directors' and chief executive's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the year ended 31 December 2022.

By order of the Board

Lee Yuen Fat

Chairman

Hong Kong, 28 March 2023

報告期間完結後事項

於二零二三年三月二十八日，董事會建議向於二零二三年六月十二日(星期一)名列本公司股東名冊之股東派付截至二零二二年十二月三十一日止年度之末期股息每股2.0港仙(二零二一年：每股3.0港仙)。待本公司股東在二零二三年五月三十日(星期二)舉行之應屆股東週年大會批准後，末期股息將於二零二三年六月十九日(星期一)或前後派付。

核數師

於本公司上屆股東週年大會上，羅申美會計師事務所獲續聘為本公司核數師。

綜合財務報表已由將退任且合資格並願意膺選連任之羅申美會計師事務所審核。

本公司將於應屆週年股東大會提呈續聘羅申美會計師事務所並決定彼等之酬金之決議案。

董事及主要行政人員資料的其他變更

截止二零二二年十二月三十一日止年度的董事及主要行政人員資料其他變更載列如下：

本公司執行董事李遠發先生於二零二二年九月獲中國鑄造協會授予中國鑄造行業終身成就獎。

除上文所披露資料外，概無任何董事及主要行政人員變更資料於二零二二年十二月三十一日年度須根據上市規則第13.51B(1)條之規定予披露。

承董事會命

李遠發

主席

香港，二零二三年三月二十八日

The board of directors of the Company (the “Board”) believes that good corporate governance practices are essential for promoting investors’ confidence and maximising shareholders’ returns. The Board is committed to maintaining a high standard of corporate governance and reviews its corporate governance practices on a regular basis.

With the above in mind, the Company has applied the principles and adopted corporate governance practices as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in its corporate governance. In accordance with the requirements of the Listing Rules and also to enhance its corporate governance practices, the Company has also adopted a number of corporate governance policies, including but not limited the board diversity policy, director nomination policy, shareholders’ communication policy, dividend policy, risk management policy, inside information policy, anti-corruption policy and whistleblowing policy.

For the year ended 31 December 2022 and up to the date of this report, the Board is of the view that Company has been in compliance with all the applicable code provisions of the CG Code, the details of which are explained in the relevant paragraphs below.

THE BOARD

The members of the Board are collectively responsible for formulating the Group’s overall business strategies, monitoring and evaluating its operating and financial performance and reviewing the corporate governance standard of the Company. The day-to-day management, administration and operation of the Company are all led by the chief executive officer of the Company. The Board has delegated a series of responsibilities to the senior management of the Company, which include the implementation of decisions of the Board, the coordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems. The Board has the full support of the senior management to discharge its responsibilities.

本公司董事會（「董事會」）相信良好之企業管治守則對於提高投資者的信心和增加股東的回報至為重要。董事會一向致力維持高水平的企業管治及定期檢討本公司之企業管治守則。

基於上述情況，本公司已應用此等原則並採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治守則》（「企業管治守則」）所載之企業管治守則於其企業管治。為符合上市規則的要求並增強公司企業管治水準，本公司還採用了許多企業管治政策，包括但不限於董事會成員多元化政策、董事提名政策、股東溝通政策、股息政策、風險管理政策、內幕消息政策、反貪腐政策以及舉報政策。

於截至二零二二年十二月三十一日止年度及截至本報告日期止，董事會認為本公司已遵守企業管治守則中所載適用的所有守則條文，詳情載於下文有關段落。

董事會

董事會成員共同負責制訂本集團之整體業務策略，及監管和評估本集團其營運與財務上之表現，並檢討本公司之企業管治水平。本公司的日常管理、行政及營運均由本公司行政總裁領導。董事會已將一系列職責轉授予本公司高級管理層，包括執行董事會的決策、依照董事會批准的管理策略及計劃對本公司日常運作及管理作出協調及指揮、制定及監察生產和營運計劃及預算，以及監督及監察監控制度。董事會亦獲高級管理層全力支持履行其職責。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

As at 31 December 2022, the Board comprises eight members as follows:

Executive Directors

Mr. Lee Yuen Fat (*Chairman*)
Mr. Wong Wing Chuen (*Vice Chairman*)
Mr. Chu Weiman (*Chief Executive Officer*)
Ms. Chan So Wah

Independent Non-executive Directors

Professor Sun Kai Lit, Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok, *GBS, MH, JP*
Mr. Andrew Look
Mr. Kong Kai Chuen, Frankie
(formerly known as Kong To Yeung, Frankie)

Biographical details of the directors of the Company (“Directors”) as at the date of this report are set out on pages 20 to 24 of this report.

Save as disclosed in the section headed “Directors and Senior Management” in this report, the Board members have no financial, business, family or other material/relevant relationships with each other as at 31 December 2022.

In accordance with the Company’s articles of association, a person may be appointed as a Director either by the shareholders in general meeting or by the Board. Any Directors appointed by the Board as additional Directors or to fill casual vacancies shall only hold office until the next annual general meeting after that director’s appointment, and are eligible for re-election at that annual general meeting by the shareholders. In addition, all directors (including independent non-executive Directors) are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the Articles of Association of the Company and should be subject to retirement by rotation at least once every three years.

The Board conducts four regular scheduled meetings a year on a quarterly basis generally and ad hoc meetings are convened when circumstances require. Notice of at least 14 days is given to all Directors for all regular Board meetings and all Directors are given opportunity to include

於二零二二年十二月三十一日，董事會包括下列八名成員：

執行董事

李遠發先生 (*主席*)
黃永銓先生 (*副主席*)
初維民先生 (*行政總裁*)
陳素華女士

獨立非執行董事

孫啟烈教授 *BBS, JP*
盧偉國博士 *工程師, GBS, MH, JP*
陸東先生
江啟銓先生
(前稱江道揚)

於本報告日，本公司董事（「董事」）之個人資料詳情載於本報告第20至第24頁。

除本報告中「董事和高級管理人員」一節中披露的內容外，於二零二二年十二月三十一日，各董事會成員之間並沒有財務、業務、親屬或其他重大或相關之關係。

根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。任何獲董事會委任為額外董事或委任以填補臨時空缺的董事的任期，於其委任後，僅直至下屆股東周年大會為止，惟彼等符合資格於該股東周年大會由股東重選。此外，所有董事（包括獨立非執行董事）須按照本公司組織章程細則的條文在本公司之股東週年大會上輪值告退及膺選連任，並應至少每三年進行一次輪值告退。

董事會於年內一般舉行四次定期會議，約每季度一次，並於情況需要時召開特別會議。董事會的所有定期會議通知最少在會議前十四天發給所有董事，所有董事均可提出討論事項列入會議議程。董事會會議紀錄初稿會發送予全體董事以發

matters for discussion in the agenda. Draft minutes of Board meetings are circulated to all Directors for comments. Minutes of Board meetings with details of matters considered by the Board and decisions reached are kept by the Company Secretary and open for inspection by the Directors.

During the year, five Board meetings and one annual general meeting were held and details of attendance of Directors are set out in the table on page 60 of this report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision C.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. The roles of chairman and CEO of the Company are separate and are not performed by the same individual. Mr. Lee Yuen Fat, the Chairman and an executive director of the Company, is responsible for the leadership and effective running of the Board while Mr. Chu Weiman, the CEO, is responsible for the overall management and supervision of the execution of the overall business strategies of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors were appointed for a term of two years. To further strengthen the standard of corporate governance, the Company follows the CG Code and requires any re-appointment of an independent non-executive Director who has served on the Board for over nine years to be subject to a separate resolution to be approved by shareholders. In such cases, the Board will set out in the annual report or circular the reasons why it considers such Director to continue to be independent and should be re-elected.

Each of the independent non-executive Directors has confirmed in writing his independence from the Company in accordance with Rule 3.13 of the Listing Rules. On this basis, the Company considers all such Directors to be independent.

表意見。董事會會議紀錄詳細紀錄董事局考慮之事項及達致的決定，由公司秘書備存，董事可隨時查閱。

於本年度內，本公司已舉行五次董事會會議及一次股東週年大會，個別董事之出席資料詳載於本報告第60頁。

主席及行政總裁

根據企業管治守則之守則條文第C.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司之主席及行政總裁之角色已分開及不是由同一人出任。李遠發先生為本公司之主席及執行董事，負責領導及有效地管理董事會；而初維民先生為本公司之行政總裁，負責本集團的整體管理及監督整體業務策略的執行。

獨立非執行董事

所有獨立非執行董事之任期為兩年。為進一步提高企業管治水平，本公司依照企業管治守則，已要求凡服務董事會超過九年之獨立非執行董事，須獲得股東以獨立決議案方式批准，方可連任。如有此情況，董事會將在年報或通告函中向股東列明其認為該董事仍屬獨立人士以及應獲重選之原因。

各獨立非執行董事已根據上市規則第3.13條就其獨立性以書面作出確認；因此，本公司認為該等董事確屬獨立人士。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

With their different experiences and expertises, the independent non-executive Directors supervise and provide independent judgement to the Board on strategic and significant matters. The Board seeks to develop an effective working environment for the executive and independent non-executive Directors so as to improve the quality of the decisions made by the Board without constraining the independent views of the independent non-executive Directors. Regular Board meetings were held during the year with open discussions between the executive Directors and the independent non-executive Directors to enhance communication and effective working relationship. The Board had reviewed the effectiveness of the Group's mechanism to ensure independent views and inputs being available to the Board for the year ended 31 December 2022, and considered it effective.

LIABILITY INSURANCE FOR THE DIRECTORS

The Company has in force appropriate insurance coverage on Directors' and officers' liabilities arising from the Group's business. The Company reviews the extent of insurance coverage on an annual basis.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are regularly briefed on the amendments to or updates on the Listing Rules, corporate governance practices, applicable regulatory regimes and the business development of the Group. To keep abreast of the responsibilities of the Directors and infuse them with new knowledge, an in-house seminar was conducted during the year and all Directors attended the seminar and complied with code provision C.1.4 of the CG code. Apart from what the Company had arranged, some of the Directors also attended other external training seminars.

BOARD COMMITTEES

The Board is supported by a number of committees, including the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the websites of the Company and the Stock Exchange. All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

獨立非執行董事憑藉其不同的經驗和專業知識，監督並就戰略性和重大事項向董事會提供獨立判斷。董事會力求為執行董事及獨立非執行董事營造有效的工作環境，以在不限制獨立非執行董事發表獨立意見的情況下提高董事會決策的質素。年內定期召開董事會會議，執行董事與獨立非執行董事進行公開討論，以加強溝通及提升有效率的工作關係。董事會已審核本集團機制的有效性，以確保董事會於截至二零二二年十二月三十一日止年度可獲得獨立意見和參與，並認為其有效。

董事責任保險

本公司已就董事及行政人員因本集團業務而引起之責任購買適當保險，本公司每年檢討保險所保障之範圍。

持續專業發展

董事亦定期獲簡介有關上市規則、企業管治常規、相關法例之修訂及本集團的業務發展。為使董事瞭解其職責及灌輸新的知識，於本年度內已舉行了一次內部研討會，所有董事均有參加及已遵守企業管治守則之守則條文第C.1.4條。除由本公司作出之安排外，若干董事亦有參加其他外部培訓研討會。

董事會委員會

董事會獲得多個委員會包括審核委員會、提名委員會、薪酬委員會及風險管理委員會的支援。各董事會委員會均設經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司及聯交所網站可供查閱。所有董事會委員會均獲提供足夠資源以履行其職務，包括於需要時取得管理層或專業意見。

Audit Committee

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review the Company's financial reports, make recommendations on the appointment, removal and remuneration of independent auditor, approve audit services, develop, implement and review a policy on engaging independent auditors to supply non-audit services, approve the scopes and fees for non-audit assignments, supervise the Company's internal financial reporting procedures and management policies, review the Company's risk management and internal control systems as well as the internal audit function, and other duties under the CG code. RSM Hong Kong will confirm its independence before accepting the engagement of non-audit services. The Audit Committee comprises four independent non-executive directors, namely Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *GBS, MH, JP* and Mr. Andrew Look and is chaired by Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), a qualified accountant with extensive experience in financial reporting and controls.

During 2022, the Audit Committee held three meetings. Major work completed by the Audit Committee during the year included: (i) reviewed the interim and annual results of the Group; (ii) reviewed significant accounting and audit issues of the Company; (iii) reviewed the internal audit report and advised on the material risks facing the Group; (iv) reviewed the risk management and internal control systems of the Group; (v) assisted the Board to evaluate the effectiveness of the Company's internal audit function; and (vi) made recommendation to the Board on the re-appointment of the auditors of the Company.

Nomination Committee

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive Directors; making recommendations to the Board on the appointment of Directors and succession planning for Directors. The Nomination Committee consists of (i) four independent non-executive Directors, namely Professor Sun

審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱本公司之財務報告、就委任及罷免獨立核數師以及其薪酬提供推薦建議、批准審計服務、就外聘獨立核數師提供非審計服務制定、審核及執行政策，並批准非審計工作的範圍和費用、監察本公司之內部財務匯報程序及管理政策，檢討本公司之風險管理及內部監控系統以及內部審核職能，以及其他在企業管治常規下的職責。羅申美會計師事務所將在接受非審計服務聘用前確認其獨立性。審核委員會由四名獨立非執行董事組成，分別為江啟銓先生(前稱江道揚)、孫啟烈教授*BBS, JP*、盧偉國博士*工程師, GBS, MH, JP*及陸東先生，而江啟銓先生(前稱江道揚)為審核委員會之主席，彼為合資格會計師，於財務報告及控制擁有豐富經驗。

於二零二二年，審核委員會舉行了三次會議。審核委員會於年內完成的主要工作包括：(i)審閱本集團之中期及全年業績；(ii)審閱本公司主要會計及核數事項；(iii)審閱內部審核報告及就本集團面對之重大風險提供意見；(iv)審閱本集團之風險管理與內部監控系統；(v)協助董事會評估本公司內部審核功能之有效性；及(vi)就本公司核數師之重新委任向董事會提供推薦建議。

提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、規模及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提供推薦建議、評核獨立非執行董事的獨立性、就委任董事及董事繼任計劃向董事會提供意見。提名委員會由(i)四名獨立非執行董事孫啟烈教授*BBS, JP*、

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *GBS, MH, JP*, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), and (ii) one executive Director, Mr. Chu Weiman. Professor Sun Kai Lit, Cliff *BBS, JP* is the Chairman of the Nomination Committee.

During 2022, the Nomination Committee held one meeting. Major work completed by the Nomination Committee during the year included: (i) recommended the directors to be re-elected at annual general meeting; (ii) assessed the independence of independent non-executive directors of the Company; and (iii) reviewed the structure, size and the composition of the Board.

Remuneration Committee

The Company established the Remuneration Committee in June 2007. The major duties 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, including the review and/or approval of matters relating to share schemes under Chapter 17 of the Listing Rules. It also reviews and determines the terms of remuneration packages, the award of bonuses and other compensation payable to individual Directors and senior management with reference to the Board's corporate goals and objectives. The Remuneration Committee consists of (i) four independent non-executive Directors, namely Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *GBS, MH, JP*, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie); and (ii) one executive Director, Mr. Chu Weiman. The Chairman of the Remuneration Committee is Professor Sun Kai Lit, Cliff *BBS, JP*, an independent non-executive director.

During 2022, the Remuneration Committee held one meeting. Major work completed by the Remuneration Committee during the year included: (i) determined and approved the remuneration and bonus payable to executive directors of the Company; and (ii) recommended the grant of share options. In recommending the grant of share options, the Remuneration Committee had taken into account factors such as the prevailing market price of the shares, the fact that the grant of the share options to employees and directors would provide incentives and motivate them to perform their best and contribute to the

盧偉國博士工程師，*GBS, MH, JP*、陸東先生、江啟銓先生(前稱江道揚)和(ii)一名執行董事初維民先生組成，而孫啟烈教授*BBS, JP*為提名委員會之主席。

於二零二二年，提名委員會舉行了一次會議。提名委員會於年內完成的主要工作包括：(i)建議在股東週年大會上重選董事；(ii)評核本公司獨立非執行董事的獨立性；及(iii)檢討董事會的架構、規模和組成。

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬，包括審閱和／或批准上市規則第17章有關股份計劃的事宜。薪酬委員會由(i)四名獨立非執行董事孫啟烈教授*BBS, JP*、盧偉國博士工程師，*GBS, MH, JP*、陸東先生、江啟銓先生(前稱江道揚)和(ii)一名執行董事初維民先生組成。薪酬委員會之主席為獨立非執行董事孫啟烈教授*BBS, JP*。

於二零二二年，薪酬委員會舉行了一次會議。薪酬委員會於年內完成的主要工作包括：(i)決定及批准本公司執行董事的薪酬和花紅；及(ii)建議授出購股權。在建議授出購股權時，薪酬委員會已考慮不同因素，包括股份的現行市價、授出購股權予僱員及董事以提供激勵及鼓勵彼等竭盡所能為公司的成功作出貢獻的事實，而授出購股權予

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

success of the Company, while grants that were provided to the five consultants as service providers were as service fees for such consultants, which would also provide motivations for them to create value for the Company going forward without affecting the operating cost of the Company. Options granted to consultants with diversified experience were incentives for helping the Group expand and explore new business projects and opportunities, details of their services provided were set out in the announcement dated 31 October 2022.

The Remuneration Committee was of the view that the grants were appropriate and no performance target and clawback mechanism was necessary as (i) the primary reason for the grants were to recognize the satisfactory performance and contributions made by the grantees before the grant, (ii) the exercise price of the share options represents a certain premium over the market price of the Shares preceding the date of grant, (iii) the share options would be vested in two tranches within a period of two years in proportions of 50% and 50% of the share options granted and (iv) it was the Company's general practice to grant share options without any performance target and clawback mechanism.

The terms of reference of Remuneration Committee were amended by the written resolutions of all directors of the Company taking effect on 1 January 2023. The amended terms of reference incorporated amendments to the Listing Rules which took effect on the same date and includes the duty of reviewing and/or approving matters relating to the share schemes under Chapter 17 of the Listing Rules. Updated terms of reference of Remuneration Committee are disclosed in full on the websites of the Company and the Stock Exchange.

五名作為服務供應商的顧問作為彼等服務費，也將為他們提供動力，為公司創造價值，同時亦不影響公司的運營成本。向具有多元化經驗的顧問授出的購股權被視為獎勵以助本集團擴展及探索新業務項目及機遇，有關彼等所提供的服務詳情載於日期為二零二二年十月三十一日的公告內。

薪酬委員會認為，該等授出屬適當，且無須業績目標及回補機制，原因是(i)該等授出的主要原因旨在於授出前確認令人滿意的業績及承授人作出的貢獻；(ii)購股權的行使價相當於授出日期前高於股份市價的若干溢價；(iii)購股權的歸屬期為按50%及50%比例的已授出購股權於兩年內分兩批歸屬及(iv)授出購股權，並無任何業績目標及回補機制乃本公司通常慣例。

薪酬委員會之職權範圍已經本公司全體董事書面決議修訂，並於2023年1月1日生效。已修訂之職權範圍加入在同一天生效的香港聯合交易所有限公司證券上市規則之修訂及包括審閱及／或批准香港聯合交易所有限公司證券上市規則第17章所述有關股份計劃的事宜的職權。已修訂之職權範圍全文載於本公司網站和聯交所網站。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The remuneration of the members of senior management (except directors) who were employed by the Group during the year ended 31 December 2022, shown by band, is set out below:

於截至二零二二年十二月三十一日之年度，由本集團聘請的高級管理人員(董事除外)的薪酬，按薪酬組別劃分，載列如下：

		Number of individuals 人數
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元至 2,000,000 港元	2

Risk Management Committee

The Company has set up the Risk Management Committee with terms of reference in October 2020. The main responsibilities of the Risk Management Committee include monitor and review the process of the risk management and internal control, and advise the Board on the appropriateness, effectiveness of and the proposed improvements to be made to the existing risk management and internal control systems; provide recommendations to the management on risk management and internal control, and set up procedures to unveil, assess and manage material risk factors and ensure that management discharges its responsibility to implement effective risk management and internal control systems; and review with the Group's management, external auditor and the internal audit function, the adequacy of the Group's policies and procedures regarding risk management and internal control systems and any relevant statement by the directors to be included in the annual accounts prior to their endorsement by the Board. The Risk Management Committee currently comprises (i) the Chief Executive Officer of the Company (namely Mr. Chu Weiman) as its chairman, (ii) Director of Manufacturing (namely Mr. Wong Wing Chuen), (iii) Director of Planning and Management (namely Ms. Chan So Wah), all of whom are executive Directors, as well as (iv) the Director of Sales and Marketing (namely Mr. Wong Wai Cheung, Peter) and (v) the Chief Financial Officer (namely Mr. Seto Sai Cheong Paul).

風險管理委員會

本公司已於二零二零年十月成立風險管理委員會，並制定其職權範圍。風險管理委員會主要職責包括監察及檢討風險管理及內部監控的過程，及對現時風險管理及內部監控系統的合適性、有效性及建議需改進的地方向董事會提出意見；向管理層就風險管理及內部監控提供建議，及制定辨認、評估及管理重大風險因素的程序，並確保管理層履行職責實施有效的風險管理及內部監控系統；及與本集團管理層、外聘核數師及內部審核功能檢討本集團有關風險管理及內部監控系統的政策及程序是否足夠以及在提交董事會批署前審閱任何董事擬載於年度賬目內的相關聲明。風險管理委員會現時由(i)本公司行政總裁初維民先生(作為主席)；(ii)制作總監黃永銓先生；(iii)策劃及管理總監陳素華女士(彼等全部為執行董事)；(iv)營銷總監黃維中先生；及(v)首席財務總監司徒世昌先生。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During 2022, the Risk Management Committee held two meetings. Major work completed by the Risk Management Committee during the year included: (i) discussed and reviewed the potential risks exposed to the Group in its operations; (ii) reviewed the effectiveness of the Group's internal control procedures and the Group's internal audit function; and (iii) assessed the adequacy of the Group's policies and procedures regarding risk management and internal control systems.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

DIRECTOR NOMINATION POLICY

The Board has adopted a director nomination policy (the "Director Nomination Policy") as required by the CG Code which sets out selection criteria in evaluating and selecting candidates for directorships. The Nomination Committee shall consider various factors, including but not limited to objectives of nomination committee, the character and integrity, qualifications, ability and independency requirements of the selecting candidates, the board diversity policy and the needs of the Company.

於二零二二年，風險管理委員會召開了兩次會議。風險管理委員會於年內完成的主要工作包括：(i)討論及審視集團在營運中面對的潛在風險；(ii)審閱本集團的內部控制程序以及內部審核功能有否有效；及(iii)評估本集團有關風險管理及內部監控系統的政策及程序是否足夠。

企業管治職能

董事會負責企業管治職能，並有下列職責：

- 制訂及檢討本公司的企業管治政策及常規，並就變動及更新提出建議；
- 檢討及監察董事與高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制訂、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；及
- 檢討本公司遵守企業管治守則的情況及於企業管治報告中作出的披露。

董事提名政策

根據企業管治守則要求，董事會已採納董事提名政策(「董事提名政策」)，該政策載列在評估及挑選候選人擔任董事的甄選準則。提名委員會將考慮若干因素，包括但不限於提名委員會之目的、候選人之品格與誠信、資格、能力及獨立性要求、董事會成員多元化政策及本公司之需要。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Nomination Committee shall evaluate and assess whether such candidate is qualified for directorship based on the selection criteria upon receipt of the proposal on appointment of new director. It may engage external service provider(s) as it considers appropriate in making the determination and recommend to the Board to appoint the appropriate candidate for directorship. The Nomination Committee shall also evaluate candidates based on the selection criteria to determine whether such candidate that is nominated by a shareholder is qualified and appropriate for election as a director at the general meeting of the Company.

The Nomination Committee shall review the overall contribution and service to the Company of the retiring director and determine whether the retiring director continues to meet the selection criteria. The Board, with the recommendation from Nomination Committee, shall then make recommendation to shareholders in respect of the proposed re-election of the retiring director at the general meeting. 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 continue to review the Director Nomination Policy from time to time and may adopt changes as appropriate at the relevant time.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Board Diversity Policy") as required by the Listing Rules which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity when selecting candidates from a number of perspectives through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

提名委員會在收到委任新董事建議時將根據甄選準則評價和評估該候選人是否合資格擔任董事。提名委員會會因應需要委聘外部服務供應商以提供協助及向董事會就委任適當候選人為董事提出建議。提名委員會亦根據甄選準則評價候選人是否合資格及適當就股東提名於本公司股東大會上選舉為董事。

提名委員會將檢討退任董事對本公司的整體貢獻及服務及確定退任董事是否繼續符合甄選準則。董事會就提名委員會之建議於股東大會上就擬重選董事向股東提出建議。董事會將對於其推薦候選人在任何股東大會上參選的所有事宜擁有最後決定權。

提名委員會將持續不時檢討董事提名政策，並可能於相關時間採納適當變動。

董事會成員多元化政策

根據上市規則要求，董事會已採納董事會成員多元化政策（「董事會成員多元化政策」），該政策載列達致董事會成員多元化之途徑。本公司認為董事會層面日益多元化將為達成本公司策略目標和可持續發展提供支持。在遴選董事候選人時，本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技術、知識及任職年期，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時，亦會考慮其本身之業務模式及具體需要。最終決定乃基於選定候選人的能力及將會為董事會帶來的貢獻。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

The Board will review the implementation and effectiveness of the Board Diversity Policy annually.

The Board recognizes the importance and benefits of gender diversity at the Board level and the Board does not consider diversity to be achieved for a single gender board. As at the date of this report, the Board has one female member and the Board will continue to take initiatives to identify appropriate female candidate(s) to enhance the gender diversity among its members. The Board has reviewed the appropriateness of an express diversity quota or measurable objective in achieving board diversity, and noted that currently the Board has members of both genders. In light of the above, the Board has concluded that selection of Board members should continue to be based on the above said diversity perspectives instead of setting an express quota or objective.

In view of the business nature of the Group (i.e. the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components), an industry which is more dominant by male traditionally, as at 31 December 2022, 87.5% of Directors, all of our senior management members and 59.4% of our total workforce were male. However, we will continue with our endeavor to increase female representation to a higher ratio in our workforce in the future.

董事會每年檢討董事會成員多元化政策的執行及有效性。

董事會意識到董事會層面性別多元化的重要性及益處，並不認為單一性別的董事會可以實現多元化。於本報告日期，董事會有一名女性成員，董事會將繼續採取措施物色合適的女性候選人，以提高其成員的性別多元化。董事會已檢視明確的多元化配額或實現董事會多元化可衡量目標的適當性，並指出目前董事會有兩個性別的成員。鑑於上述情況，董事會得出了結論，董事會成員的選擇應繼續基於上述多元化的觀點，而不是設定明確的配額或目標。

鑑於本集團的業務性質(即生產鋅、鎂及鋁合金及塑膠產品及零部件)傳統上較多由男性主導，於二零二二年十二月三十一日，87.5%董事、所有高級管理人員及59.4%的員工為男性。但是，我們將繼續致力於員工增加女性代表，務求在將來達致更高比例。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

ATTENDANCE OF MEETINGS

A summary of attendance of Board meetings, committee meetings and general meetings in 2022 are detailed in the following table:

出席會議

下表載列於二零二二年董事會會議、委員會會議及股東大會之出席率摘要：

	Number of attendance/Number of meetings					
	出席次數/會議次數					
	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	Risk Management Committee meeting	Annual General Meeting
	董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	風險管理委員會會議	股東週年大會
Executive Directors						
執行董事						
Mr. Lee Yuen Fat 李遠發先生	5/5	—	—	—	—	1/1
Mr. Wong Wing Chuen 黃永銓先生	5/5	—	—	—	2/2	1/1
Mr. Chu Weiman 初維民先生	5/5	—	1/1	1/1	2/2	1/1
Ms. Chan So Wah 陳素華女士	5/5	—	—	—	2/2	1/1
Independent Non-Executive Directors						
獨立非執行董事						
Professor Sun Kai Lit, Cliff <i>BBS, JP</i> 孫啟烈教授 <i>BBS, JP</i>	4/5	2/3	1/1	1/1	—	1/1
Ir Dr. Lo Wai Kwok <i>GBS, MH, JP</i> 盧偉國博士 <i>工程師 · GBS, MH, JP</i>	5/5	3/3	1/1	1/1	—	1/1
Mr. Andrew Look 陸東先生	5/5	3/3	1/1	1/1	—	1/1
Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) 江啟銓先生(前稱江道揚)	5/5	3/3	1/1	1/1	—	1/1

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code throughout the year under review.

DIRECTORS’ RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2022. The statement of the external auditor of the Company in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor’s Report on pages 139 and 147.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group on an ongoing basis in order to safeguard the Group’s assets and shareholders’ investments. The systems of risk management and internal control of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives and only provide reasonable but not absolute assurance against material misstatement or loss.

The Audit Committee assists the Board in fulfilling its role in reviewing the Group’s financial, operational and compliance controls and its annual review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting, internal audit and financial reporting functions, and those relating to the Group’s environmental, social and governance performance and reporting.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之董事進行證券交易的標準守則(「標準守則」)。經向全體董事作出具體查詢後確認，彼等於回顧年度內一直全面遵守標準守則所載規定準則。

董事就財務報表所承擔之責任

董事確認彼等對編製本公司截至二零二二年十二月三十一日止年度財務報表之責任。本公司之外聘核數師就其對本集團財務報表之申報責任而發出之聲明，載於第139至第147頁之獨立核數師報告內。

風險管理及內部監控

董事會全權負責持續維持及檢討本集團風險管理及內部監控系統之成效，以保障本集團資產及股東之投資。本集團之風險管理及內部監控系統旨在管理而非消除未能達成業務目標之風險，並只提供合理而非絕對保證無重大錯誤陳述或損失。

審核委員會協助董事會履行其於本集團財務、營運及合規監控方面之監察職責，並每年檢討以確保本集團會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、培訓課程及預算之充足性，以及與本集團的環境、社會及企業管治表現和報告有關的內容。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

The Board has also set up the Risk Management Committee comprising the CEO, Director of Manufacturing, Director of Planning and Management, Director of Sales of Marketing and Chief Financial Officer with a specific term of reference. The Risk Management Committee will report to the Audit Committee regularly and assist the Board and the Audit Committee to review the Company's risk management and internal control systems.

The management assists the Board regularly in the implementation of the Group's policies, procedures and limits within the Board's approved risk appetite by identifying and assessing the risks faced and monitoring the design and operation of the relevant internal control measures to mitigate and control these risks.

The Company has adopted an anti-corruption policy and whistleblowing policy and the relevant systems, in particular, a system for employees and other relevant parties who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company, in order to strengthen its internal control.

The Group has engaged an independent professional consultant to identify, evaluate, manage and prioritise the significant risks exposed to the Group, through reviewing the implemented system and procedures, including areas covering financial, operational and legal compliance controls and risk management functions and the Board is satisfied with the results of the review. In addition, the Group has adopted a risk management policy which contains a structured approach to risk management and a risk-based three-year internal audit plan was introduced through restructuring of internal control system in order to address the significant risks identified and assessed by the Group.

In addition, the Group has engaged an external independent professional firm during the year to carry out the internal audit for the Group and review its internal control system, covering all relevant financial, operational and compliance control functions within an established framework every six months, with audit period covering the entire financial year. Full reports covering the material findings with suggested measures prepared by this firm

董事會也成立了風險管理委員會，由行政總裁、製作總監、策劃及管理總監、營銷總監和首席財務總監組成，並設有特定的職責範圍。風險管理委員會將定期向審核委員會匯報，並協助董事會和審核委員會檢討公司的風險管理和內部控制系統。

管理層通過識別及評估所面對之風險，定期協助董事會執行本集團之政策、程序以及董事會批准之風險消納範圍內之限制，並監察相關內部監控措施之設計及運作，以減少及控制此等風險。

公司採納了反貪污政策和舉報政策及相關制度，特別是員工及與公司有交易的關聯方可就任何與本公司相關的不當行為以保密及匿名的方式向審計委員會提出疑問，以加強內部監控。

本集團已經聘用獨立專業顧問透過檢討已實行的制度及程序，範圍涵蓋財務、營運及法律合規監控及風險管理功能方面，以識別、評估、管理及排序本集團面對之重大風險，董事會滿意檢討的結果。再者，本集團已採納載有具結構化風險管理方法的風險管理政策，並透過重組內部監控系統引入以風險為導向的內部審核三年規劃，以應對本集團已被識別和評估之重大風險。

此外，本集團於年內已聘用外間獨立專業機構，於涵蓋整個財政年度的審核期內每六個月對本集團進行內部審核及檢討其內部監控系統，包括已建立的架構內的所有相關財務、營運及合規監控效能。該機構每年兩次把所編製之報告提呈本公

were submitted to the Risk Management Committee and the Audit Committee of the Company twice a year for review to ensure that an effective and adequate internal control system is in place and to resolve material internal control defects (if any).

For the year ended 31 December 2022, no significant control failings or weakness which had, or may have a material impact on the Company's financial performance or condition, have been identified. Further, the Board is of the view that the Company's processes for financial reporting and Listing Rules compliance in the year was effective.

During the year, the Board, with the assistance of the Audit Committee, Risk Management Committee and the management, have conducted review on the effectiveness of the risk management and internal control systems of the Group. Such review covers all material controls, including financial, operational and compliance controls.

For the year ended 31 December 2022, the Board considered that the Company's internal control and risk management systems were adequate and effective and the Company had complied with the code provisions on internal control and risk management of the CG Code.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

Business Risk

The COVID-19 pandemic had continued to create uncertainty for the global economy throughout 2022. The unpredictability associated with the global pandemic and any further contingent prevention and control measure that may be implemented by governments may lead to new challenges to the Group's business and its operations. The Group will closely monitor the development of the aforesaid issues and evaluate its impact on the financial position and operating results of the Group, and to implement stringent cost control measures and to make necessary adjustments to its strategies and operations so as to mitigate their effects to the Group and our customers.

司之風險管理委員會以及審核委員會審閱，以確保有效及足夠之內部監控系統已存在。

截至二零二二年十二月三十一日止年度，概無已識別對本公司的財政業績或狀況產生或可能產生重大影響的重大控制失利或弱點。此外，董事會認為本公司於年內的財政申報及上市規則合規程序是有效的。

年內，董事會在審核委員會、風險管理委員會及管理層的協助下，對本集團的風險管理及內部監控系統之成效完成相關檢討。該檢討涵蓋所有重要監控包括財務、營運及合規監控。

截至二零二二年十二月三十一日止年度，董事會認為本公司的內部監控及風險管理制度乃充足及有效，而本公司亦已遵守企業管治守則有關內部監控及風險管理的守則條文。

本公司所面對主要風險及不明朗因素

業務風險

新型冠狀病毒疫情為整個二零二二年度的全球經濟繼續帶來了不確定性。與全球疫情相關的不可預測性以及政府可能實施的任何進一步緊急預防和控制措施可能為本集團之業務及營運帶來新的挑戰。本集團將密切監察上述事件的發展，並評估其對本集團財務狀況及經營業績的影響，以及實施嚴緊之成本控制措施及在有需要時調整策略和營運以緩和有關因素對本集團及其客戶之影響。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Foreign Exchange Risk

Most of the Group's transactions were conducted in US dollars, Renminbi or Hong Kong dollars. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Renminbi and Hong Kong dollars. The Group will closely monitor its overall foreign exchange exposure and take appropriate measures to mitigate the risks that the Group faces from exchange rate fluctuations.

Competition Risk

Competition risk arises from the emergence of a number of competitors in the industry. Price cut from competitors intensifies the risk. The Group believes that the provision of quality products and after sales service to customers are the only way to gain and maintain customer confidence and loyalty.

PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The handling and dissemination of inside information of the Group is strictly controlled to avoid unauthorised use of inside information. All staff are required to sign the employee confidentiality agreement and access to inside information is restricted to employees on a need-to-know basis. In addition, the Group has adopted an inside information policy to set out the procedures of inside information identification, reporting and disclosure. Key procedures for handling and dissemination of inside information include: (i) keeping the Board and Company Secretary informed of the latest legal requirement under the Listing Rules and conducting periodic financial and operational reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary; (ii) controlling the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and (iii) disclosing the inside information in a manner that provides the public with an equal, timely and effective access to the inside information in ways which are in compliance with the Listing Rules. The Group will review the effectiveness of the policy from time to time to ensure the compliance of the relevant regulatory requirements.

外匯風險

本集團的大部分交易均以美元、人民幣或港元進行。因此，本集團已注意到美元、人民幣及港元匯率的波動可能引起的潛在外匯風險。本集團將密切監察其整體外匯風險承擔及採取適當措施以減低本集團面對匯率波動所帶來之風險。

競爭風險

競爭風險來自行業湧現大量競爭對手。競爭對手降價令風險加劇。本集團相信，向客戶提供優質產品及售後服務乃獲得及維持客戶信心及忠誠之唯一途徑。

處理及發佈內幕消息的程序及監控措施

本集團嚴格控制處理及發佈本集團內幕消息，以避免未經授權使用內幕消息。所有員工均需要簽署僱員保密協議及限制員工按須知基準取得內幕消息。再者，本集團已採納內幕消息政策以制定內幕消息識別、報告及披露程序。處理及發佈內幕消息的主要步驟包括：(i)讓董事會及公司秘書知悉最新上市規則的法律要求及向董事會及公司秘書進行定期財務及經營申報，使彼等可評估內幕消息及(如有需要)作出適時披露；(ii)按須知基準控制僱員獲悉內幕消息的途徑，向公眾恰當披露前確保內幕消息絕對保密；及(iii)以遵從上市規則的方式，披露須使公眾平等、適時及有效地取得內幕消息。本集團將不時檢討目前程序的有效性，以確保遵守相關監管規定。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

AUDITOR'S REMUNERATION

The total auditor's remuneration in relation to statutory audit work and non-audit services of the Group payable to the Company's external independent auditor, RSM Hong Kong, is set out as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Statutory audit	法定審核	2,180	2,080
Non-audit services ⁽¹⁾	非審核服務 ⁽¹⁾	327	336
Total	總數	2,507	2,416

Note:

1. Non-audit services mainly included agreed-upon procedures on interim results and tax advisory services.

COMPANY SECRETARY

Ms. Yam Suk Yee, Celia had been the Company Secretary of the Company before her resignation with effect from 24 August 2022, with Ms. Leung Lai Seung ("Ms. Leung") being appointed as the Company Secretary of the Company with effect from the same date. Both Company Secretaries had been or is a full time employee of the Company and have day-to-day knowledge of the Company's affairs. For the year ended 31 December 2022, Ms. Leung has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

INVESTOR RELATIONS

Dividend Policy

The Company has adopted a dividend policy (the "Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company, provided that the declaration and payment of dividend shall remain to be recommended by the Board and any final dividend for the financial year will be subject to shareholders' approval.

核數師之酬金

本集團應付予外聘獨立核數師羅申美會計師事務所所有關法定審核及非審核服務的核數師酬金如下：

附註：

1. 非審核服務主要包括中期業績之約定程序及稅務諮詢服務。

公司秘書

任淑儀女士於二零二二年八月二十四日辭任前一直是本公司的公司秘書，梁麗嫦女士（「梁女士」）在同日獲委任為本公司的公司秘書。兩位公司秘書均為本公司之全職僱員，彼等對本公司日常事務有所認識。截至二零二二年十二月三十一日止年度，梁女士已遵守上市規則第3.29條的相關專業培訓規定。

投資者關係

股息政策

本公司已採納股息政策（「股息政策」），據此本公司可向本公司股東宣佈及派發股息，惟宣佈及派發股息應由董事會提出建議及每一財政年度的任何末期股息將取決於股東的批准。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

In proposing any dividend payout, the Board shall take into account, among other things, the Company's current and future operations, corporate development plans, liquidity position, capital requirements and future expected capital needs, as well as dividends received from the Company's subsidiaries and associates. Any payment of the dividend by the Company is also subject to any requirements under the Cayman Islands law, the Listing Rules and the Company's Articles of Association.

The Board will continue to review the Dividend Policy from time to time and may adopt changes as appropriate at the relevant time as part of its commitment to maximizing shareholders' value, taking into consideration the financial performance of the Company and market conditions.

The Board is not aware of any shareholders who have waived or agreed to waive any dividends.

Shareholders' Communication Policy

The Company has adopted a shareholders' communication policy (the "Shareholders' Communication Policy") to enable shareholders to engage actively with the Company and exercise their rights as shareholders in an informed manner. The Board is responsible for maintaining an on-going dialogue with shareholders and in particular for communicating with them and encouraging their participation, through annual general meetings or other general meetings, financial reports and other publications and communications of the Company.

The Company will assign dedicated management personnel to be in charge of ensuring effective and timely dissemination of information to shareholders. Information shall be communicated to shareholders mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange, its corporate communications and other corporate publications on the Company's website. Effective and timely dissemination of information to shareholders shall be ensured at all times.

在提議派發任何股息時，董事會將考慮(其中包括)本公司當前及未來運作、企業發展計劃、流動資金狀況、資本要求及未來預期資本需求，以及從本公司之附屬公司及聯營公司收取的股息決定。股息的派發亦同時視乎開曼群島法律、上市規則以及本公司之組織章程細則的要求。

董事會將持續不時檢討股息政策，並可能於相關時間採納適當變動，作為其致力達到股東利益最大化的承諾，並同時考慮本公司之財務表現及市場情況。

董事會並不知悉任何股東已放棄或同意放棄任何股息。

股東溝通政策

本公司已採納股東通訊政策(「股東通訊政策」)，旨在讓股東可與本公司有效建立密切關係及在知情情況下行使作為股東的權利。董事會負責與股東持續保持對話，尤其是藉股東週年大會或其他股東大會、財務報告及本公司其他刊物及通訊與股東溝通及鼓勵他們的參與。

本公司將會指派管理人員專責確保有效及適時地向股東發放資訊。本公司向股東傳達資訊的主要渠道為本公司的財務報告(中期及年度報告)、股東週年大會及其他可能召開的股東大會、所有呈交予聯交所的披露資料及登載在本公司網站的公司通訊及其他公司刊物。本公司時刻確保有效及適時向股東傳達資訊。

The contact details of the Company Secretary and its Registrar are set out in the Company's website in order to enable the Shareholders to make any query that they may have with respect to the Company. Shareholders should direct their questions about their shareholdings to the Company's Registrar. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available and the Company shall make a reasonable effort in addressing those requests. In addition, shareholders are, at any time, welcome to raise questions to the Board and management by writing to the Company Secretary.

Upon reviewing the Group's communication strategies with shareholders and the various channels for shareholders to express their views to the Company, the Board is of the view that the Shareholders' Communication Policy is implemented properly and effectively.

Constitutional Documents

For the purpose of (i) providing flexibility to the Company in relation to the conduct of general meetings, (ii) bringing the existing Memorandum of Association and Articles of Association in line with amendments made to the applicable laws of the Cayman Islands and the Listing Rules and (iii) incorporating certain housekeeping amendments, the Company's shareholders passed a special resolution on 31 May 2022 to adopt a new set of amended and restated memorandum of association and articles of association (the "Amended and Restated Memorandum and Articles of Association"). Details of the adoption of the Amended and Restated Memorandum and Articles of Association are set out in the Company's circular dated 26 April 2022. The Amended and Restated Memorandum and Articles of Association is available on the websites of the Company and the Stock Exchange.

公司秘書及其股份過戶登記處的聯繫方式已載列於本公司網站，股東可向本公司作出任何查詢。股東如對名下持股有任何問題，應向本公司的股份過戶登記處提出。股東可隨時要求索取本公司已公開的資料，本公司應合理地回應該等請求。此外，本公司歡迎股東隨時致函公司秘書，向本公司的董事會與管理層提問。

經檢討本集團與股東的溝通策略及讓股東向本公司表達意見的多方面溝通渠道，董事會認為股東溝通政策已妥善及有效地執行。

組織章程文件

為使(i)本公司可靈活處理與股東大會進行之相關事宜、(ii)使現有組織章程大綱及組織章程細則與開曼群島適用法例及上市規則保持一致及(iii)納入若干輕微修訂，本公司之股東於二零二二年五月三十一日通過一項特別決議案，採納一套新的經修訂及重述的組織章程大綱及組織章程細則（「經修訂及重述的組織章程大綱及細則」）。有關採納經修訂及重述的組織章程大綱及細則的詳情載列於一份日期為二零二二年四月二十六日之本公司通函內。該經修訂及重述的組織章程大綱及細則載列於本公司及聯交所網站。

SHAREHOLDERS' RIGHTS

Procedures for convening extraordinary general meeting on requisition

Pursuant to Article 64 of the Company's Articles of Association, an extraordinary general meeting may be convened on the requisition of one or more shareholders 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. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedure for putting forward proposals at general meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's Hong Kong office at Room A, 29th Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, contact details and the proposal he/she intends to put forward at the general meeting regarding any specified business and its supporting documents.

Shareholders' enquiries

The Shareholders' Communication Policy sets out, amongst other things, shareholders should direct their questions in relation to their shareholdings to the Company's share registrar. Shareholders may make a request by writing to the Company Secretary for the Company's information to the extent that such information is publicly available. Shareholders may also send written enquiries to the Board by writing to the Company Secretary at the Company's Hong Kong office at Room A, 29th Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

股東權利

請求召開股東特別大會之程序

根據本公司組織章程細則第64條，股東特別大會可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司實繳股本不少於十分之一併有權在股東大會上投票。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該請求書後兩個月內召開。如董事會在請求書遞交日期起計二十一日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

於股東大會上提呈建議之程序

股東須致函本公司香港辦事處為香港九龍九龍灣宏光道一號億京中心B座29樓A室向本公司之董事會或公司秘書提出書面要求，當中須列明該股東的股權資料、其詳細聯絡資料，以及擬就任何具體的事務而於股東大會上提呈的建議及其有關文件。

股東查詢

股東通訊政策當中說明(其中包括)股東應向本公司股份過戶登記處提出有關其股權之疑問。股東可向公司秘書提出書面要求索取有關本公司之公開資料。股東亦可致函公司秘書向董事會作出查詢，本公司香港辦事處之地址為香港九龍九龍灣宏光道一號億京中心B座29樓A室。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

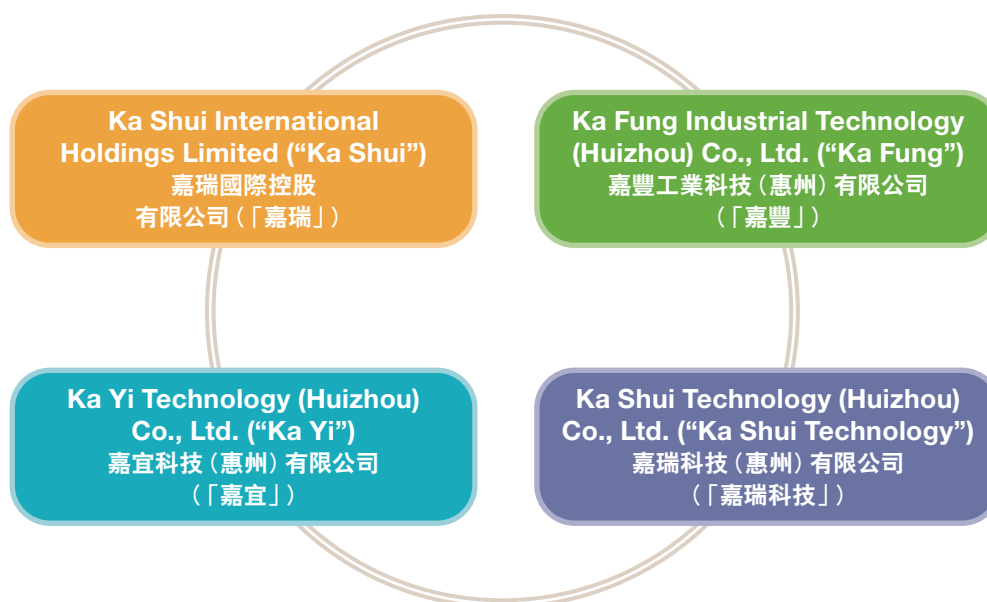
環境、社會及管治報告

ABOUT THE REPORT

Ka Shui International Holdings Limited (hereinafter referred to as the “Company”, “we”, “our”) is a leading enterprise on product solutions, notably in the magnesium, aluminium and zinc alloy and plastic industry, with a number of production bases in Guangdong Province of the People’s Republic of China (“PRC” or “China”). Having a deep ambition to construct long-term trusted ties with our stakeholders in the industry and community, the Company together with our subsidiaries (collectively, the “Ka Shui” or the “Group”) is pleased to publish our 2022 environmental, social and governance (“ESG”) report (the “Report”) summarising our ESG performance and initiatives.

Scope of the Report

The Report examines the Group’s ESG management approaches, and corresponding performance of the Group’s major manufacturing facilities in Huizhou, China during the period from 1 January 2022 to 31 December 2022 (the “Reporting Period” or “2022”). It includes the key businesses of the Company — metal alloy and plastic. Unless otherwise specified, the data includes the following subsidiaries and the scope of the Report remains the same as last year. The operations covered are listed below:



關於本報告

嘉瑞國際控股有限公司(以下簡稱「本公司」、「我們」)是一家領先的產品解決方案企業，尤其是在鎂、鋁及鋅合金以及塑膠方面，在中華人民共和國(「中國」)廣東省擁有多個生產基地。本公司，連同我們的附屬公司(統稱「嘉瑞」或「本集團」)致力於與行業及社區的持份者建立長期的信任關係。本集團欣然刊發我們的二零二二年環境、社會與管治報告(「本報告」)，並概述我們的環境、社會與管治表現及措施。

報告範圍

本報告審查於二零二二年一月一日至二零二二年十二月三十一日(「報告期」或「二零二二年」)期間，本集團的環境、社會與管治管理方式，以及本集團於中國惠州的主要生產設施的相應表現。本報告涵蓋本公司的主要業務 — 合金及塑膠。除另有規定者外，數據涉及以下附屬公司，報告範圍與去年相同。所涉及的業務載列如下：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Reporting Standard

The ESG Reporting Guide (“ESG Reporting Guide”), which is outlined in Appendix 27 of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited (“HKEx”), has been followed in the preparation of the Report. We adhere to the following reporting criteria throughout the Report: materiality, quantitative, balance, and consistency:

報告準則

本報告乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄二十七所載的環境、社會與管治報告指引(「環境、社會與管治報告指引」)的要求編製。在整份報告中，我們遵守下列報告準則：重要性、量化、平衡及一致性：

Reporting Principles 報告原則	Descriptions 描述
Materiality 重要性	<p>By engaging with the main stakeholders and holding internal discussions, we have identified the relevant subjects. The section titled Materiality Assessment provides a summary of the results.</p> <p>我們透過與主要持份者的溝通及內部討論確定了相關議題。有關結果概要載於重要性評估一節。</p>
Quantitative 量化	<p>We disclose our ESG performance in accordance with the ESG Reporting Guide using reliable methodologies and environmental and social key performance indicators (“KPIs”) so that the effectiveness of our ESG policies and management systems can be evaluated and validated.</p> <p>根據環境、社會與管治報告指引，我們採用可靠方法以及環境及社會關鍵績效指標披露我們的環境、社會與管治表現，從而使我們的環境、社會與管治政策及管理系統的有效性得以評估與驗證。</p>
Balance 平衡	<p>In accordance with the ESG Reporting Guide, we calculate and present the environmental and social KPIs. As shown in the relevant sections of the Report, robust methodologies are utilised. To occasionally compare the performance of our ESG, we provide data comparisons over a variety of years.</p> <p>我們根據環境、社會與管治報告指引，計算並呈列環境及社會關鍵績效指標。如本報告相關章節所示，我們已採用穩健的方法。為不時地對我們的環境、社會與管治表現進行比較，我們提供多年來的數據比較。</p>
Consistency 一致性	<p>In comparison to the prior year, the Report adopts the same methodologies, standards, and reporting scope to retain consistency.</p> <p>相較於去年，本報告已採納相同的方法、標準及報告範圍，以保持一致性。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The board of directors of the Company (the “Board”) acknowledges its overall responsibility for the Company’s ESG strategy and reporting. The Report has been reviewed and approved by the Board.

Contact and Feedback

The Group puts great efforts to establish enduring relationships with the key stakeholders and the community. We value your feedback on the ESG Report and our sustainability performance since we formulate our ESG strategy with the interests of our stakeholders in mind. Please feel free to send your written enquiries or feedback to the Group by email at enquiry@kashui.com if you have any suggestions or comments.

VALUES AND MISSIONS

As a leading enterprise on product solutions, notably in magnesium, aluminium and zinc alloy, and plastic industry for over 40 years, the Group recognises corporate social responsibility (“CSR”) as an integral part of our business sustainability and success. We are dedicated to fostering the well-being of our stakeholders, including our employees, customers, environment, and community to be in line with our core values:



本公司董事會確認彼等對本公司之環境、社會與管治策略及匯報的整體責任。本報告已經董事會檢討及批准。

聯絡及反饋

本集團致力於與主要持份者及社區建立長期的關係。由於我們以符合我們的持份者的利益的方式制定環境、社會與管治策略，故我們重視閣下就本環境、社會與管治報告及可持續發展表現提供的反饋意見。倘閣下有任何意見或建議，請隨時將閣下的書面詢問或反饋意見透過電郵 enquiry@kashui.com 發送給本集團。

價值觀與使命

作為領先的產品解決方案企業超過40年，尤其是在鎂、鋁和鋅合金以及塑膠行業，本集團視企業社會責任（「企業社會責任」）為我們業務可持續發展及成功不可或缺的一部分。我們致力於提供我們的持份者（包括僱員、客戶、環境及社區）的福祉，以符合我們的核心價值觀：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The Group is committed to developing a strategic corporate governance framework. Through utilising our technology, innovation, and expertise, the Group intends to conduct business activities in accordance with the highest standards of business ethics, and to integrate socially responsible management practices across the entire organisation. This will enable us to have a beneficial impact on the community, environment, and stakeholders. The Group's CSR missions and guiding principles can be summed up as follows:

本集團致力於發展具戰略性企業管治架構。通過利用我們的技術、創新及專業知識，本集團擬按照最高商業道德標準開展業務活動，並在整個組織中納入社會責任管理慣例，從而使我們能夠對社區、環境及持份者產生有益的影響。本集團的企業社會責任使命及指引原則可概括如下：



The Group's long-term goals are set in these four key areas:

本集團的長期目標設定在以下四個主要方面：



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Group Level CSR Policy Statements

The Group aims at conducting business activities in accordance with the highest standards of business ethics, and integrating socially responsible management practices across the entire organisation. The strategic framework in corporate governance and CSR committed will enable us to bring positive impacts on the community, environment, and stakeholders. The CSR approaches and principles of Ka Shui mainly focus on the following four key areas:

集團層面的企業社會責任政策聲明

本集團旨在以最高的商業道德標準開展業務活動，並在整個組織中納入環境及社會責任管理慣例。企業管治及企業社會責任承諾的戰略框架將使我們能夠為社區、環境及持份者帶來積極影響。嘉瑞的企業社會責任方法及原則主要集中在以下四個主要方面：

Sustainable Operations 可持續營運

- Upholding the highest standard of ethical business values in our business operations, including compliance, fairness, integrity and anti-corruption
在我們的業務營運中堅持最高標準的商業道德價值觀，包括合規、公正、誠信及反腐
- Integrating sustainability concepts into our product designs
將可持續發展理念納入我們的產品設計中
- Investing in new technology research and development (“R&D”)
投資於新技術研究及開發(「研發」)
- Taking into account environmental and social responsibility in supply chain management
在供應鏈管理中考慮環境及社會責任
- Creating the best values for our stakeholders
為我們的持份者創造最佳價值

Caring for Our People 關愛我們的僱員

- Developing and providing a supportive, dynamic and safe workplace for our employees
為我們的僱員建立及提供一個支持性的、有活力的及安全的工作場所
- Complying with SA8000 Social Accountability international standard, laws and regulations in our employment practices
在我們的僱傭措施中，遵守SA8000社會責任國際標準、法律及法規
- Supporting the well-being of employees and their family obligations
支持僱員健康及家庭責任
- Ensuring all our people are fairly treated, without any discrimination
確保我們所有的僱員得到公平對待，不受任何歧視
- Offering a variety of programmes to support the employees’ growth and development
提供各種計劃以支持僱員的成長及發展

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Protecting Our Environment 保護我們的環境

- Carrying on improving and refining our environmental management system, approaches and production chain processes so as to minimise emissions and maximise efficiency of energy and natural resources
繼續改進及完善我們的環境管理體系、方法及生產鏈流程，盡量減少排放，盡量提高能源及自然資源效益
- Continually achieving low-carbon production that minimises negative environmental impacts
持續實現低碳生產，盡量減少對環境造成負面影響
- Participating in environmental conservation activities
參加環境保護活動

Supporting Our Community 支持我們的社區

- Making positive contributions to the community where we work and live in with our competency and knowledge
利用我們的能力及知識為我們工作及生活所屬社區作出積極貢獻
- Supporting local education initiatives for youth development
支持地區青年發展的教育措施
- Supporting the poverty and disaster initiatives of local charities
支持當地慈善機構扶貧及救災措施
- Supporting the development of a sustainable and harmonious community
支持可持續及和諧社區的發展

This policy will be clearly communicated with all Ka Shui staff and implemented at all levels of the organisation. This policy is also conveyed to our suppliers and services providers for joint efforts in developing and promoting CSR in their own operations. The management will review the effectiveness, suitability and adequacy of this policy periodically and amend it when necessary.

該政策將清楚地向所有嘉瑞員工傳達，並在組織的各個層面實施。該政策亦向我們的供應商及服務供應商傳達，以便彼等共同努力在其自身營運中發展及促進企業社會責任。管理層將定期審查該政策的有效性、適用性及充分性，並在必要時對其進行修訂。

BOARD OVERSIGHT

The Board has a primary role in overseeing the management of the Group's sustainability issues. During the year, the Board and the ESG Working Group spent significant time on evaluating the impact of ESG-related risks in our operation and formulating relevant policy in dealing with the risks. The oversight of the Board is to ensure the management to have all the right tools and resources to oversee the ESG issues in the context of strategy and long-term value creation.

董事會監督

董事會在監督本集團管理可持續發展事宜方面擔當重要角色。年內，董事會及環境、社會與管治工作小組花費大量時間評估環境、社會與管治的相關風險對我們營運的影響，並制訂處理有關風險的相關政策。董事會進行監督以確保管理層備有一切合適的工具及資源，在制定策略及長遠價值創造方面時監察環境、社會與管治事宜。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The Board's overall vision and strategy in managing ESG issues:

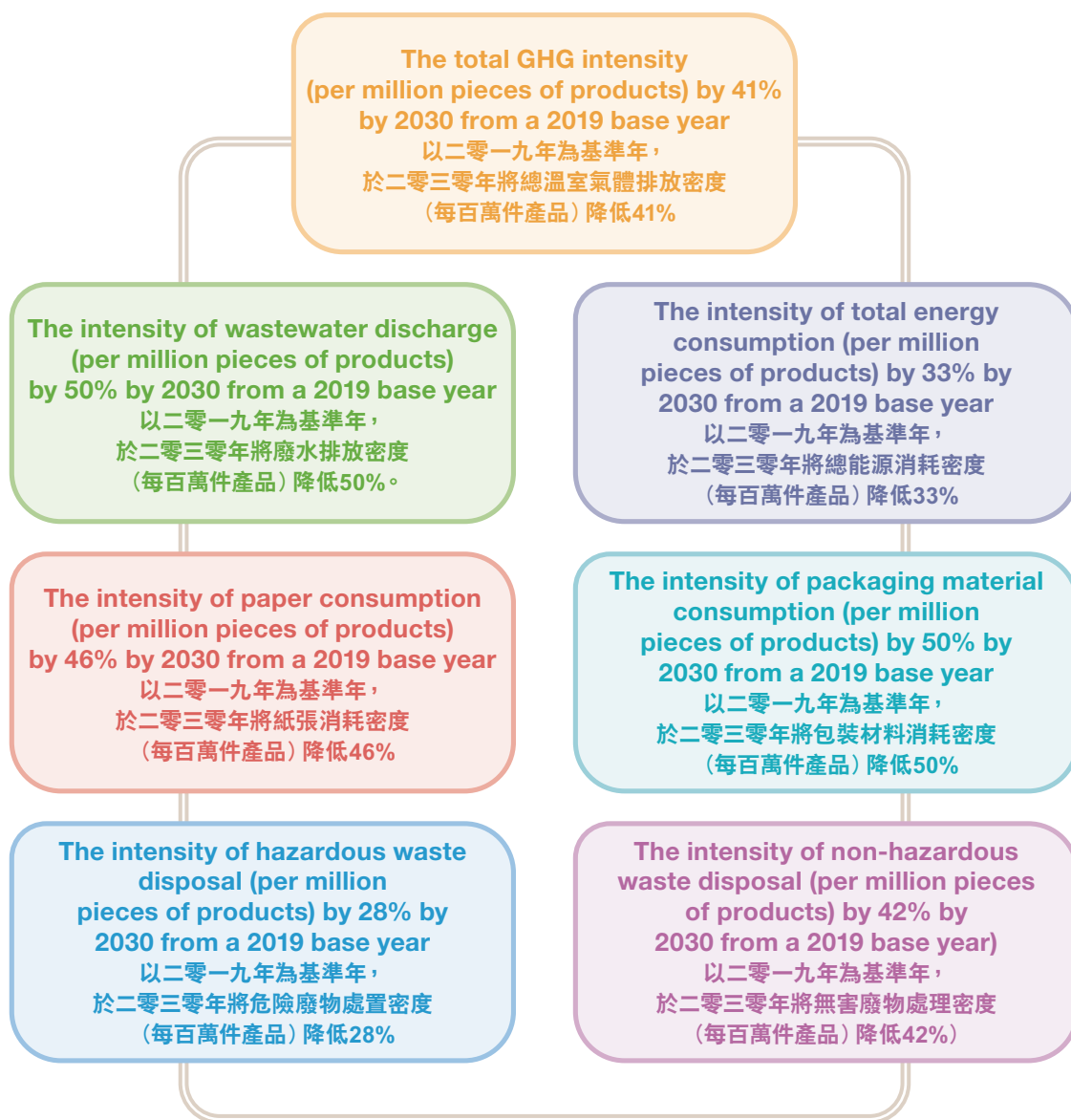
董事會管理環境、社會與管治事宜的整體願景及策略：

Short and Medium-term

Achieving the environmental KPIs' targets set before, which are making reduction in:

短期及中期

為實現此前設定的環境關鍵績效指標目標：



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Long Term

Operating in line with the Group's CSR policy statement, specifically in the areas of "Sustainable Operations, Caring for Our People, Protecting Our Environment, and Supporting Our Community".

The Board hires external expertise to determine the materiality of different ESG risks, as well as managing risks. The ESG working group was also formed to communicate with service providers on ESG issues. The Board also reviews the progress made for the achievement of targets set by listening to the report on progress delivered by the ESG Working Group and the delegated Executive Director.

CSR RISK MANAGEMENT

The Group has designed a CSR risk management framework that is applied by staff at all levels in a bid to enhance our CSR fulfilment and better manage CSR risks. The ESG Working Group is dedicated to monitoring the CSR risks and they meet annually to implement the risk monitoring.

In alignment with our core values of "Pursuit of Excellence, Creation of Values, Unity and Mutual Trust, Harmonious Development, Green Production and Giving Back to the Community", the ESG risk management framework allows Group-wide collaboration on managing our CSR risks in our day-to-day operation. Throughout the CSR risk management process, we focus on the areas of employment relations, business ethics and other significant environmental and social responsibilities.

長期

按照本集團的企業社會責任政策聲明開展營運，尤其是在「可持續營運、關愛我們的僱員、保護我們的環境及支持我們的社區」各方面。

董事會聘請外部專家以釐定不同環境、社會與管治風險的重要性，並管理風險。環境、社會與管治工作小組亦已成立，就環境、社會與管治事宜與服務供應商進行溝通。董事會亦通過聽取環境、社會與管治工作小組及已授權的執行董事提交的進展報告，審查目標實現的進展。

企業社會責任風險管理

本集團已制定適用於各級員工的企業社會責任風險管理框架，以加強我們的企業社會責任履行情況及更好地管理企業社會責任風險。環境、社會與管治工作小組致力於監控企業社會責任風險，且每年召開一次會議以實施風險監控。

根據我們的核心價值觀「追求卓越、創造價值、團結互信、和諧發展、綠色生產及回饋社會」，環境、社會與管治風險管理框架允許整個集團在日常營運中合作管理企業社會責任風險。在整個企業社會責任風險管理流程中，我們重點關注僱傭關係、商業道德及其他重要的環境及社會責任。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

CSR Risk Management Framework

The Board oversees the overall management and implementation processes of CSR risk management, and communicates closely with the management and administrative bodies. With this approach, management is not only better able to understand the biggest CSR risks that the Group faces, but is also better able to quickly address those risks. Below is a summary of the structure of the CSR risk management framework as well as their roles and responsibilities:

企業社會責任風險管理框架

董事會監督企業社會責任風險管理的整體管理及實施流程，並與管理層及行政部門進行密切溝通。此方法不僅使管理層能夠更好地了解本集團面對的最重大的企業社會責任風險，而且使我們能夠更好地及時應對此等風險。企業社會責任風險管理框架的架構以及彼等的職責及責任已概述如下：



The Board 董事會

- Oversees the Group's formulation of CSR strategy
監督本集團的企業社會責任戰略的制定
- Monitors the overall CSR risk management process of the Group
監察本集團整體的企業社會責任風險管理流程
- Maintains close communication with management on CSR issues
就企業社會責任問題與管理層保持密切溝通
- Reviews and approves the Report
檢討及批准本報告

Management 管理層

- Determines the risk level of the major CSR risk factors
釐定企業社會責任主要風險因素的風險等級

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Administration 行政部門

- Coordinates with various operation units with regard to CSR risk factors on a regular basis
針對企業社會責任風險因素定期協調各營運單位
- Formulates plans on identification and evaluation of CSR risk factors
制定識別及評估企業社會責任風險因素的計劃
- Collects and reviews the evaluation outcomes
收集及檢討評估結果
- Reviews the CSR risk classifications and management plans of operation units
檢討營運單位的企業社會責任風險類別及管理計劃

ESG Working Group 環境、社會與管治工作小組

- Discusses data collection issues and significant ESG matters of the Group
討論本集團的數據收集事宜及重大環境、社會與管治事項
- Evaluates the impacts of ESG-related risks in the operating
評估環境、社會與管治相關風險對營運的影響
- Formulates policies in dealing with the ESG risks
制定處理環境、社會與管治風險的政策
- Monitors ESG risks
監察環境、社會與管治風險
- Manages compliance matters
管理合規事項

Operation Units 營運單位

- Identifies and evaluates the CSR risk factors of the corresponding unit on a regular basis
定期識別及評估相應單位的企業社會責任風險因素
- Proposes suggestions on making improvements on the CSR risk factors
就改進企業社會責任風險因素提出建議

Compliance Management System

The ESG Working Group is perceived as one of the Group's regulatory management and monitoring mechanisms. The Company Secretarial and Compliance Department routinely monitors the Group's compliance status by helping assess the overall risk tolerance level of the Group and assessing various legal contracts to comply with relevant laws in accordance with various jurisdictions. Training related to compliance (e.g. anti-corruption) was also provided to the employees and the Board from time to time as appropriate.

合規管理系統

環境、社會與管治工作小組被視為本集團的監管管理及監督機制之一。公司秘書及合規部門通過評估本集團的整體風險承受水平及評估各種法律合同以符合各個司法權區的法律，定期監察本集團的合規情況，且於適當時機不時向僱員及董事會提供合規(例如反腐敗)相關的培訓。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

CSR Risk Management Process

The Group takes proactive steps to identify CSR risks that could affect our operating capabilities and stakeholders. We periodically conduct a thorough review of the impacts of numerous CSR concerns of our customers, employees, and community. The management has prioritised these issues so that we can respond appropriately while formulating the CSR policy. The Group will regularly review the findings of the CSR risk assessment to identify areas which we could improve on.

ESG GOVERNANCE STRUCTURE

The Board regularly monitors the Group's ESG performance and provides direction for ESG. A designated Executive Director who is in charge of Operation Unit of the Group discusses with the ESG Working Group from time to time to understand their difficulties in handling ESG data collection and disclosure matters.

That Executive Director is also responsible for:



ESG Working Group

The ESG Working Group holds meeting regularly to discuss various issues and significant ESG matters of the Group. The members of ESG Working Group comprises of the Company Secretary, heads and supervisors of various business units of our Group (including Human Resources Department and Operations Management Department under the Operation Unit, Purchasing Department and Manufacturing Department under the Manufacturing Unit and Finance Unit).

企業社會責任風險管理流程

本集團積極主動地識別可能會對我們的營運能力及持份者造成影響的企業社會責任風險。我們定期對我們的客戶、僱員及社區的各種企業社會責任問題影響進行全面審查。有關問題由管理層列出優先次序，以便我們能夠在制定企業社會責任政策時作出相應的響應。企業社會責任風險評估的結果將由本集團定期審閱，以釐定可以改進的地方。

環境、社會與管治的管治架構

董事會定期監察本集團的環境、社會與管治表現，並為環境、社會與管治提供指導。負責本集團營運單位的指定執行董事不時與環境、社會與管治工作小組進行討論，了解彼等在處理環境、社會與管治數據收集及披露事宜方面的困難。

該執行董事亦負責：

環境、社會與管治工作小組

環境、社會與管治工作小組定期舉行會議，討論本集團各項事宜及重大環境、社會與管治事項。環境、社會與管治工作小組成員包括公司秘書、本集團各業務單位(包括營運單位轄下的人力資源部及營運管理部、製造單位及財務單位轄下的採購部及製造部)的負責人及主管。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

STAKEHOLDER ENGAGEMENT

We keep regular contact with our stakeholders in order to listen to their opinions and expectations regarding the Group's CSR concerns and the resulting environmental and social impacts on our business. By gathering views of stakeholders and understanding their concerns, the Group can adjust its policies and approaches on CSR management and formulate its strategy for addressing the CSR issues. This will enable the Group to continually enhance its CSR performance.

We maintain good communication with these important stakeholder groups through a variety of channels, as shown in the following table, after identifying those who may have a large impact on our business and those who may be severely influenced by our operations.

持份者參與

為了了解持份者對本集團企業社會責任議題及本公司業務所產生的相關環境及社會影響的意見及期望，我們與彼等保持定期溝通。透過收集持份者的意見及了解彼等的關注點，本集團可調整企業社會責任管理的政策及方法，以及制定應對企業社會責任問題的策略，從而使本集團持續提高企業社會責任表現。

在釐定對我們的業務有重大影響的主要持份者群體及我們的營運可能對其造成重大影響的主要持份者群體後，我們通過如下表所示的各種渠道與彼等保持良好溝通。

Stakeholder Groups 持份者組別	Communication Channels 溝通渠道
Investors and Shareholders 投資者及股東	<ul style="list-style-type: none"> Company's website 公司網站 Company's announcements 公司公告 Annual general meeting 股東週年大會 Annual and interim reports 年報及中期報告
Customers 客戶	<ul style="list-style-type: none"> Company's website 公司網站 Customer satisfaction surveys 客戶滿意度調查 Customer service hotline 客戶服務熱線 Social events 社交活動
Employees 僱員	<ul style="list-style-type: none"> Training and orientation 訓練及培訓 Intranet 內聯網 Opinion box 意見箱 Annual appraisal 年度評估 Social events 社交活動 Whistleblowing system 舉報系統
Suppliers and Business Partners 供應商及業務夥伴	<ul style="list-style-type: none"> Regular assessments 定期評估 Tendering and procurement processes 招標及採購流程 Social events 社交活動
Non-governmental Organisations 非政府組織	<ul style="list-style-type: none"> Charity donations 慈善捐款 Volunteering 志願服務
Communities 社區	<ul style="list-style-type: none"> Company's website 公司網站 Company's announcements 公司公告
Media 媒體	<ul style="list-style-type: none"> Company's website 公司網站 Company's announcements 公司公告

MATERIALITY ASSESSMENT

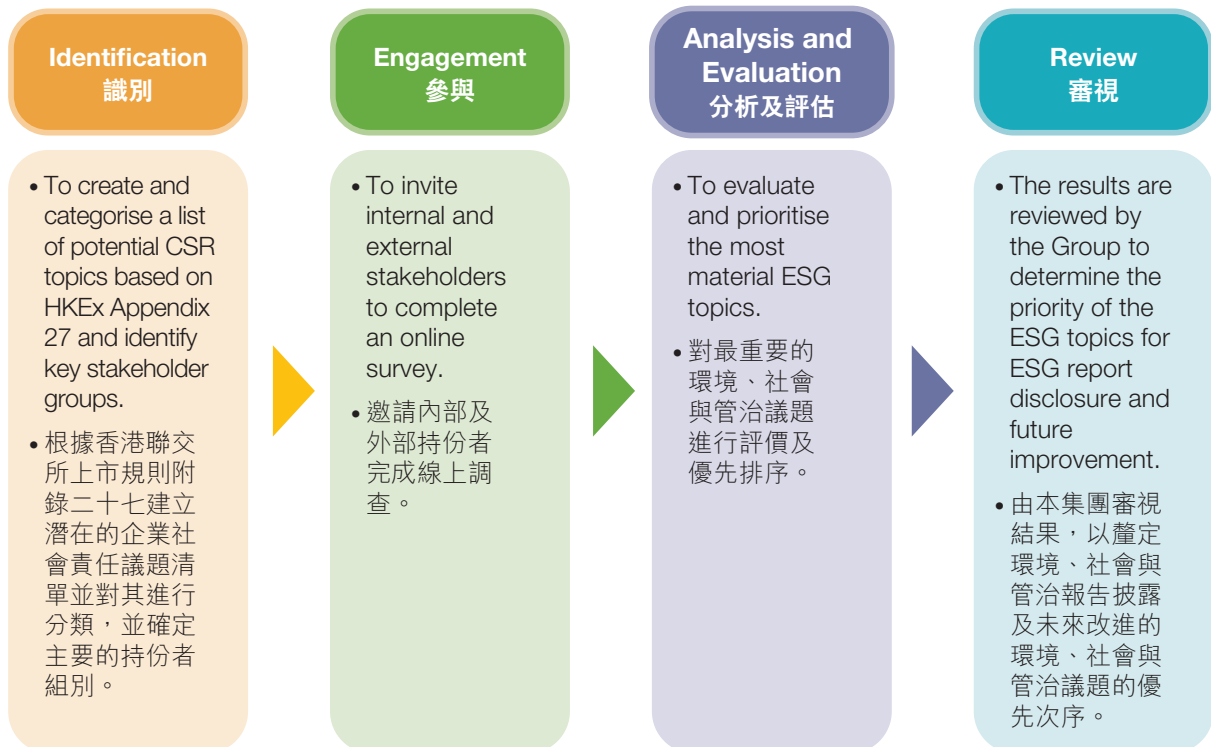
An independent consultant had been engaged to perform a materiality assessment by conducting an online survey to gather feedback from the Group's various stakeholder groups, including customers, members of top management and employees. This was done to facilitate the identification of the material CSR issues that are most important to the Group and its stakeholders. We established the framework for the Report and our CSR management strategies based on the views and opinions gathered from the stakeholders in order to allay their concerns regarding CSR issues.

Based on their perspectives on the importance of each of the 27 identified CSR-related topics, our major stakeholder groups responded to our questionnaire and provided feedback. The materiality assessment matrix below shows the importance of these subjects in terms of priority to the stakeholders and that to the Group's business and operation. The topics that fell in the upper-right quadrant of the matrix were identified as the most important to the Group's business operations and our stakeholders.

重要性評估

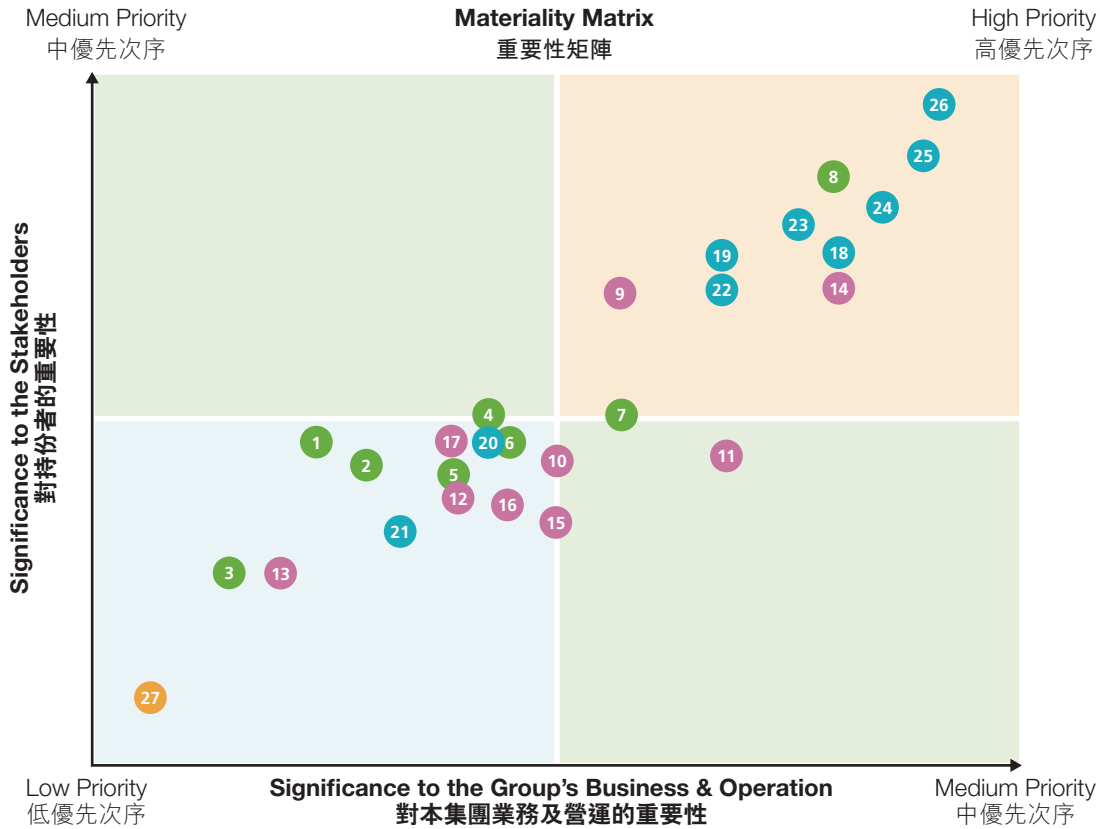
我們已委託一間獨立諮詢公司，透過開展線上調查，收集本集團各持份者組別包括客戶、最高管理層成員及僱員的意見，進行重要性評估，從而便於識別對本集團及持份者最重要的重大企業社會責任議題。我們收集了持份者的意見及觀點，制定了本報告的框架，並制定了我們的企業社會責任管理策略，以減輕彼等對企業社會責任問題的擔憂。

我們的主要持份者群體根據彼等對27個已識別的環境、社會與管治相關議題中每個議題的重要性意見，回覆我們的調查問卷並提供反饋。以下重要性評估矩陣按優先次序排列顯示該等議題對持份者及本集團業務及營運的重要程度。矩陣右上角的議題被界定為對本集團業務營運及持份者最重要的議題。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



Social 社會

Environment 環境

1. Air emission
氣體排放
2. Greenhouse gas emission
溫室氣體排放
3. Climate change
氣候變化
4. Energy efficiency
能源效益
5. Water and effluents
水及污水
6. Use of materials
物料使用
7. Waste management
廢物管理
8. Environmental compliance
環境合規

Employment 就業

9. Labour rights
勞工權利
10. Labour-management relations
勞工管理關係
11. Employee retention
僱員留任
12. Diversity and equal opportunity
多元化及平等機會
13. Non-discrimination
反歧視
14. Occupational health and safety
職業健康及安全
15. Employee training
僱員訓練
16. Employee development
僱員發展
17. Prevention of child labour and forced labour
預防童工及強迫勞工

Operation 營運

18. Customer satisfaction
客戶滿意度
19. Product and service quality and complaints handling
產品及服務品質及投訴處理
20. Customer health and safety
客戶健康及安全
21. Marketing and product and service labelling compliance
營銷以及產品及服務標籤合規
22. Intellectual property
知識產權
23. Customer privacy and data protection
客戶私隱及數據保護
24. Responsible supply chain management
負責任的供應鏈管理
25. Business ethics
商業道德
26. Socio-economic compliance
社會經濟合規

Community 社區

27. Community investment
社區投資

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

By understanding the most relevant ESG topics to the Group and its stakeholders, we can formulate our business and CSR strategies to concentrate on CSR issues of higher priority. Materiality assessment is a key component of our stakeholder engagement. More importantly, we can address the expectations and concerns of the stakeholders, as summarised below:

通過了解對本集團及其持份者最為相關的環境、社會與管治議題，我們可制定我們的業務及企業社會責任戰略，以關注最重要的企業社會責任問題。重要性評估是我們持份者參與的一個重要部分。更重要的是，我們可對持份者的期望及關注點作出回應，概述如下：

Key Concerns From Stakeholders 持份者的主要關注點	Our Responses 我們的回應	Section 章節
Socio-economic Compliance 社會經濟合規	We comply with all legislation and voluntary commitments that are pertinent to our business. To highlight our efforts, various certificates or permits we obtained are listed throughout the sections of the Report. 我們遵守與我們的業務相關的所有法律及自願承諾。為彰顯我們的努力，我們獲得的各種證書或許可證列於本報告各節。	SUSTAINABLE OPERATIONS 可持續營運
Business Ethics 商業道德	The Group has always followed the principles of “Law-abiding, Honesty, Fairness, and Anti-corruption”, and takes a zero-tolerance approach to any behaviours that violates integrity. An Anti-corruption Policy is in place to set out anti-corruption standards. 本集團始終遵循「守法、誠信、公正、反腐敗」的原則，對任何違反誠信的行為採取零容忍態度。已制定反腐敗政策，規定了反腐敗標準，並採納舉報政策以保密及匿名的方式對可能的不當行為提出關切。	SUSTAINABLE OPERATIONS — Business Ethics 可持續營運 — 商業道德
Responsible Supply Chain Management 負責任的供應鏈管理	We strive to ensure the value chain is sustainable and of good quality. We adopt green procurement for the selection of suppliers. Our operation is accredited with ISO28000:2007. More details of the selection, evaluation and supplier engagement are disclosed in this year’s Report. 我們致力於確保可持續及優質的價值鏈。我們採用綠色採購方式選擇供應商。我們的營運已通過 ISO28000 : 2007 認證。選擇、評估及供應商參與的更多詳情已於本年度的報告披露。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Key Concerns From Stakeholders 持份者的主要關注點	Our Responses 我們的回應	Section 章節
Environmental Compliance 環境合規	<p>We have implemented an environmental management system accredited with the international standard of ISO 14001:2015. Our operations have received official pollutant discharge permits from the Chinese government. We also engage third parties to conduct regular testing on air emission, noise, and wastewater discharge to ensure the compliance.</p> <p>我們已實施獲ISO 14001 : 2015國際標準認證的環境管理體系。我們的營運已獲得中國政府頒發的官方排污許可證。我們亦委聘第三方定期進行氣體排放、噪音及廢水排放測試，以確保合規。</p>	PROTECTING OUR ENVIRONMENT 保護環境
Customer Privacy and Data Protection 客戶私隱和資料保護	<p>We value our stakeholders' privacy and data security. We have implemented a robust set of procedures to protect the stakeholders' privacy by enhancing data protection stewardship.</p> <p>我們重視持份者的私隱和資料安全。我們實施了一套健全的程序，通過加強資料保護管理來保護持份者的私隱。</p>	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
Customer Satisfaction 客戶滿意度	<p>We are committed to enhancing customer satisfaction by ensuring the quality of our products. Our award-winning quality management system is accredited by the international standard ISO 9001:2015 and IATF 16949:2016, which demonstrates our capability in providing goods and services that meet customer expectations. We have also been maintaining close communication with customers to understand their needs, expectations and feedbacks.</p> <p>我們致力於透過確保我們產品的品質來提高客戶滿意度。我們獲獎的品質管理體系已獲得國際標準ISO 9001 : 2015及IATF 16949 : 2016的認證，這表明我們有能力提供符合客戶期望的商品及服務。我們亦一直與客戶保持密切溝通，以了解彼等的需求、期望及反饋意見。</p>	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

SUSTAINABLE OPERATIONS

Business Ethics

Core values of the Group address “Unity and Mutual Trust”. Throughout the entire business operation, we constantly uphold ethical standards. During the Reporting Period, the Group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering such as the “Prevention of Bribery Ordinance” in Hong Kong, nor any concluded legal cases regarding corrupt practices against the Group or its employees.

Anti-corruption, Fraud and Anti-money Laundering

The Group has been consistently complying with the principles of “Law-abiding, Honesty, Fairness and Anti-corruption” and is stringently against bribery and improper business conduct. We take a zero-tolerance approach to any behaviours of bribery and unfair business practices.

An Anti-corruption Policy is in place to set out anti-corruption standards. This policy shall be applied to all employees (full time and part time) of the Group and related third parties who deal with the Group (e.g. consultants, contractors, suppliers, agents and customers). Any forms of corruption (such as offering or accepting any benefits or advantages) and unfair business practices (such as collusion) are strictly prohibited.

Employees are required to disclose any potential conflict of interest. We also require our business partners to sign an integrity declaration and a non-disclosure agreement to ensure that our business relationship is built upon integrity. If any business partner is found to violate the respective requirements, the Group will put them on a supplier blacklist, permanently suspend the business collaboration with the relevant parties, inform people involved in the business of their misconduct, and reserve the right to take legal action.

可持續營運

商業道德

「團結互信」是本集團的核心價值觀。於整個業務營運過程中，我們始終秉持道德標準。於報告期內，本集團並不知悉任何嚴重違反有關賄賂、勒索、欺詐及洗錢的法律法規，如香港《防止賄賂條例》，亦不知悉任何針對本集團或其僱員的腐敗行為的已結案法律案件。

反腐敗、詐騙及打擊洗錢

本集團始終遵循「守法、誠信、公正、反腐敗」的原則，嚴禁任何賄賂行為及不正當的商業行為。我們對任何賄賂行為及不公正的商業行為採取零容忍態度。

本集團已制定反腐敗政策，規定了反腐敗標準。該政策適用於本集團的所有僱員（全職及兼職）以及與本集團有往來的相關第三方（例如顧問、承包商、供應商、代理商及客戶）。嚴格禁止任何形式的腐敗（如提供或接受任何利益或益處）及不公正的商業行為（如勾結）。

僱員必須披露任何潛在的利益衝突。我們亦要求我們的業務夥伴簽署誠信聲明及保密協議，以確保我們的業務關係建立在誠信基礎之上。倘有業務夥伴違反有關要求，本集團會將其列入供應商黑名單、與相關方永久終止合作，並將有關不當行為通知企業內部，及保留採取法律行動的權利。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

We have also encouraged our employee to strengthen their legal knowledge and awareness by joining the 2022 Public Legal Services Awareness Week of Daya Bay Popularising Basic Knowledge of Law.



During the Reporting Period, we offered about 2,761 hours of anti-corruption training to the Board, management and employees through classroom training and self-learning.

Whistleblowing and Investigation

The Group is committed to maintaining a high standard of integrity, openness, probity and accountability. We have adopted a Whistleblowing Policy and employees are encouraged to report any suspected behaviours of bribery and dishonesty, as well as other CSR issues to the Group or the staff committee in confidence and anonymity, either in writing or over the phone. All cases will be properly investigated in a strict, meticulous and timely manner. Whistle-blowers will be assured of fair treatment, including protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated.

The Audit Committee will assess every report received and decide if a full investigation is necessary. If an investigation is warranted, the Audit Committee will then review the matter and decide how the investigation should proceed. The actions to be taken by the Group after investigations include disciplinary action, termination of employment or preventive action. Cases of suspected corruption or other criminal offences will be reported to Independent Commission Against Corruption and other relevant regulators or authorities.

我們亦通過參加大亞灣區二零二二年度普法•公共法律服務宣傳週法治宣傳活動，鼓勵僱員加強法律知識及意識。



報告期內，我們通過課堂培訓和自學，為董事會、管理層和僱員提供了約2,761小時的反腐敗培訓。

舉報及調查

本集團致力於維持高標準的誠信、公開、正直及問責制。我們已採納舉報政策，鼓勵僱員以保密及匿名方式以書面或電話形式向本集團或僱員委員會舉報任何可疑的賄賂及不誠實行為，以及其他企業社會責任問題。本集團將以嚴格、細緻及及時的方式對所有案件進行適當地調查。我們保證會公平對待舉報人，包括防止不公平解僱、傷害或無端紀律處分，即使有關疑慮最終無法證實。

審核委員會將評估收到的每份報告，並決定是否有必要進行全面調查。倘有必要進行調查，審核委員會將審查此事並決定如何進行調查。本集團經調查後會採取的行動包括紀律處分、終止僱傭關係或預防措施。涉嫌腐敗或其他刑事犯罪的案件將報告予廉政公署和其他相關監管機構或部門。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Supply Chain Management

We are dedicated to making sure that our production process maximises value for the Group and its stakeholders. This entails improving the efficiency of our supply chain management whilst ensuring the quality of our products. In order to accomplish this, we have established an objective supplier selection system and a well-organised supplier and product quality management system. We also closely collaborate with our suppliers and business partners to maintain a stable supply chain.

We consider supply chain management to be essential to achieve sustainable operations. With this goal, we established a sound supply chain management system to assess the product quality and level of environmental and social impacts and viability of all of our suppliers. During the Reporting Period, we collaborated with 712 suppliers from 7 countries/regions. Details of the supplier distribution are summarised in the table below:

	2022 二零二二年	2021 二零二一年
Total Number of Suppliers 供應商總數	712	686
Number of Suppliers by Geographical Region 按地區劃分的供應商數目		
China 中國	677	646
Hong Kong 香港	21	23
United States 美國	6	6
Others 其他	8	11

Sustainable Supply Chain

To identify, monitor and manage environmental and social risks along the supply chain, we have been considering the impacts to society and the environment throughout the entire supply chain. We strive to lessen the carbon impact and waste generation associated with the supply chain while upholding the health and safety requirements and working conditions of our suppliers.

Additionally, we are certified with the ISO 28000:2007 Supply Chain Security Management System which demonstrates, among others, our efforts on securing the supply.

供應鏈管理

我們致力於確保我們的生產流程為本集團及其持份者帶來最大價值。這需要提高我們供應鏈管理的效率，同時確保我們產品的質量。為實現這一目標，我們建立了客觀的供應商選擇系統，以及完善的供應商及產品質量管理體系。我們亦與供應商及業務夥伴密切合作，以維持穩定的供應鏈。

我們認為供應鏈管理對實現可持續營運至關重要。為實現這一目標，我們建立了健全的供應鏈管理體系，以評估產品品質、環境水平及社會的影響程度及所有供應商的生存能力。於報告期內，我們與來自7個國家/地區的712家供應商進行了合作。下表概述供應商分佈的詳情：

可持續供應鏈

為識別、監控及管理供應鏈環境及社會風險，我們時常思考整個供應鏈對社會及環境的影響。我們努力減少與供應鏈相關的碳影響及廢物產生，同時維護供應商的健康及安全需求及工作條件。

此外，我們亦通過 ISO 28000 : 2007 供應鏈安全管理體系認證，證明我們在確保供應方面的努力。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Selection on Suppliers

We prefer to collaborate with suppliers that adhere to social and environmental standards. Before we develop the business relationship with a new supplier, the new supplier will go through a supplier assessment which assesses its environmental and social impacts.

The minimum requirement for our suppliers is to pass the ISO 9001:2015 quality management system audited by an independent third party, whilst the obtaining of IATF 16949:2016 quality system certification would be much encouraged. Subcontractors which work on-site are required to comply with our workplace safety, chemical safety, fire safety and other health and safety requirements.

選擇供應商

我們優先與堅持社會及環境準則的供應商合作。對新供應商進行供應商評估後，我們方會與該供應商建立合作夥伴關係以評估其環境及社會影響。

我們對供應商的最低要求是通過獨立第三方審核的ISO 9001:2015品質管理體系，且我們鼓勵彼等獲得IATF 16949:2016品質體系認證。在現場作業的分包商必須遵守我們的工作場所安全、化學品安全、消防安全及其他健康與安全要求。



ISO 28000:2007
Ka Yi 嘉宜

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Green Procurement

Once the supplier is selected, it is required to sign an environmental, health and safety agreement with the Group. We also expect our suppliers to make the supplier environmental declaration to declare compliance with the European Union RoHS and REACH directives¹ of materials supplied. These regulations address the production and use of chemical substances, and their potential impacts on both human health and the environment. The Production and Planning Department of the Group will require the materials to comply with such regulations even if our customers do not have such specific environmental protection requirements for the product. We will not purchase any materials that are not environmentally friendly in our practice.

Evaluation and Engagement with Suppliers

The evaluation of suppliers includes both annual and occasional assessments. On-site inspections and questionnaires are conducted annually. Apart from the aspects such as product safety requirements, product legal and regulatory requirements and the certification level of the supplier's quality management system which the routine assessment would cover, the Production and Planning Department may occasionally perform assessments in special circumstances, such as, in the event of short production capacity of the supplier or a product return requested from customer attributable to the supplier.

綠色採購

供應商一旦獲選，其必須與本集團訂立一份環境、健康及安全協議。我們亦要求供應商填寫供應商環保聲明，以聲明所供應的物料符合歐盟的危害性物質限制指令(RoHS)及化學品註冊、評估、許可與限制法規(REACH)¹。該等條例旨在解決化學物質的生產及使用，以及其對人類健康和環境的潛在影響。儘管客戶並未對產品提出此等特定環保要求，本集團的生產規劃部門將要求物料符合此等法規。我們不會採購實際上並不環保的物料。

供應商的評估及參與

供應商的評估包括年度及不定期評估。每年進行實地考察及問卷調查。除常規評估所涵蓋的產品安全規定、產品的法律法規要求及供應商質量管理系統的認證級別等因素，生產規劃部門會在特定情況下進行不定期評估，比如，供應商的產能不足或因供應商的原因導致客戶要求退貨。

¹ RoHS stands for the Restriction of Hazardous Substances, which is a European directive restricting the use of 10 specific substances in electronics and electrical equipment. REACH stands for the Registration, Evaluation, Authorization, and Restriction of Chemicals. REACH is a European regulation that restricts the use of certain chemical substances in all parts and products manufactured, sold, and imported.

¹ RoHS指危害性物質限制，是一項限制在電子及電氣設備中使用10種特定物質的歐洲指令。REACH指化學品登記、評估、授權及限制條例。REACH是歐洲一項限制所生產、銷售及進口的所有零部件和產品中使用若干化學物質的條例。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Save for the aforesaid environmental and social standards, our suppliers must also meet requirements on their supply scale, quality, and overall performance in order to meet our production standards and customer expectations. Our professional supplier assessment panel will assess the performance of our suppliers based on product quality, delivery time, customer complaint (if any), and other environmental and CSR-related aspects, on an monthly and annual basis, to efficiently manage the product quality of our suppliers. Product material suppliers and processing suppliers are required to sign the confidentiality agreement and integrity management agreement with the Production and Planning Department of the Group if needed.

Sub-performing suppliers will have to make prompt improvements to keep themselves on our approved supplier list. Additionally, we place a high value on our suppliers' continual advancement and that we have developed plans to encourage them to improve their quality management system by establishing ISO 9001:2015 and/or IATF 16949:2016 quality management system.

Enhancing Customer Satisfaction

With sincere gratitude to our customers for their trust over the past 40 years, we strive to build and maintain their confidence in our products. We are committed to offering them the highest quality products, services, and support.

除上述環境及社會標準外，我們的供應商亦必須滿足對其供應規模、品質及整體表現的要求，以達到我們的生產標準和客戶預期。我們的專業供應商評估小組根據產品品質、交付時間、客戶投訴(如有)及其他與環境及企業社會責任有關方面，透過每月及年度對供應商的表現進行評估，以有效管理供應商產品質量。產品物料供應商及加工供應商須與本集團的生產規劃部門根據需要簽署保密協議及廉潔管理。

表現不達標的供應商必須及時改進，才能留在我們的獲批准供應商名單中。此外，我們非常重視持續提升供應商，並且已制定計劃鼓勵彼等透過建立ISO 9001:2015及/或IATF 16949:2016品質管理體系來改善其品質管理體系。

提高客戶滿意度

我們誠摯感謝客戶過往40年來的信任，致力於建立和維持彼等對我們產品的信心。我們致力於向客戶提供最優質的的產品、服務和支持。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Quality Management

Our ability and capacity to deliver goods and services that satisfy customer expectations amid challenges are evidenced by the accreditation of our quality management system by the international standards ISO 9001:2015 and IATF 16949:2016. By obtaining the IATF 16949 certification, we have demonstrated our dedication to making continuous improvements and our ability to minimize defect, variation, and waste in the supply chain and assembly process of the automotive component industry.

質量管理

國際標準ISO 9001 : 2015及IATF 16949 : 2016的品質管理體系認證已證明我們有能力在挑戰中提供達到客戶預期的商品和服務。通過獲得IATF 16949認證，表明我們致力於持續改進，且有能力最大程度減少汽車零部件行業供應鏈及裝配流程中的缺陷、變更及廢物。



IATF 16949:2016
Ka Shui Technology
嘉瑞科技



IATF 16949:2016
Ka Fung
嘉豐



ISO 9001:2015
Ka Shui Technology
嘉瑞科技



ISO 9001:2015
Ka Fung
嘉豐



ISO 9001:2015
Ka Yi
嘉宜

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Quality Control

To consistently ensure that our products meet our quality standards and customer expectations, our rigorous quality control system covers the entire manufacturing cycle from raw materials to end products. Raw materials, semi-finished products, and end products all undergo routine quality inspections. Our skilled quality control personnel will strictly adhere to our internal rules and protocols regarding quality requirements. If any non-conforming products are found, we will assess the possibility of taking any remedial actions or proceed to recall the non-conforming products.

During the Reporting Period, no sold or shipped products were subject to product recalls for safety and health reasons. There was no material breach of relevant laws and regulations relating to health and product safety, advertising, labelling and privacy matters in connection to the products and services provided by the Group.

Customer Satisfaction

We have formulated the client complaint handling procedure with reference to ISO 9000:2015 Quality Management Systems – Fundamentals and Vocabulary, which serves as an effective manual for our personnel to follow in order to gather customer feedback and complaints in a proper manner, so as to address their concerns to enhance customer satisfaction.

To ensure that our products satisfy the expectation of the customers, we maintain close communication with our customers, and welcome any feedbacks and complaints made by the customers. We also recall the relevant products (if appropriate) and carefully investigate all complaints and feedback for future improvements.

All feedbacks and complaints received from our customers will be promptly handled by the corresponding departments, including management, sales and quality departments. In the meantime, the feedbacks and complaints will be recorded on the customer complaint report summary table. Our personnel will conduct statistical analysis and generate a report regarding the table, as well as monitoring the implementation of improvement. The reports will be dispatched to relevant departments and stored in the shared backup drive.

In addition to the customer satisfaction survey that we send to our customers regularly, we also developed a scorecard to quantify customer's satisfaction. The scorecard is consolidated based on the statistics of target and related customers collected on the monthly basis,

品質控制

我們嚴格的質量控制體系包含從原材料到成品的整個生產週期，以確保我們的產品一致地滿足我們的品質標準及客戶期望。我們定期對原材料、半成品及成品進行品質檢查。我們技能嫺熟的品質控制人員將嚴格執行我們關於品質要求的內部規則及方案。倘發現任何不合格品，我們將評估採取任何補救措施的可能性或著手召回不合格品。

於報告期內，概無任何已售出或已發貨的產品因安全及健康理由而被召回。本集團提供的產品及服務概無嚴重違反有關健康與產品安全、廣告、標籤及私隱事宜的相關法律法規。

客戶滿意度

我們參考ISO 9000：2015品質管理體系－基礎和術語，制定了客戶投訴處理流程，已成為員工正確收集客戶反饋和投訴時可遵循的有效手冊。從而解決彼等顧慮，客戶滿意度可得到提升。

為確保我們的產品能夠滿足客戶的期望，我們與客戶保持密切溝通，並歡迎客戶進行反饋及投訴。我們亦召回相關產品(如適用)並仔細調查所有的投訴及反饋，以便於日後進行改進。

所有的客戶反饋及投訴均將由相應的部門(包括管理層、銷售部及品質部)立即進行處理。與此同時，反饋及投訴將記錄在客戶投訴報告匯總表中。我們的員工將進行數據分析並編製有關此表格的報告，亦會監督實施改進措施。有關報告將發送至相關部門並保存於共享備份磁盤。

除我們定期發送至客戶的客戶滿意度調查表之外，我們亦製作可量化客戶滿意度的記分卡。記分卡來源於目標及相關客戶的每月收集統計數

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

covering items such as information on timely delivery, excess or additional freight, number of customer complaints, and product return rates.

During the Reporting Period, we received 24 complaint cases regarding our products and services, all of which were properly handled and investigated in accordance with our complaint handling procedures.

Product Safety

The Group attaches great importance to product safety. We undertake a product quality audit every year to assess our products against numerous safety criteria and determine whether they pose any safety risks in order to make sure that they adhere to the safety standards.

Corrective and preventive measures will be taken promptly should we identify any non-conformity throughout the process. Upon identification of non-conforming products, the associated departments will mark the non-conforming materials in accordance with the protocol of identification and traceability process and conducted analysis on the defect and its effect. We also maintain detailed records for all non-conforming products including quantity, location, date, and other applicable traceability information. We shall seek customers' opinion before we take any remedial actions.

Intellectual Property

We are dedicated to safeguarding our intellectual property rights in order to increase our competitiveness in technological innovation. To standardise the management of the application, acquisition, and maintenance of the Group's intellectual property, the Group has established a sound management system and formulated our Intellectual Property Protection Management Procedure, which stated the responsibilities of associated departments on intellectual property protection. In particular, the Expansion Centre is responsible for gathering the intellectual property data of the industry and industry participants from various channels, in view of the latest projects, R&D activities of the Company and changes in the market environment.

We will also take proactive intellectual property protection measures with regard to products or expected products produced by R&D projects. To minimise the related risks, our marketing department will monitor and record the relevant information regarding the countries and regions where our products are sold in the preparation of the "Product Intellectual Property Risk Monitoring Table".

During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to intellectual property regarding our products and services.

據，其內容包括及時交付、超額或額外運費、客戶投訴數量及產品退貨率等。

於報告期內，我們共接到24宗產品和服務的投訴，均按照投訴處理程序妥善處理和調查。

產品安全

本集團非常重視產品安全。為確保產品符合安全標準，我們每年進行一次產品品質審核，根據各項安全標準評估我們的產品，並確定彼等是否造成任何安全風險。

倘我們在整個流程中發現任何不合格品，我們將及時採取糾正及預防措施。一旦發現不合格產品，相關部門將根據確認及追溯流程標記不合格物料並對缺陷及其影響進行分析。我們亦會對所有不合格產品進行詳細記錄，包括數量、位置、日期及其他適用的追溯信息。在採取任何補救措施之前，我們會徵求客戶意見。

知識產權

為了提高我們在技術創新方面的競爭力，我們致力於保護知識產權。本集團已建立一個完善的管理系統以規範管理本集團知識產權的應用、獲取及維護，並制定我們的知識產權保護管理程序，訂明相關部門保護知識產權的責任。特別而言，擴展中心負責針對本公司最新項目、研發活動及市場環境的變化，從各個渠道收集行業及行業參與者的知識產權數據。

本公司亦將針對研發項目所生產的產品或預期產品積極進行知識產權保護措施。為盡量降低相關風險，營銷部門將監控及記錄我們的產品銷售所在國家或地區的相關資料，形成「產品知識產權風險監控表」。

於報告期內，就我們的產品及服務的知識產權而言，本集團概無發現任何違反適用法律及法規的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

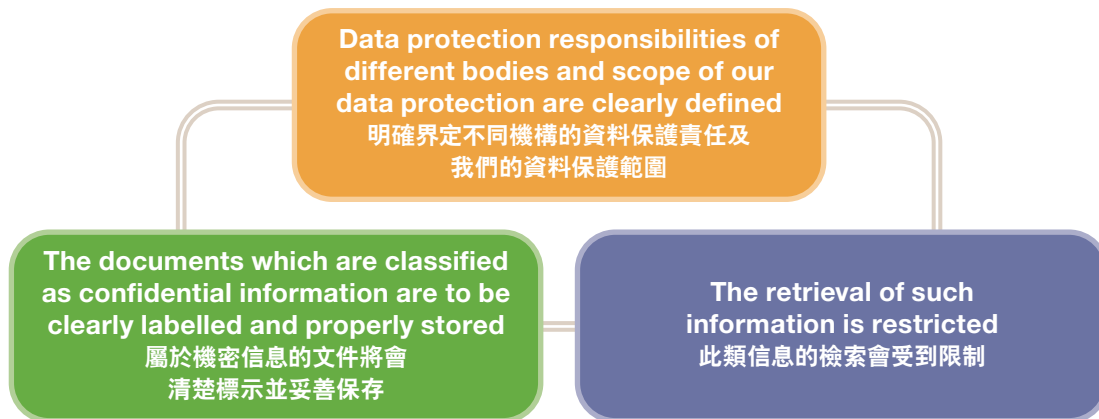
環境、社會及管治報告(續)

Data Protection

The Group understands the importance of privacy to all stakeholders, including our customers, employees, and business partners. Adhering to our information management policy, we have implemented a stringent set of procedures to protect the stakeholders' privacy:

資料保護

本集團了解私隱對所有持份者(包括我們的客戶、員工和業務合作夥伴)的重要性。秉承我們的信息管理政策，我們實施了一套嚴格的程序來保護持份者的私隱：



Except in the following circumstances, no third party will receive access to the personal information of associated personnel:

除以下情況外，相關人員的個人信息將不會向任何第三方公開：



Employees that disobey the private information confidentiality system will be warned and immediately removed from their current position. In the event of serious circumstances, they might be demoted or dismissed. We encourage employees to monitor each other on the compliance of the information management policy. Every employee has a responsibility to report any violation of the policy. Employees who report violations of the privacy and confidentiality system may receive rewards upon verification.

違反私隱信息保密體系的員工會被警告並立即罷免其現有職位。倘情況嚴重，彼等可能會被降職或開除。我們鼓勵員工互相監督對信息管理政策的遵守情況。每位員工都有責任報告任何違反政策的行為。舉報違反私隱信息保密體系的員工，經核實後可獲獎勵。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Innovation and Research

To promote industrial innovation and boost productivity, we stay focused to create smart manufacturing facilities.

Our production sites currently have a real-time, end-to-end production management system in place that greatly enhances production data authentication, lowers manual error, and boosts quality and production efficiency while enabling the traceability of the production of any batch of products or individual products. The Group will accelerate the adoption of "Industry 4.0" in its manufacturing facilities in China to enhance the use of the Industrial Internet of Things ("IIoT") for machine interface and to use IIoT data for additional data analysis with an aim to enhance production efficiency over time.

PROTECTING OUR ENVIRONMENT

As part of our ongoing efforts to reduce our carbon footprint and tackle the environmental issues we confront, the Group continuously improves and enhances our environmental management practises and manufacturing process. As a result, we have put in place an environmental management system that has been certified to the international standard ISO 14001:2015. We have appointed external consultants to conduct annual examinations of air emissions, wastewater discharges, and noise generation in order to assure strict compliance with all applicable environmental laws and regulations.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, generation of waste and use of resources, including, among others, the "Environmental Protection Law of the PRC" and the Law on the Prevention and Control of Atmospheric Pollution of the PRC. Furthermore, the Group was not aware of any issue in sourcing water that is fit for purpose.

創新與研究

為促進行業創新和帶動生產率，我們始終專注於創造智能生產設備。

我們的生產基地目前實施了實時端到端生產管理體系，可大大增強生產數據認證，減少人工錯誤，提高品質及生產效率，亦使任何一批產品或單個產品的生產均可被追蹤。本集團將加快在中國生產設施採用「工業4.0」，加大工業物聯網（IIoT）的應用進行機器連接，並利用IIoT數據進行進一步的數據分析，從而持續改善生產效率。

保護我們的環境

作為持續降低碳足跡及應對我們所面臨環境問題的工作的一部分，本集團繼續提升及加強我們的環境管理實踐及生產流程。因此，我們已建立獲 ISO 14001:2015 國際標準認證的環境管理體系。為確保嚴格遵守所有適用的環境法律及法規，我們已聘請外部顧問對氣體排放、廢水排放及噪音產生進行年度檢查。

於報告期內，本集團並不知悉任何嚴重違反下述法律法規的行為：與氣體及溫室氣體（「溫室氣體」）排放、對水及土地的排污、廢物產生以及資源使用有關的法律及法規，包括（其中包括）《中華人民共和國環境保護法》及《中華人民共和國大氣污染防治法》。此外，本集團並不知悉求取適用水源存在任何問題。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, the Group's total GHG emission was 32,372.45 tonnes of carbon dioxide equivalent ("tCO₂e"), with an intensity of 44.50 tCO₂e per million pieces of product.

於報告期內，本集團的溫室氣體總排放為32,372.45公噸二氧化碳當量(「公噸二氧化碳當量」)，密度為每百萬件產品44.50公噸二氧化碳當量。

GHG Emission ² 溫室氣體排放 ²	Unit 單位	2022 二零二二年	2021 二零二一年
Scope 1 – Direct GHG emissions ³ 範圍1 – 直接溫室氣體排放 ³	tCO ₂ e 公噸二氧化碳當量	3,045.44	3,821.79
Scope 2 – Energy indirect GHG emissions ⁴ 範圍2 – 能源間接溫室氣體排放 ⁴	tCO ₂ e 公噸二氧化碳當量	29,259.23	38,723.31
Scope 3 – Other indirect emissions ⁵ 範圍3 – 其他間接排放 ⁵	tCO ₂ e 公噸二氧化碳當量	67.78	8.23
Total GHG emissions 溫室氣體總排放	tCO ₂ e 公噸二氧化碳當量	32,372.45	42,553.32
GHG Intensity 溫室氣體排放密度	tCO ₂ e/million pieces of product 公噸二氧化碳當量/ 每百萬件產品	44.50	29.00

² The calculation had made reference to GHG Protocol – Emission Factors from Cross-Sector Tools and the published emission factors of the “How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs” published by HKEx.

³ Scope 1 emissions represent direct GHG emissions generated by the use of refrigerant and fuels for stationary and mobile sources.

⁴ Scope 2 emissions represent energy indirect GHG emissions generated by the use of electricity and natural gas.

⁵ Scope 3 emissions cover other indirect emissions associated with the Group's business operation, which include the emissions derived from business travel of our employees. Our 2022 Scope 3 emissions is greater than that in 2021 due to the resumption of air business travel in the light of the relaxation in travel restrictions. The figure was estimated based on the mileage information provided by the air carriers. The total travel distance has increased from 20,490km to 256,943 km.

² 此計算已參考溫室氣體協議 – 跨界別排放係數工具及聯交所發佈的「如何編備環境、社會及管治報告附錄二：環境關鍵績效指標匯報指引」中所載之已發佈排放係數。

³ 範圍一指固定及移動源頭使用製冷劑及燃料所產生的直接溫室氣體排放。

⁴ 範圍二排放指使用電力及天然氣所產生的能源間接溫室氣體排放。

⁵ 範圍三排放包括與本集團業務運營相關的其他間接排放，其中包括我們員工的商務旅行產生的排放。我們二零二二年的範圍三排放量大於二零二一年的排放量，原因是在放寬旅行限制後恢復了航空商務旅行。該數據由航空公司根據所提供的里程信息進行估計。總里程由20,490公里增加至256,943公里。

Despite the decrease in the total GHG emissions from 42,553.32 tCO₂e to 32,372.45 tCO₂e in 2022, the GHG intensity has increased in 2022 due to the considerable decrease in our pieces of products, which is attributable to negative impacts brought by COVID-19 on our business, as set out in the section “Management Discussion And Analysis” in this report.

We aim to reduce total GHG intensity (per million pieces of products) by 41% by 2030 from a 2019 base year. With the effective implementation of our environmental management system, energy conservation initiatives and energy efficiency upgrades for equipment, we are on track of achieving this target. Compared with the intensity of total GHG emissions in 2019 (63.25 tCO₂e/million pieces of product), we have attained a carbon abatement of 30% in 2022.

Minimising Environmental Impacts

By minimising the impacts on the environment, we enhance sustainability at every stage of our manufacturing processes. During our manufacturing processes of stationary machineries and motor vehicles, including die casting, moulding, and scrapping, wastewater and air pollutants are the main sources of our environmental impacts. Such emissions, discharge and noise are closely monitored to make sure they strictly adhere to regulatory standards.

Air Emissions

The air emission level of our manufacturing facilities strictly adheres to Guangdong Province’s DB44/27-2001 “Emission Limits of Air Pollutants.” We engage a third party to conduct the air quality inspection on an annual basis to make sure compliance. The Group’s air emissions are mainly attributable to the exhaust gas generated by the injection moulding machines during the high-temperature melting process and the dust generated during the crushing process.

New initiatives and technologies are adopted to mitigate such impacts, such as the installation of emission reduction devices. Before emission, the dust and waste gas generated in the process of injection moulding are treated by UV photolysis. On top of that, real-time monitoring system is adopted to keep track with the emission level.

儘管溫室氣體總排放由42,553.32公噸二氧化碳當量減少至二零二二年的32,372.45公噸二氧化碳當量，但溫室氣體排放密度於二零二二年增加，原因是我們的產品件數大幅減少，這是因為新型冠狀病毒對我們的業務造成負面影響，有關詳情載於本報告「管理層討論及分析」一節。

我們的目標是在二零一九年的基礎上，於二零三零年將溫室氣體總排放密度（每百萬件產品）降低41%。隨著我們有效執行環境管理制度、節能措施及設備的能源效率升級，我們現正朝著這一目標邁進。與二零一九年溫室氣體總排放密度（63.25公噸二氧化碳當量／每百萬件產品）相比，我們於二零二二年實現30%碳減排。

盡量減少環境影響

我們通過盡量減少環境影響，在生產流程的各個階段提高可持續性。環境影響的主要來源為固定機器及汽車的生產流程（包括壓鑄、注塑及銷毀）所產生的污水及氣體污染物。我們密切監測此類排放物及噪音的水平，以確保其嚴格遵守監管標準。

氣體排放

我們的生產工廠的氣體排放水平嚴格遵守廣東省DB44/27-2001《大氣污染物排放限值》的規定。為了確保合規，我們每年均會委聘第三方進行空氣質量檢查。本集團產生的氣體排放物主要歸因於注塑機在高溫熔化過程中產生的廢氣及壓碎過程中產生的灰塵。

我們通過採取新的措施及技術（如安裝減排設備）來減輕此類影響。注塑過程產生的灰塵及廢氣在排放前將以紫外光催化進行處理。此外，我們一直使用實時監控系統追蹤排放水平。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, the Group's total air emissions generated from production activities, stationary fuel usage and mobile fuel usage were as follows:

於報告期內，本集團的生產活動所產生的總氣體排放量、固定燃料使用量及流動燃料使用量如下：

Air Emissions ⁶ 氣體排放 ⁶	Unit 單位	2022 二零二二年	2021 二零二一年
Nitrogen Oxides ⁷ 氮氧化物 ⁷	Kilograms ("kg") 公斤	877.47	1,820.47
Sulphur Oxides 硫氧化物	kg 公斤	9.31	12.85
Particulate Matter 顆粒物	kg 公斤	5,837.02	14,007.23
Benzene 苯	kg 公斤	59.09	51.08
Toluene and Xylene 甲苯及二甲苯	kg 公斤	63.23 ⁸	749.44
Volatile Organic Compound 揮發性有機化合物	kg 公斤	3,149.10	4,818.10
Sulphuric Acid Mist 硫酸霧	kg 公斤	— ⁹	30.31
Sulphur Dioxide 二氧化硫	kg 公斤	156.26	896.72
Non-methane Hydrocarbons 非甲烷碳氫化合物	kg 公斤	1,375.14	1,112.92
Dimethylbenzene 二甲苯	kg 公斤	63.23	— ¹⁰

⁶ The air emission generated by the use of company vehicles is disclosed based on available data record only. We will continue to improve our data collection methodology.

⁷ The emission of nitrogen oxides in 2021 only covers direct emission from production plants, whereas that in 2022 includes the direct emission from production plants and combustion of stationary and mobile fuels.

⁸ Our operations in 2022 did not generate xylene.

⁹ Our operations in 2022 did not generate sulphuric acid mist.

¹⁰ Not recorded in 2021.

⁶ 使用公司車輛產生的空氣排放僅根據已有的數據記錄披露。我們將繼續改善我們的數據收集方法。

⁷ 二零二一年氮氧化物的排放僅覆蓋生產廠房的直接排放，而於二零二二年包括生產廠房的直接排放及固定及移動燃料的燃燒。

⁸ 我們二零二二年的運營並不產生二甲苯。

⁹ 我們二零二二年的運營並不產生硫酸霧。

¹⁰ 二零二一年並未錄得。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Wastewater Discharge

廢水排放

TREATMENT PROCESS

處理流程



The effluent produced from production and general washing contribute to our wastewater discharge. Our wastewater goes through a robust treatment process to remove organic material and pollutants before discharge. The wastewater generated is properly treated before being recycled or discharged. Therefore, we can protect the water sources nearby by safely returning the wastewater to the environment.

我們的廢水排放可歸因於生產及一般清洗所產生的污水。我們的廢水在排放前將通過嚴謹的處理流程去除有機物質及污染物。我們產生的廢水在回收或排放前均會進行適當處理。因此，我們可以通過使廢水安全地回到環境中來保護附近的水源。

We regularly inspect and clean our wastewater treatment facility to ensure it functions normally. External consultants are engaged to examine our wastewater at least once a year following the “Discharge Standard for Pollutants from Electroplating” (DB1597-2015) and “Environmental Quality Standards for Surface Water” (GB 3838-2002). The inspection ensures that the volume of organic material and pollutants is within acceptable ranges. The results show that the items that affect the quality of water such as suspended solids and pH value in our discharged wastewater are within or below the established limits.

我們定期檢查並清潔廢水處理設施，以確保其功能正常。根據《電鍍水污染物排放標準》(DB1597-2015)及《地表水環境質量標準》(GB 3838-2002)，我們委聘外部顧問每年至少檢測一次我們的廢水。該項檢測確保有機物質及污染物的量保持在可接受的範圍內。檢測結果表明，我們排放的廢水中的懸浮物及pH值等影響水質的項目均在既定限值以內或以下。

During the Reporting Period, the intensities of our water consumption and discharge were 269.96 and 4.96 cubic meters (“m³”) per million pieces of product respectively.

於報告期內，我們的用水量及排放量密度分別為每百萬件產品269.96及4.96立方米(「立方米」)。

Water 水	Unit 單位	2022 二零二二年	2021 二零二一年
Freshwater 淡水 Intensity 密度	m ³ 立方米 m ³ /million pieces of product 立方米/百萬件產品	196,368.90 269.96	246,423.62 167.93
Wastewater 廢水 Intensity 密度	m ³ 立方米 m ³ /million pieces of product 立方米/百萬件產品	3,609.00 4.96	4,603.62 3.14

Despite the decrease in the total water consumption and total discharge of wastewater in 2022, the respective intensities have increased in 2022 due to the considerable decrease in our pieces of products, which is attributable to negative impacts brought by COVID-19 on our business, as set out in the section “Management Discussion And Analysis” in this report.

儘管總用水量及廢水總排放於二零二二年下降，但各自的密度於二零二二年增加，原因是我們的產品件數大幅減少，這是因為新型冠狀病毒對我們的業務造成負面影響，有關詳情載於本報告「管理層討論及分析」一節。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

We aim to:

- Reduce water consumption by 5% by 2030 from a 2019 base year;
- Reduce the intensity of water consumption (per million pieces of products) by 34% by 2030 from a 2019 base year; and
- Reduce the intensity of wastewater discharge (per million pieces of products) by 50% by 2030 from a 2019 base year.

With the effective implementation of our water conservation and repurposing initiatives, we are on track of achieving the above targets. Compared with the water consumption figures in 2019, we have reduced:

- Total water consumption by 24% (2019: 258,744.23 m³)
- Water consumption intensity by 33% (2019: 401.33 m³/million pieces of product)
- Total wastewater discharge by 94% (2019: 64,300.92 m³);
- Wastewater discharge intensity by 95% (2019: 99.74 m³/million pieces of product)

Noise Generation

The level of noise output of our manufacturing facilities complies strictly with GB12348-2008, which is known as the "Emission Standard for Industrial Enterprises Noise at Boundary". We choose equipment that produces less noise and is more efficient, and by optimising the layout of the workshop and adding solid walls, we have increased the sound insulation of our workshop. To preserve its energy efficiency and to decrease the amount of time and frequency that the equipment is used, our machinery is well-maintained and that we make use of the most of it when it is running.

We conducted noise testing by an independent third-party consultant under GB 12348-2008. The testing reports show that the noise level of our operation was within the acceptable range from all testing points one meter outside our plants.

我們的目標是：

- 以二零一九年為基準年，於二零三零年將用水量減少5%；
- 以二零一九年為基準年，於二零三零年將用水密度(每百萬件產品)降低34%；及
- 以二零一九年為基準年，於二零三零年將廢水排放密度(每百萬件產品)降低50%。

隨著我們的節水和再利用舉措有效實施，我們正朝著實現上述目標的方向前進。與二零一九年的用水量數字相比，我們：

- 總用水量減少24%(二零一九年：258,744.23立方米)
- 用水量密度減少33%(二零一九年：401.33立方米/百萬件產品)
- 廢水總排放減少94%(二零一九年：64,300.92立方米)；
- 廢水排放量密度減少95%(二零一九年：99.74立方米/百萬件產品)

噪音產生

我們生產設施的噪音產生水平嚴格遵守GB12348-2008《工業企業廠界環境噪聲排放標準》。我們選擇噪音更低、效率更高的設備，我們已通過優化車間佈局及增加實體牆來提高車間的隔音效果。為保持能源效益，減少使用設備的時間及頻率，我們的機器維護良好，我們在設備運行時最大限度地利用設備。

我們由獨立第三方顧問根據GB12348-2008進行噪音測試。測試報告表明，從我們工廠外一米處的所有測試點來看，我們運作時的噪音水平均在可接受的範圍內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Environmental Performance

A sustainable solution to combating climate change is to conserve our natural resources. In order to encourage a sense of conservation and foster a green workplace culture, we have established a set of internal guidance on resource management.

During the Reporting Period, the intensities of energy consumption, raw material consumption and packaging material consumption were 81.95 MWh per million pieces of product, 8.26 tonnes per million pieces of product and 1.03 tonnes per million pieces of product respectively.

環境績效

保護我們的自然資源乃應對氣候變化的可持續解決方案。為提升節約意識及培養綠色工作場所文化，我們已制定有關資源管理的內部指引。

於報告期內，能源消耗、原材料消耗及包裝材料消耗密度分別為每百萬件產品81.95兆瓦小時、每百萬件產品8.26公噸及每百萬件產品1.03公噸。

Resource Consumption 資源消耗	Unit 單位	2022 二零二二年	2021 二零二一年
Total Energy Consumption 能源消耗總量	MWh 兆瓦小時	59,615.01	68,731.44
Total Energy Intensity 能源密度總量	MWh/million pieces of product 兆瓦小時/百萬件產品	81.95	46.84
Direct Energy Consumption 直接燃料消耗	MWh 兆瓦小時	13,713.98	20,508.89
– Natural Gas 天然氣	MWh 兆瓦小時	7,905.98	11,482.03
– Diesel Oil 柴油	MWh 兆瓦小時	3,868.91	3,850.49
– Unleaded Petrol and Gasoline 無鉛汽油	MWh 兆瓦小時	1,919.21	2,118.98
– Liquefied Petroleum Gas (“LPG”) ¹¹ 液化石油氣 ¹¹	MWh 兆瓦小時	19.89	3,057.40
Indirect Energy Consumption 間接能源消耗			
– Purchased Electricity 已購買的電力	MWh 兆瓦小時	45,901.03	48,222.55
Raw Material Consumption 原材料消耗	Tonnes 公噸	6,009.90	6,999.20
– Plastic 塑膠	Tonnes 公噸	2,423.73	3,681.15
– Magnesium alloy 鎂合金	Tonnes 公噸	2,475.66	2,565.13
– Aluminium alloy 鋁合金	Tonnes 公噸	976.13	609.52
– Zinc alloy 鋅合金	Tonnes 公噸	134.39	143.40
Total Raw Material Consumption Intensity 總原材料消耗密度	Tonnes/million pieces of product 公噸/百萬件產品	8.26	4.77

¹¹ The consumption of LPG in 2021 covers the use of the fuel as mobile and stationary fuel, whereas that in 2022 only includes the use of the fuel as stationary fuel.

¹¹ 二零二一年的液化石油氣消耗包括使用作為移動及固定燃料的燃料，而二零二二年僅包括使用作為固定燃料的燃料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Resource Consumption 資源消耗	Unit 單位	2022 二零二二年	2021 二零二一年
Packaging Material Consumption 包裝物料消耗	Tonnes 公噸	705.98	987.91
– Carton Boxes 紙箱	Tonnes 公噸	550.43	617.97
– Plastic Bags 塑膠袋	Tonnes 公噸	46.60	54.18
– Stickers 貼紙	Tonnes 公噸	3.31	11.44
– Wood Boards 木材	Tonnes 公噸	105.41	294.22
– Others 其他	Tonnes 公噸	0.23	10.09
Total Packaging Material Consumption Intensity 總包裝物料消耗密度	Tonnes/million pieces of product 公噸/百萬件產品	0.97	0.67
Paper Consumption 紙張消耗	Tonnes 公噸	4.39	15.42
Paper Consumption Intensity 紙張消耗密度	Tonnes/million pieces of product 公噸/百萬件產品	0.006	0.011

Despite the decrease in the total energy consumption in 2022, the total energy intensity has increased in 2022 due to the considerable decrease in our pieces of products, which is attributable to negative impacts brought by COVID-19 on our business, as set out in the section “Management Discussion And Analysis” in this report.

We aim to:

- Reduce the intensity of total energy consumption (per million pieces of products) by 33% by 2030 from a 2019 base year;
- Reduce the intensity of paper consumption (per million pieces of products) by 46% by 2030 from a 2019 base year; and
- Reduce the intensity of packaging material consumption (per million pieces of products) by 50% by 2030 from a 2019 base year.

With the effective implementation of our resource conservation initiatives, we are on track of achieving the above targets. Compared with the figures in 2019, we have reduced:

- Paper consumption intensity by 70% (2019: 0.02 tonne/million pieces of product)
- Packaging material consumption intensity by 11% (2019: 1.16 tonnes/million pieces of product)

儘管能源消耗總量於二零二二年下降，但能源密度總量於二零二二年增加，原因是我們的產品件數大幅減少，這是因為新型冠狀病毒對我們的業務造成負面影響，有關詳情載於本報告「管理層討論及分析」一節。

我們的目標是：

- 以二零一九年為基準年，於二零三零年將能源總消耗密度（每百萬件產品）降低33%；
- 以二零一九年為基準年，於二零三零年將紙張消耗密度（每百萬件產品）降低46%；及
- 以二零一九年為基準年，於二零三零年將包裝材料消耗密度（每百萬件產品）降低50%。

隨著我們的資源保護舉措有效實施，我們正朝著實現上述目標的方向前進。與二零一九年的數字相比，我們：

- 紙張消耗密度減少70%（二零一九年：0.02公噸/百萬件產品）
- 包裝物料消耗密度減少11%（二零一九年：1.16公噸/百萬件產品）

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Clean Production

Clean production is important to metal alloy die casting and plastic injection moulding industry because it helps to protect the environment, reduce operating costs, and improve product quality. In the metal alloy die casting and plastic injection moulding industries, waste such as scrap metal, unused materials, and excess plastic can be harmful to the environment. Clean production techniques minimise waste, reduce pollution and environmental degradation caused by the process. By reducing waste, it significantly reduces operating costs and improves efficiency.

The Hong Kong – Guangdong Cleaner Production Partners Recognition Scheme is launched by the Environmental Protection Department of the Government of the Hong Kong Special Administrative Region, in collaboration the then Economic and Information Commission of Guangdong Province. It awards commendations to those Hong Kong-owned enterprises which demonstrate active participation in cleaner production. Ka Shui was awarded as one of the Hong Kong – Guangdong Cleaner Production Partners in the manufacturing industry.

清潔生產

清潔生產對於合金壓鑄和塑膠注塑成型行業而言至關重要，原因是有助於保護環境、減少營運成本以及提高產品質量。合金壓鑄和塑膠注塑成型行業的廢金屬、無用材料及過量塑料等廢棄物對環境有害。清潔生產技術最大程度減少廢棄物、降低生產過程中的污染及環境退化。減少廢棄物能最大限度降低營運成本和提高效率。

香港特別行政區政府環境保護署與廣東省經濟和信息化委員會合辦粵港清潔生產伙伴標誌計劃，表揚積極參與清潔生產的港資企業。嘉瑞榮獲粵港清潔生產夥伴(製造業)稱號。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Except for the above mentioned, Ka Shui was also awarded regarding its contribution to production in various areas, with details as follows:

除上述者外，嘉瑞亦因其於各領域的生產貢獻獲獎，詳情如下：

Value Alliance Award 價值聯盟獎



This award mainly recognises our innovative ability in the collaborative development of magnesium alloy auto parts for Proton Auto's new energy commercial vehicles. Previously, our research and development team and Proton Automobile jointly developed a magnesium alloy instrument panel beam with a weight reduction rate of 55% compared with steel beams. The magnesium alloy instrument panel beam is about 1.9 meters long and adopts a single-piece casting design. It can not only meet the performance requirements of heavy trucks but also achieve the lightweight application of magnesium alloy. 此獎項主要為表彰我們為質子汽車新能源商用車製造鎂合金汽車零部件的協同開發創新能力。此前，我們的研發團隊與質子汽車共同開發了鎂合金儀錶板橫樑，相比鋼製橫樑，減重率達55%。該鎂合金儀錶板橫樑長約1.9米，採用一體化壓鑄設計。既能滿足重型卡車的性能要求，又能實現輕量化的目標。

2022 Machinery Standardisation Works — Advanced Collectives 二零二二年度鑄造機械標準化工作先進集體



Ka Shui actively and continuously participates in the formulation of a number of industry standards, and implements standardised production in all production processes.

嘉瑞積極持續參與制定多項行業標準，各生產流程均實施標準化生產。



Lean Supply Chain Management Award 精益鏈路管理獎

Ka Shui was awarded by Lenovo because of our leading experience in promoting the application of intelligent production. This is a recognition award of our efforts in promoting data management and automatic production. As a long-term partner of Lenovo, Ka Shui has been upgrading our internal digital and intelligent management in order to meet Lenovo's high standard and high requirement through our R&D innovation, advanced manufacturing and efficient management, which in turn drives sustainable development of the Company.

憑藉在推動智能生產應用方面領先於行業，嘉瑞榮獲聯想(Lenovo)頒發獎項。此項殊榮旨在表彰我們在推行數據化管理和自動化生產方面所付出的努力。作為聯想的長期合作夥伴，嘉瑞一直在加速推進內部數字化及智能化管理升級，以研發創新、先進製造及高效管理等能力匹配聯想的高標準及高要求，進而推動整個企業的可持續發展。



Outstanding Contribution Award in New Energy Vehicle Industry 新能源汽車行業傑出貢獻獎

Ka Shui was accredited with "Outstanding Contribution Award in New Energy Vehicle Industry" by the organizing committee of the 12th New Energy Vehicle International Forum. This award is intended to compliment Ka Shui's contribution in providing outstanding and stable production services to auto parts industry.

嘉瑞榮獲由第十二屆新能汽車國際論壇組委會頒發的「新能源汽車行業傑出貢獻獎」。此獎項旨在表彰嘉瑞為汽車零部件行業提供卓越和穩定生產服務所做出的貢獻。

Supporting a Greener Community

The Group fully supports the global transition to a net zero economy. Apart from our own green initiatives, the Group is keen on supporting the community's sustainable projects and initiatives by different means. During the Reporting Period, we have placed green deposits with various banks, and the funds of which were deployed to support sustainable projects in the areas of renewable energy, energy efficiency, green buildings, sustainable water management, as well as the transition to an eco-efficient economy.

支持綠色社區

本集團全力支持全球向淨零經濟過渡。除我們的內部綠色舉措外，本集團熱衷於以不同方式支持社區可持續發展項目及舉措。於報告期間，我們已向多家銀行存入綠色存款，其資金用於支援可再生能源、能源效率、綠色建築、可持續水資源管理以及向生態高效經濟過渡領域的可持續項目。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Below summarises our measures in reducing consumption of resources:

以下是我們減少資源消耗的措施的摘要：



- Electricity consumption is closely monitored by a designated unit
電力消耗由指定部門密切監測
- Idle lights, machinery and air conditioners are to be turned off
關閉閒置的燈、機器及空調
- Automatic lights are to be installed at common areas
在公共區域安裝自動燈
- Machinery is well-maintained to ensure its energy efficiency
維護好機器，以確保其能源效益



- Water consumption is closely monitored by a designated unit
由指定部門密切監測用水量
- Regular analysis is conducted to identify the consumption pattern
定期分析以確定消耗模式
- Water pipes are inspected regularly to avoid leakages
定期檢查水管以避免漏水



- Email is preferred for document transmission
文檔傳輸首選電郵
- Apart from confidential paper, all used paper is recycled
除機密文件外，所有使用過的紙張均被回收利用
- Printing on both sides of paper is required
必須採用雙面列印



- Green procurement is adopted as far as practicable
在可行的情況下採用綠色採購
- Production technique is regularly reviewed to enhance efficiency
定期檢討生產技術以提高效率

Equipment Upgrades for Carbon Reduction 設備升級以減少碳排放

We have always been carrying out energy saving projects to reduce the carbon footprint of our production process and achieve sustainable production. Apart from the retrofitting of the water-cooling system, we have also completed the retrofitting of cooling towers and the polishing and dust removal system.

我們一直在開展節能項目，以減少我們生產過程中的碳足跡，並實現可持續生產。除水冷卻系統改造外，我們亦完成了冷卻塔及拋光除塵系統的改造。

The modified cooling powers are equipped with a new temperature modulation system, which can adjust the cooling temperature at an energy-efficient level. The retrofitted water-cooling system and polishing and dust removal system are fitted with an energy-efficient water pump.

改造後的冷卻裝置配備了新的溫度調節系統，可將冷卻溫度調整至節能狀態。改造後的水冷卻系統及拋光除塵系統均配備了節能水泵。

Waste Management

The Group is conscious of the significance of reducing waste at the source. To prevent unnecessary purchases and waste, we demand that all operational units increase their ability to accurately calculate the required amount of raw materials. We are always enhancing our production techniques to boost productivity, decrease consumption, and minimise product failures.

One of our primary waste management strategies is to increase waste diversion. By installing a waste sorting system throughout all production units, we facilitate waste diversion. Training courses are provided to the employees to ensure that they are familiar with waste sorting practices.

Hazardous waste which is classified with reference to the National Hazardous Waste Inventory of the PRC, including waste oil residues, paints, sludge, chemicals and their containers, are separated from non-hazardous waste, and is properly stored for collection by licensed collectors in accordance with local laws and regulations. As part of our proper handling procedures, we additionally label containers with warning signs and hazard labels to serve as both a visual cue and a safety measure while dealing with chemical waste. Contingency plans, such as how to handle chemical spills, fires, and explosions, are in place to cope with situations related to handling hazardous waste.

廢物管理

本集團深知從源頭上減少廢物的重要性。為防止不必要的採購及浪費，我們要求所有營運單位提高準確計算所需原材料數目的能力。我們一直在改進我們的生產技術，以提高生產效率，減少消耗並使產品故障的出現頻率降至最低。

增加廢物轉化乃廢物管理的主要策略之一。我們透過在所有生產單位安裝廢物分類系統來促進廢物轉化。我們為僱員提供培訓課程，確保彼等熟悉廢物分類常規。

有害廢物（如廢油殘渣、油漆、污泥、化學品及其容器）參照《中華人民共和國危險廢棄物名錄》分類，與無害廢物分開，並正確儲存，以便由獲許可的收集人員根據當地法律及法規收集。作為我們適當處理流程的一部分，我們還為容器貼上警告標識及危險標籤，作為處理化學品廢物時的視覺提示及安全措施。我們已制定應急計劃，以應對與處理有害廢物相關的情況，如化學品洩漏、火災及爆炸。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

We keep non-hazardous production waste with economic values, such as leftover metals from production for the purpose of resale, or smelted for reuse in the production line. The collectors of the Company are required to comply with our environmental and safety protocols to avoid potential harm to the environment and our employees. During the Reporting Period, the intensities of hazardous waste and non-hazardous waste were 0.86 and 0.07 tonnes per million pieces of product respectively.

我們保留具有經濟價值的無害生產廢物(如生產中剩餘的金屬)，用於轉售，或經冶煉後再次於生產線上使用。本公司收集人員須遵守我們的環境及安全規定，以避免對環境及僱員造成潛在的傷害。於報告期內，有害廢物及無害廢物密度分別為每百萬件產品0.86公噸及0.07公噸。

Waste Generation 廢物產生	Unit 單位	2022 二零二二年	2021 二零二一年
Hazardous waste 有害廢物 Intensity 密度	tonnes 公噸 tonnes/million pieces of product 公噸/百萬件產品	627.84 0.86	963.30 0.66
Non-hazardous waste 無害廢物 Intensity 密度	tonnes 公噸 tonnes/million pieces of product 公噸/百萬件產品	49.32 0.07	55.49 0.04

Despite the decrease in the hazardous waste generation and non-hazardous waste generation in 2022, the respective waste intensities have increased in 2022 due to the considerable decrease in our pieces of products, which is attributable to negative impacts brought by COVID-19 on our business, as set out in the section "Management Discussion And Analysis" in this report.

儘管有害廢棄物產生及無害廢棄物產生於二零二二年有所減少，但各自廢棄物密度於二零二二年增加，原因是我們的產品件數大幅減少，這是因為新型冠狀病毒對我們的業務造成負面影響，有關詳情載於本報告「管理層討論及分析」一節。

We aim to:

- Reduce the intensity of hazardous waste disposal (per million pieces of products) by 28% by 2030 from a 2019 base year
- Reduce the intensity of non-hazardous waste disposal (per million pieces of products) by 42% by 2030 from a 2019 base year

我們的目標是：

- 以二零一九年為基準年，於二零三零年將危險廢物處理密度(每百萬件產品)降低28%
- 以二零一九年為基準年，於二零三零年將無害廢物處理密度(每百萬件產品)降低42%

With the effective implementation of our waste management initiatives, we are on track of achieving the above targets. Compared with the figures in 2019, we have reduced:

隨著我們的廢棄物管理舉措有效實施，我們正朝著實現上述目標的方向前進。與二零一九年的數字相比，我們：

- Hazardous waste generation intensity by 5% (2019: 0.91 tonne/million pieces of product)
- Non-hazardous waste generation intensity by 42% (2019: 0.12 tonne/million pieces of product)

- 有害廢棄物產生密度減少5%(二零一九年：0.91公噸/百萬件產品)
- 無害廢棄物產生密度減少42%(二零一九年：0.12公噸/百萬件產品)

MEASURES ON MITIGATING CLIMATE RISK

The intensity and frequency of extreme weather events are increasing, which is one of the most important consequences of global warming. We are more vulnerable to the effects of climate risk because of our business nature. In case of extreme weather, the Group has created a business contingency plan to minimise loss and potential operation disruption. Following steps have been taken to lessen the impact:

減低氣候風險措施

全球變暖最重要的後果之一為極端天氣事件的強度及頻率增加。我們的業務性質使我們更易於受到氣候風險的影響。本集團已制定一項業務應急計劃，以盡量減少極端天氣事件對我們的業務造成損失及潛在運營中斷。為了減少影響，我們已採取以下措施：

Risk and Impact 風險和影響	Our Response 我們的回應
<p>Climate Physical Risk (Acute and Chronic) 氣候物理風險(急性和慢性)</p> <p>Based on the regional environment and changes in local climatic patterns at the Group's production bases, the Group is projected to experience serious impacts from extreme weather events including storms and flooding. 基於區域環境及本集團生產基地當地氣候模式的變化，本集團預計將受到風暴及洪水等極端天氣事件的嚴重影響。</p> <p>Environmental, health and safety issues could result from the excessive rain and flooding's potential effects. Stormwater runoffs during a flood may bring pollutants, such as chemicals, into the drain. The extreme weather events can also affect the Company's workforce safety and supply chain operation. 過量降雨及洪水的潛在影響可能導致環境、健康及安全問題。洪水期間的雨水徑流可能會將化學品等污染物帶入下水道。極端天氣事件亦會影響本公司的安全生產及供應鏈運營。</p>	<p>By performing regular inspections of drainage systems, we can prevent drain blockage. We will arrange repairs instantly if any needs are spotted. Our chemical safety management system has been reinforced to minimise the risk of chemical leakage. We frequently monitor the drainage system throughout the rainy season to check the degree of water quality in the rainfall being discharged. We will actively monitor the situation and any weather alerts in the case of a storm, and we will evacuate the work area as necessary. 我們可以通過對排水系統進行定期檢查以防止排水堵塞。如若發現任何需求，我們將即時安排維修。我們已加強我們的化學品安全管理體系，以將化學品洩漏的風險降至最低。我們經常在整個雨季監測排水系統，以檢查所排放的雨水的水質等級。發生暴風雨時，我們將密切監測當時的情況及任何天氣預警，並於必要時撤離工作區。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Risk and Impact 風險和影響	Our Response 我們的回應
<p>Climate Transition Risk 氣候轉型風險</p> <p>Policy and Legal 政策及法律</p> <p>Governments from all across the globe have committed to limiting global warming below 2°C as the ultimate goal. By declaring that its carbon emissions will peak by 2030 and that it will achieve carbon neutrality by 2060, China has also committed to working toward the goal.</p> <p>全球各國政府已承諾將全球變暖限制在2°C以下作為最終目標。通過宣佈其碳排放將在二零三零年達到峰值，並將於二零六零年實現碳中和，中國亦承諾努力實現這一目標。</p> <p>Market and Reputation 市場及聲譽</p> <p>We observed that new laws and standards are being implemented in light of this global trend, and that consumers are showing a higher preference for businesses that are more ecologically and socially responsible. Any company that is unable to adjust to these new demands and expectations faces the risk of suffering not only financial loss but also reputational damage.</p> <p>鑒於該全球趨勢，我們觀察到新的法律及標準正在實施，消費者會優先選擇更具生態及社會責任感的企業。任何無法適應該等新要求及期望的公司均面臨著遭受財務損失以及聲譽受損的風險。</p> <p>Technology 技術</p> <p>Eco-friendly and energy-efficient production techniques are required when the economy starts the transition to a lower-carbon economy. The die-casting industry will have to devote more resources to implementing more environmentally friendly die-casting technology.</p> <p>經濟開始向低碳經濟過渡時，需具備環保及節能的生產技術。壓鑄行業將須投入更多資源以實施更環保的壓鑄技術。</p>	<p>The Group's ESG oversight bodies, such as the Board and the ESG Working Group, constantly monitor the latest developments and regulations to ensure that the Group's direction, operations and goals remain consistent with regulatory and industrial standards.</p> <p>本集團的環境、社會與管治監督機構(如董事會及環境、社會與管治工作小組)持續監察最新發展及規例，以確保本集團的方向、營運及目標與監管及行業標準保持一致。</p> <p>Besides, we have implemented an environmental management system accredited with the international standard of ISO 14001:2015. We will maintain and keep enhancing the environmental management system in the interest of meeting our short, medium and long-term ESG goals.</p> <p>此外，我們已實施獲ISO 14001:2015國際標準認證的環境管理體系。我們將維持並不斷加強環境管理體系，以實現我們的短期、中期及長期環境、社會與管治目標。</p>

Impacts 影響

Based on the regional environment and changes in local climatic patterns at the Group's production bases, the Group is projected to experience serious impacts from extreme weather events including storms and flooding. Environmental, health, and safety issues could result from the excessive rain and flooding's potential effects. Stormwater runoffs during a flood may bring pollutants, such as chemicals, into the drain. The extreme weather events can also affect the Company's workforce safety and supply chain operation.

根據本集團生產基地所在地的當地環境及當地氣候模式的變動，本集團可能會面臨暴風雨及洪水等極端天氣的重大影響。特大暴雨及洪水的潛在影響可能導致環境、健康及安全問題。發生洪災時，雨水徑流可能會將污染物帶入下水道，包括化學品。極端天氣事件亦會影響本公司僱員的安全及供應鏈營運。

Counter-measures 對策

By performing regular inspections of drainage systems, we are able to prevent blockage. We will arrange repairs instantly if any needs are spotted. Our chemical safety management system have been reinforced to minimise the risk of chemical leakage. We frequently monitor the drainage system throughout the rainy season to check the water quality level in the rainwater being discharged. We will actively monitor the situation and any weather alerts in the case of a storm, and we will evacuate the work area as necessary.

我們定期檢查排水系統，從而能夠預防堵塞。出現任何需要時，我們會及時安排維修。我們已加強我們的化學品安全管理體系，以將化學品洩漏的風險降至最低。我們於雨季經常監測排水系統，以檢查所排放的雨水的水質等級。發生暴風雨時，我們將積極監測當時的情況及任何天氣預警，並於必要時撤離工作區。

CARING FOR OUR PEOPLE

We cherish our employees' well-being and offer them a supportive, dynamic, fair, and safe workplace. Our employment practices adhere to the SA8000 Social Accountability Standard, which is based on a set of internationally recognised labour standards on workplace health and safety, labour rights, and the avoidance of child and forced labour, in addition to complying with relevant local labour laws.

關愛我們的僱員

我們重視員工的健康，為彼等提供一個支持性的、有活力的、公平的及安全的工作場所。我們的僱傭常規符合SA8000社會責任標準，該標準乃基於若干國際公認的有關工作場所健康及安全、勞工權利及預防童工及強迫勞工的勞工標準，並遵守相關的當地勞動法。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

At the end of the Reporting Period, the Group's three major subsidiaries employed 2,501 employees in China and Hong Kong, with a turnover rate of about 82.70%. The employment figures as at the end of the Reporting Period are summarised below:

於報告期末，本集團的三間主要附屬公司在中國及香港僱用了2,501名僱員，離職率約為82.70%。於報告期末的僱傭數據概述如下：

		2022 二零二二年	2021 二零二一年
Total Number of Employees¹² 僱員總數¹²		2,501	3,040
By gender (%) 按性別劃分(%)	Male 男	59.22%	59.14%
	Female 女	40.78%	40.86%
By age group (%) 按年齡組劃分(%)	Below 30 30歲以下	27.99%	35.33%
	30 to 50 30至50歲	59.10%	53.36%
	Over 50 50歲以上	12.91%	11.32%
By employment type (%) 按僱傭類別劃分(%)	Full-time 全職	78.41%	66.97%
	Part-time 兼職	21.59%	33.03%
By geographical region (%) 按地區劃分(%)	Hong Kong 香港	1.36%	0.23%
	China 中國	98.64%	99.77%
Employee Turnover Rate¹³ 僱員離職率¹³			
Total 總計		82.70% ¹⁴	50.47%
By gender (%) 按性別劃分(%)	Male 男	84.09%	53.12%
	Female 女	80.18%	46.07%
By age group (%) 按年齡組劃分(%)	Below 30 30歲以下	91.71%	63.75%
	30 to 50 30至50歲	69.99%	42.28%
	Over 50 50歲以上	70.31%	5.75%
By geographical region (%) 按地區劃分(%)	Hong Kong 香港	19.05%	0.00%
	China 中國	82.88%	50.53%

¹² The number of employees as at the end of the Reporting Period.

¹³ Given the business nature of the Group, the employee turnover rate is calculated by dividing the number of employees of the respective category who left employment in 2022 by the total workforce size of the respective category. The total workforce size is the aggregate of the number of employees who left employment and the total number of employees at the end of the Reporting Period.

¹⁴ The increase in turnover rate in 2022 can be attributed to the high mobility of workers given the business nature, as well as the downsizing of our workforce due to the decrease in production of the factories within our reporting scope.

¹² 報告期末的僱員人數。

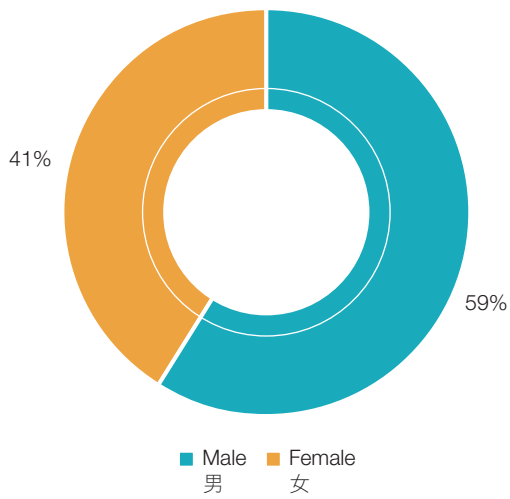
¹³ 因應本集團的業務性質，離職率的計算方法為以特定類別的僱員於二零二二年離職人數除以於該特定類別的總僱員人數。總僱員人數為離職僱員人數及於報告期末的總僱員人數。

¹⁴ 二零二二年的離職率增加乃由於業務性質導致工人流動增加以及因報告範圍的工廠生產減少而裁員所致。

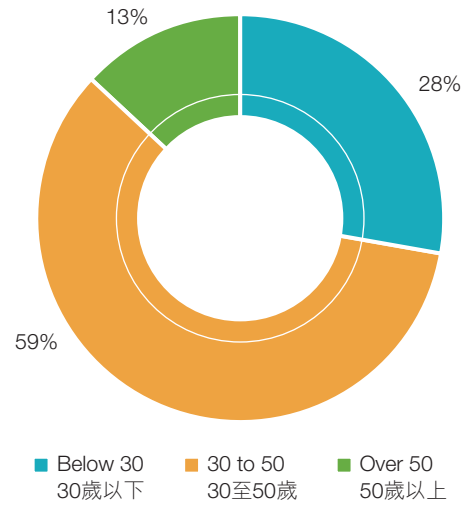
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

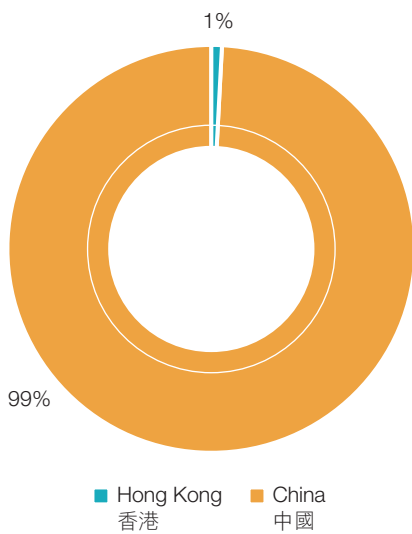
By gender
按性別劃分



By age group
按年齡組劃分



By geographical region
按僱傭類別劃分



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Employees' Health and Safety

Providing a safe and healthy workplace, as well as fostering an environment that supports work-life balance and employee wellbeing, is one of our main objectives. The Group strives to keep its workplace clean, safe, and free of any dangers that could result in accidents, incidents, health problems, or safety risks.

Health and Safety Risk Assessment

Under the direction of project management staff, including the project planner, project supervisor, senior safety engineer, and safety commissioner, the Group has a thorough health and safety risk management system in place.

An environmental, health, and safety risk assessment will be performed prior to the start of each project to evaluate any potential hazards and environmental impacts, such as chemical safety evaluation and identification of hazardous gases, and development of mitigating measures. In the meantime, we will check the equipment to make sure it operates smoothly and the work permits of the relevant project staff to make sure they are qualified to carry out such work.

Health and Safety Practices

Our health and safety procedures include several aspects of hazard prevention throughout the entire production cycle in accordance with the highest standards of occupational health and safety.

僱員健康及安全

我們的主要目標之一乃為僱員提供安全及健康的工作場所，並培育工作環境，以促進工作與生活之間的平衡及僱員的福祉。本集團努力保持工作場所清潔、安全及不存在可能導致事故、事件、健康問題或安全風險的危害。

健康及安全風險評估

在項目管理人員(包括項目規劃師、項目主管、高級安全工程師及安全專員)的指導下，本集團建立了一個全面的健康及安全風險管理體系。

在每個項目開始之前，將進行環境、健康及安全風險評估，以評估其潛在的危害及對環境的影響，如化學品安全評估及危險氣體識別，並制定緩解措施。同時，我們將檢查設備以確保順利運作及相關項目人員的工作許可證以確保彼等符合資格進行該工作。

健康及安全實踐

根據職業健康及安全的最高標準，我們的健康及安全程序涵蓋整個生產週期的危險預防的多個方面。

Health and Safety Management 健康及安全管理

- ✓ The Safety Management Group is responsible for:
安全管理小組負責：
 1. planning and overseeing the safety management system
規劃及監督安全管理體系
 2. monitoring the implementation of the safety plan of all operation units
監督所有營運單位的安全計劃的實施
 3. coordinating the regular medical check-up of employees.
協調僱員進行定期體檢。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Safety Practices of Manual Handling Operations 體力處理操作之安全實踐

- ✓ To lessen the physical stress on the employees, we have evaluated the labour intensity of each function that requires manual handling operations, set up rest periods, and changed work arrangements accordingly.
我們已評估涉及體力處理操作各職位的勞動強度，並相應地設定休息時間及調整工作安排，以減輕僱員的身體負擔。
- ✓ Work that requires manual handling operations will not be permitted for pregnant employees to perform.
不允許懷孕職工從事需要體力處理操作的工作。

Emergency Preparedness 應急準備

- ✓ A subcontractor for fire safety equipment has been engaged to periodically inspect and maintain our fire safety equipment.
我們已委託一名消防安全設備分包商定期檢查我們的消防安全設備並進行維修。
- ✓ Regular fire safety inspections, fire hazard assessments, and fire drills are conducted.
定期檢查消防安全、評估火災隱患並進行消防演習。

Personal Protective Equipment (“PPE”) 個人防護設備

- ✓ We have set up a set of guidelines on proper use of PPE, to which employees must adhere. Inspections on the compliance will be carried out by the managers and supervisors.
我們已制定一套關於正確使用個人防護設備的指引，並且僱員必須遵守該等指引。管理人員及監督人員將進行合規檢查。
- ✓ A lifespan for each type of PPE has been set to ensure that the PPE is utilised with the intended safety function. Replacement of any expired PPE will be offered accordingly.
為了確保個人防護設備利用在應有的安全功能上，我們為每一種個人防護設備設定了有效期，並將相應地更換任何過期的個人防護設備。

Incident Management 事故管理

- ✓ A clear guidance that describes how to handle safety accidents and occupational injuries is in place.
我們擁有關於處理安全事故及工傷的明確指引。
- ✓ Any injuries will be examined immediately. The injured worker will either be hospitalised or receive first aid on-site, depending on the severity of the injury.
將立即檢查一切傷害。根據受傷的嚴重情況，受傷的工人將送往醫院接受治療或在現場接受急救。
- ✓ All incidents will be recorded and investigated properly by the Safety Management Group.
將記錄所有事故，並由安全管理小組進行適當地調查。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Chemical Safety 化學品安全

- ✓ Our chemical safety management system strictly complies with the Regulations on the Administration of Precursor Chemicals of the PRC. The Precursor Chemicals Administration Group has been set up to regulate the procurement, use, storage and disposal of precursor chemicals.
我們的化學品安全管理體系嚴格遵守《中華人民共和國易製毒化學品管理條例》。我們已成立易製毒化學品管理小組，以規範易製毒化學品的採購、使用、儲存及處置。

Health and Safety Training 健康及安全培訓

- ✓ Before the commencement of any project, safety training is offered to all of our employees and subcontractors to make sure they understand our standards and requirements.
為確保所有僱員及分包商了解我們的安全標準及要求，我們會於每個項目開始前為彼等提供安全培訓。
- ✓ All relevant topics are covered by our comprehensive safety training programme such as three-tier level (i.e. factory, department, and position levels) of safety training and 6S safety standard.
我們全面的安全培訓計劃包含所有相關議題，如三級（即廠級、部門級及崗位級）安全培訓及6S安全標準。
- ✓ Various topics are covered by our safety training: volunteer firefighting, fire safety and knowledge, hazardous chemical leakage, driving safety, occupational health and safety, electrical safety, emergency response and handling, and first-aid induction.
我們的安全培訓涵蓋各種議題：志願消防、消防安全演習及知識、危險化學品洩露演習、駕駛安全、職業健康及安全、電氣安全、應急反應及處理及急救員入職培訓等。



Safety Production Reward and Penalty 安全生產獎懲

- ✓ To promote the strict implementation of various safety management systems, encourage all employees to abide by the rules and regulations, and achieve safe production.
為推動各項安全管理制度的嚴格執行，鼓勵全體員工遵章守紀，實現安全生產。
- ✓ After the management's confirmation and approval, cash rewards will be offered under the situations of:
經管理層確認及批准後，以下情況將提供現金獎勵：
 1. Reporting potential safety hazards in a timely manner or taking effective measures to rectify and prevent them
及時報告潛在安全隱患或採取有效措施進行整改及防範
 2. Taking decisive and courageous action in the accident rescue to save lives and company property
在事故救援中採取果斷勇敢的行動，挽救生命及公司財產
 3. Implementing modern safety management methods and carrying out technological improvements, ensuring safe production, and improving working conditions
實施現代安全管理方法，進行技術改進，確保安全生產並改善工作條件
 4. Contributing to the rectification and management of high-risk projects
對高風險項目整改及治理作出貢獻
 5. No accidents (i.e. minor injuries, serious injuries, fires, etc.) happened within a year
一年內未發生事故(即輕傷、重傷、火災等)
- ✓ Those who violate the safety system and rules, or cause the work-related accidents should bear corresponding responsibilities. Verbal and written warnings may also be given to the said employees depending on the severity of the incident.
違反安全制度及規則，或造成工傷事故的人員應承擔相應責任。亦可根據事件的嚴重程度向前述僱員發出口頭及書面警告。

Anti-pandemic Responses

Considered as one of the worst public health problems in recent years, the coronavirus ("COVID-19") pandemic posed operational difficulties to businesses. One of the Group's top priorities during the Reporting Period is safeguarding the health and safety of its personnel and minimising any potential COVID-19 interruptions to the stakeholders.

抗疫應對措施

二零一九新型冠狀病毒(「新型冠狀病毒」)疫情被視為過往幾年中最嚴重的公共衛生問題之一，使企業面臨著營運挑戰。保護僱員的健康及安全，盡量減少新型冠狀病毒疫情對持份者造成潛在中斷乃本集團於報告期間的首要任務之一。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Leading Group

In order to manage the risks related to COVID-19 and conduct preventive measures appropriately so as to increase resilience in the pandemic, we have established a pandemic response leading group. We overcame the pandemic challenge with the help of the pandemic response taskforce and all of our employees during the Reporting Period.

領導小組

我們成立了一個疫情應對領導小組，以管理與新型冠狀病毒疫情相關的風險，並採取適當預防措施，以提高疫情中的適應力。於報告期間，在疫情應對工作組及所有僱員的幫助下，我們克服了疫情帶來的挑戰。



Pandemic Response Leading Group 疫情應對領導小組

- Coordinates the pandemic prevention practices of the factory
協調工廠的疫情預防工作
- Formulates the pandemic prevention strategy
制定疫情預防策略

Information Screening and Policy Setting Group 信息篩選及政策制定小組

- Tracks and analyses the information of the employees
追蹤並分析僱員的信息
- Formulates preventive measures in compliance with the regulations and the pandemic trend
制定符合法規及疫情趨勢的預防措施

Quarantine, Testing, Sanitation and Contingency Group 隔離、檢測、衛生及應急小組

- Conducts the body temperature checking
進行體溫檢測
- Manages the quarantine zones
管理隔離區
- Handles emergency incidents
處理緊急事件

Promotion and Training Group 宣傳及培訓小組

- Keeps abreast of the pandemic development
及時了解疫情的發展情況
- Organises training on pandemic prevention
組織疫情預防培訓

Logistics Protection and Inspection Group 後勤防護及檢查小組

- Checks on our pandemic prevention practices
檢查疫情預防實施情況
- Monitors all cross-border employee movements
監察所有跨境僱員的行蹤

COVID-19 Practices

We have implemented the following procedures during the Reporting Period to lower the danger of a COVID-19 outbreak at work in order to safeguard the health and safety of our employees and minimise potential interruptions to our supply chain.

新型冠狀病毒疫情常規

為了保障僱員的健康及安全，並盡量減少對供應鏈造成潛在干擾，於報告期間，我們已採取以下程序以減輕新型冠狀病毒在工作場所爆發的危害。

Protecting Our People 保護我們的僱員

- ✓ Keeping all employees informed about the national and Group anti-pandemic policies, and maintaining personal hygiene at all times
讓所有的僱員了解國家及本集團的抗疫政策並無時無刻保持個人衛生
- ✓ Monitoring the global and local pandemic situation and reminding employees to avoid going to the areas with a high risk of infection.
監察全球及本地疫情情況，並提醒僱員避免前往感染風險高的地區
- ✓ Carrying out daily sanitation of the factories and workshops
對工廠及車間進行日常衛生清潔
- ✓ Closely monitoring the employees' and visitors' body temperature and examining their movement records.
密切監測僱員及訪客的體溫及彼等的行蹤
- ✓ Providing antigen test kits for employees to do self-tests
提供抗原檢測試劑盒供僱員自我檢測
- ✓ Encouraging employees to have COVID-19 vaccines
鼓勵僱員接種新型冠狀病毒疫苗
- ✓ Reserving an area for quarantine purpose
留出地方用作隔離
- ✓ Offering training to employees for their ease to comply with pandemic prevention protocols
為僱員提供培訓，便於彼等遵守防疫規定

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Protecting the Supply Chain 保護供應鏈

- ✓ Relocating employees to multiple locations so as to prevent transmission of virus
將僱員轉移到多個地點，以防止病毒傳播
- ✓ Introducing a 'Closed-loop' system for cross-border employees
為跨境員工引入一個「閉環」系統
- ✓ Setting up a stringent management system and working procedures for cross-border logistics
為跨境物流設定嚴格的管理制度及工作程序
- ✓ Carrying out thorough sanitation after unloading
卸貨後進行徹底的消毒
- ✓ Adopting a "Contactless" approach on cross-border goods transportation
就跨境貨物運輸採用「無接觸式」方式
- ✓ Closely communicating with the authorities to obtain permits for vehicles
與政府機構密切溝通，以獲得跨境車輛許可證



Our employees received training on protective gear etiquette as well as nucleic acid screening cooperation.
我們的僱員已接受有關防護裝備及核酸篩查合作的培訓。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to provision of a safe working environment and protection of employees from occupational hazards, such as Law of the PRC on Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong. The following table illustrates the number of work-related fatalities occurred in the past three years:

於報告期內，本集團並不知悉任何不遵守下述適用法律及法規的行為：有關提供安全工作環境及保護僱員，使彼等免於遭受職業危害的法律及法規，如《中華人民共和國職業病防治法》及香港《職業安全及健康條例》第509章。下表顯示過往三年中發生的與工作有關的死亡數目：

Employee Health and Safety Data 僱員健康與安全數據	2022 二零二二年	2021 二零二一年	2020 二零二零年
Number of work-related injury cases 工傷案件的數目	6	6	12
Number and rate of work-related fatalities 因工死亡人數及比率	0 (0.00%)	0 (0.00%)	0 (0.00%)
Number of lost days due to work injury 因工傷損失的工作日數	201	253	534

Employment Conditions

The most important and significant resource for the Group is its employees, who are at the very core of our success. Taking good care of employees is a top priority for us. Our long-term strategy is to provide our employees with a dynamic working environment and attractive compensation and benefits which are competitive in the market.

僱傭條件

本集團最重要及最重大的資源為僱員，彼等乃我們成功的核心。愛護僱員乃我們的第一要務。我們的一項長期戰略是為僱員提供一個充滿活力的工作環境及在市場上具有競爭力的、具有吸引力的薪酬及福利。

During the Reporting Period, the Group was not aware of any material breach of relevant laws and regulations in China and Hong Kong that has a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare, as well as child and forced labour, such as the Labour Law and Labour Contract Law in the PRC, and the Employment Ordinance (Cap. 57) in Hong Kong.

於報告期內，本集團並不知悉有任何嚴重違反對本集團具有以下重大影響：薪酬及解聘、招聘及晉升、工作時間、休息時間、同等機會、多元性、反歧視、其他利益及福利，以及童工及強迫勞工的中國及香港相關法律法規的行為，例如《中華人民共和國勞動法》及《中華人民共和國勞動合同法》，以及《香港僱傭條例》(第57章)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Promotion and Employment Relations

The Group is dedicated to establishing strong bonds with its employees. Employees are invaluable assets of the Group and we make every effort to retain each of them. To ensure protection of employees' rights as well as health and safety, we will perform an identification check and a medical check-up for each job applicant.

A fair and open promotion and awarding system has been designed in order to enhance employee satisfaction and productivity. A set of KPIs are to be used to evaluate employees annually. Outstanding employees may be eligible for promotion as well as rewards and discretionary bonuses. We also reward employees to teams based on their productivity, improvement, and creativity in an effort to foster team spirit.

We take our employer-employee relations seriously and do not take dismissal actions lightly.

Unless they can no longer do their duties due to various causes, no employees would normally be laid off. Except in cases where they have violated the law or our code of conduct, all employees who are susceptible to dismissal shall be given the proper notice or compensation.

Benefits

We reward our employees for their contributions with a highly competitive remuneration package. We offer employees the discretionary bonuses depending on performance. We provide our staff with meal and accommodation allowances to help lessen their cost of living. In accordance with local laws and regulations, the Group complies with the required minimum wage regulation. We also contribute to the social security system's pension fund, medical insurance, industrial injury insurance, unemployment insurance, and maternity insurance for our employees.

晉升和僱傭關係

本集團致力於與僱員建立牢固的聯繫。僱員是本集團的寶貴資產，我們竭盡全力挽留每一位僱員。為確保僱員權利以及健康及安全得以保障，我們將對每位求職者進行身份核驗及體檢。

為提高僱員滿意度和生產力，我們建立了公平及公開的晉升和獎勵機制。我們將每年用一套關鍵績效指標對僱員進行評估。優秀僱員可合資格晉升並獲得獎勵和酌情獎金。為了促進團隊精神，我們還根據團隊的生產力、改進和創新向他們頒發獎勵。

我們認真對待僱傭關係，不會輕易做出解僱決定。

除非他們因不同原因無法繼續擔任職務，我們通常不會解僱任何僱員。除非他們違反了法律或我們的行為守則，所有被解僱的僱員都將收到適當的通知或補償。

福利

我們透過極具競爭力的薪酬待遇以獎勵僱員作出的貢獻，並根據僱員的表現向僱員提供酌情花紅。為了降低僱員的生活成本，我們為彼等提供餐飲及住宿津貼。本集團根據當地法律及法規遵守最低工資規定的要求。我們亦為僱員向養老金、醫療保險、工傷保險、失業保險及生育保險的社會保障制度供款。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Work-life Balance

A healthy work environment entails a work-life balance. Unnecessary overtime work is discouraged and the working hours of the employees are properly managed. To avoid overtime work, management will evaluate and modify the work roster. Employees who unavoidably work overtime will be compensated.

Our workweek consists of five days. Employees are entitled to additional paid annual leave, sick leave, marital leave, maternity leave, paternity leave, and compassionate leave in accordance with local laws and regulations, in addition to the national statutory holidays.

Due to the COVID-19 pandemic, we followed the Chinese Government's direction to fight the virus. All employee social gatherings and holiday dinner activities were cancelled during the Reporting Period. Nevertheless, the arrangement did not prevent us from showing our staff care. We sent various daily necessities, health supplements, and gift packs to take care of their needs and well-being during the hardship of the pandemic.

工作與生活的平衡

健康工作環境需要工作與生活的平衡。我們不鼓勵不必要超時工作，且恰當管理僱員的工作時間。管理層將審查並調整工作名單，以避免超時工作。不得不加班的僱員將獲得補償。

我們每週工作五天。除國家法定節假日外，僱員根據當地法律及法規享有額外的帶薪年假、病假、婚假、產假、陪產假及陪護假。

由於新型冠狀病毒疫情，我們緊跟中國政府的指示，抗擊病毒。於報告期間，所有僱員的社交聚集及節假日聚餐活動均被取消。然而，該等安排並沒有妨礙我們對員工的關懷。我們在疫情的艱難時刻向僱員發放各種日用必需品、保健品及禮品，以關心彼等的需求及健康。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Diversity, Inclusiveness and Labour Rights

We value our employees and uphold fairness and labour laws in a people-centric approach. The Group respects diversity and recognises its value. We prohibit all forms of discrimination, violence, and harassment against our employees, including those based on their race, ethnicity, age, gender, sexual orientation, disability, religious beliefs, political affiliation, or marital status. A whistleblowing channel was established for employees to report violation of our Labour Rights and Diversity Policy. Additionally, we have established policies to safeguard the employees' rights to collective bargaining and freedom of association.

Child and Forced Labour-free Workplace

Another essential factor regarding the protection of labour rights is the prevention of child and forced labour. We have established a stringent set of policy on child and forced labour based on the international SA8000 Social Accountability Standard. The Group takes proactive measures to keep forced or child labour out of all of our operations.

The Group undertakes to avoid the use of child and forced labour across all operation units. All job applicants must be of legal working age and provide a valid form of identification for our verification in order to prevent underage employment. Inspections are carried out to ensure the compliance with the child labour policy.

We take zero-tolerance approach to any use of child labour by our suppliers. Along with strictly adhering to our standard of preventing child and forced labour during the employment and operational processes, we also maintain frequent contact with our suppliers to make sure they uphold our standards. In case of violation, they are required to take corrective actions promptly and we may terminate our business relationship with them if necessary.

If we identify any event of child labour, we will handle swiftly to ensure their health and safety. For example, we will set up a medical check-up for the children; assign employees to escort the children home; and provide them the appropriate medical and living assistance.

多元化、包容性及勞工權利

我們重視我們的僱員，以人為本，維護公平及勞動法。本集團尊重多元化並肯定其價值。我們禁止基於種族、民族、年齡、性別、性取向、殘疾、宗教信仰、政治立場或婚姻狀況等，對我們僱員任何形式的歧視、暴力及騷擾。我們已建立一個舉報渠道，供僱員舉報違反勞工權利及多元化政策的行為。此外，我們已制定方針保護僱員集體談判及結社自由的權利。

無童工及強迫勞工的工作場所

另一個有關保護勞工權利的重要因素乃防止童工及強迫勞工。基於國際SA8000社會責任標準，我們已制定了一套嚴格的有關童工及強迫勞工政策。本集團積極行動，在整個營運過程中避免使用童工或強迫勞工。

於我們的所有營運單位中，本集團承諾避免使用童工及強迫勞工。所有求職者必須達到法定工作年齡，並提供有效的身份證明文檔供我們核實，以避免僱用未成年人。我們會進行檢查，以確保遵守童工政策。

我們對我們的供應商使用童工採取零容忍的態度。除嚴格遵守我們在僱傭及營運過程中預防使用童工及強迫勞工的標準外，我們亦與供應商保持密切溝通以確保彼等堅持我們的標準。如發現違反，彼等必須及時採取補救措施，否則我們可終止與他們的業務關係(如必要)。

倘我們發現任何使用童工的事件，我們會迅速處理，以確保彼等的健康及安全。例如，我們為童工安排體檢；派僱員護送彼等回家；並為彼等提供適當的醫療及生活援助。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, the Group was not aware of any identified case regarding child and forced labour. There was no material non-compliance with laws and regulations relating to child and forced labour in China and Hong Kong, including, among others, the Provisions on Prohibition of Child Labour and the Law on the Protection of Minors of the PRC, and the Employment Ordinance (Cap. 57) of Hong Kong.

Training and Development

By offering employees the training courses that are most suitable for them, we intend to provide them the chance to gain the new skills they needed. By investing in training and development, we help our employees to excel in their roles and thrive in the future.

The Group's Enterprise Academy facilitates a better management of employee training and development by formulating a training plan annually to address the training needs of the employees and coordinating the hosting of training. Our training activities offer topics on a variety of areas, including quality management, patent development, intellectual property, vocational skills, and management, depending on the training needs and the roles of the employees. The training programmes are delivered by experienced and qualified instructors.

In the orientation training sessions, new employees will learn about a variety of topics, including our quality and CSR policies, production process, environmental, health, and safety knowledge.

於報告期內，本集團並不知悉任何已確定的有關童工及強迫勞工的案件，並無嚴重違反中國及香港與童工及強迫勞工相關的法律法規，包括(其中包括)《禁止使用童工規定》及《中華人民共和國未成年人保護法》，以及《香港僱傭條例》(第57章)。

培訓與發展

通過為僱員提供最適合彼等的培訓課程，我們旨在向彼等提供機會以獲得其所需的新技能。透過投資培訓及發展，我們幫助僱員在崗位上取得突出表現，並在未來茁壯成長。

本集團的企業學院通過制定年度培訓計劃更好地管理僱員的培訓及發展，以滿足僱員的培訓要求並協調培訓的實施。依據僱員的培訓需求及職位，培訓活動涵蓋眾多領域的議題，如質量管理、專利開發、知識產權、職業技能及管理。培訓課程由經驗豐富的合資格講師授課。

於入職培訓課程中，新僱員將會學習各種議題，包括我們的品質及企業社會責任政策、生產流程、環境、健康及安全知識等。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

In order to assist our personnel in obtaining professional credentials and attaining their professional goals, the Enterprise Academy also cooperated with external parties such as institutions and organisations to support our employees to obtain professional qualifications. The data of our training hours are summarised below:

為協助我們的僱員取得專業證書並實現彼等的職業目標，企業學院亦通過與機構及組織等外部各方合作以支持我們的僱員獲得專業資格。有關培訓時間的資料概述如下：

	2022 二零二二年	2021 二零二一年
Total Number of Hours of Training Received by Employees 僱員接受培訓的總時數	7,431.00 ¹⁵	27,228.50
Average Hours of Training per Employee (% of employees who received training ¹⁶) 每位僱員的平均培訓時間(接受培訓的僱員的百分比 ¹⁶)	2.97 (99.12%)	8.96 (100%)
By gender 按性別劃分		
Male 男	2.80 (99.32%)	9.79 (100%)
Female 女	3.23 (98.82%)	7.74 (100%)
By employment category 按僱傭類別劃分		
Senior Management 高級管理人員	3.56 (76.74%)	13.23 (100%)
Middle Management 中級管理人員	3.34 (97.83%)	13.23 (100%)
General Staff 普通職工	2.92 (99.69%)	8.62 (100%)



We offered specific training like IATF 16949, topics covering statistical process control and measurement system analysis, etc.

我們提供如IATF 16949，涵蓋統計過程控制及測量系統分析等議題的具體培訓。

¹⁵ The decrease in training hours provided in 2022 can be attributed to the reduction of production-based training due to the decline in production during the Reporting Period.

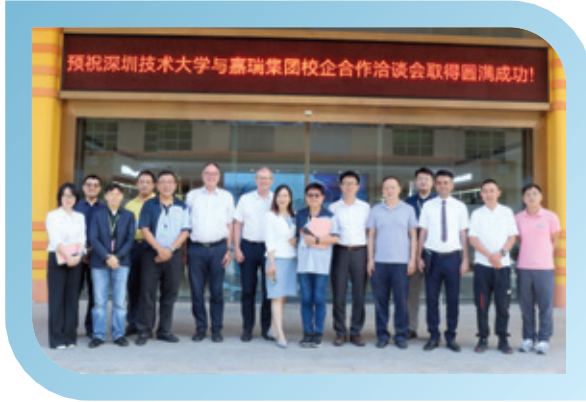
¹⁶ It is calculated by dividing the employees received training in the specified category by the number of employees in the specified category at the end of the Reporting Period.

¹⁵ 二零二二年提供的培訓時數減少乃由於報告期間生產減少令生產相關培訓減少所致。

¹⁶ 其計算方法為，於報告期末接受指定類別培訓的僱員除以指定類別的僱員人數。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



We have been working with higher institutions to organise academic activities and other knowledge-exchange events. We organised a seminar together with Shenzhen Technology University and invited eight professors this year.

我們長期與高校合作以組織學術活動及其他知識交流活動。我們於今年與深圳技術大學共同組織研討會，並邀請了八名教授。

Our management has introduced Ka Shui's new technologies and products to them. After the presentation, the expert team from Shenzhen Technology University visited the product exhibition hall and the new energy auto parts exhibition hall.

我們的管理層已向彼等介紹了嘉瑞的新技術及產品。展示完成後，來自深圳技術大學的專家組參觀了產品展廳及新能源汽車零部件展廳。

Through the insightful interaction, the professors gave valuable feedback and constructive suggestions on the shape design, R&D cycle, product structure, quality system, and evaluation standards of the product. Ka Shui has demonstrated its determination on staying itself ahead of the market trend while making constant improvements. 通過深入的交流，教授對產品的外觀設計、研發週期、產品結構、質量體系及評價標準等方面提出了寶貴意見及建設性建議。於不斷改進的同時，嘉瑞亦表明其走在市場潮流前列的決心。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

SUPPORTING OUR COMMUNITY

The Group fully supports the community where it operates and cares about the health and well-being of the people in the community. We work with regional non-profit organisations to provide funding for initiatives promoting local youth development, environmental protection, disaster relief, and poverty alleviation.

During the Reporting Period, we contributed a total amount of HKD154,000 to the community to support the above initiatives. The volunteer team engaged in volunteering work for a total of 720 hours during the Reporting Period.

COVID-19 has brought severe impacts to the society and its daily operation during the Reporting Period. Ka Shui's employees fulfilled the civic responsibility and participated in the large-scale testing to keep the community safe.

In order to maintain a safe, healthy, harmonious, and sustainable community, we will continue utilising our abilities and knowledge to positively impact the community.

支持我們的社區

本集團完全支持其營運所在社區，並關心社區內人們的健康及福祉。我們與當地非營利性組織合作，為促進當地青年發展、保護環境、救災及扶貧舉措提供資金支持。

於報告期內，我們向社區貢獻了總額為154,000港元，以支持上述項目。義工隊亦於報告期內參與志願工作共計720小時。

於報告期間，新型冠狀病毒已為社會及其日常運作帶來嚴重影響。嘉瑞的僱員履行公民職責，參與大規模檢測以保證社區安全。

為維護一個安全、健康、和諧及可持續發展的社區，我們將繼續利用我們的能力及知識為社區作出積極影響。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG REPORTING GUIDE INDEX

聯交所環境、社會及管治報告指引對照索引

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標	Explanation/ Reference Section 解釋／參考章節
<p>Aspect A: Environment</p> <p>層面A：環境</p> <p>A1 Emissions A1 排放物</p> <p>Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無 害廢棄物的產生等的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>Note: 附註： Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. 廢氣排放包括氮氧化物、硫氧化物及其他受國家法律及規例規管的污染物。</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. 溫室氣體包括二氧化碳、甲烷、氧化亞氮、氫氟碳化合物、 全氟化碳及六氟化硫。</p> <p>Hazardous wastes are those defined by national regulations. 有害廢棄物指國家規例所界定者。</p> <p>KPI A1.1 關鍵績效指標A1.1</p> <p>The types of emissions and respective emissions data. 排放物種類及相關排放數據。</p>	<p>PROTECTING OUR ENVIRONMENT — Minimising Environmental Impacts 保護環境 — 盡量減少環 境影響</p> <p>PROTECTING OUR ENVIRONMENT — Environmental Performance 保護環境 — 環境績效</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
KPI A1.2 關鍵績效指標A1.2	<p>Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>直接(範圍1)及能源間接(範圍2)溫室氣體排放(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	<p>PROTECTING OUR ENVIRONMENT – Environmental Performance</p> <p>保護環境 – 環境績效</p>
KPI A1.3 關鍵績效指標A1.3	<p>Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	<p>PROTECTING OUR ENVIRONMENT – Environmental Performance</p> <p>保護環境 – 環境績效</p>
KPI A1.4 關鍵績效指標A1.4	<p>Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	<p>PROTECTING OUR ENVIRONMENT – Environmental Performance</p> <p>保護環境 – 環境績效</p>
KPI A1.5 關鍵績效指標A1.5	<p>Description of emission target(s) set and steps taken to achieve them.</p> <p>描述所訂立的排放目標及為達到這些目標所採取的步驟。</p>	<p>PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts</p> <p>保護環境 – 盡量減少環境影響</p>
KPI A1.6 關鍵績效指標A1.6	<p>Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p> <p>描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。</p>	<p>PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts</p> <p>保護環境 – 盡量減少環境影響</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
A2 Use of Resources A2資源使用	<p>Policies on efficient use of resources including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。</p> <p>Note: 附註: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. 資源可用於生產、儲存、運輸、樓宇、電子設備等。</p>	<p>PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響</p>
KPI A2.1 關鍵績效指標A2.1	<p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。</p>	<p>PROTECTING OUR ENVIRONMENT – Environmental Performance 保護環境 – 環境績效</p>
KPI A2.2 關鍵績效指標A2.2	<p>Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。</p>	<p>PROTECTING OUR ENVIRONMENT – Environmental Performance 保護環境 – 環境績效</p>
KPI A2.3 關鍵績效指標A2.3	<p>Description of energy use efficiency target(s) set and steps taken to achieve them. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。</p>	<p>PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響</p>
KPI A2.4 關鍵績效指標A2.4	<p>Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。</p>	<p>PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響</p>
KPI A2.5 關鍵績效指標A2.5	<p>Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。</p>	<p>PROTECTING OUR ENVIRONMENT – Environmental Performance 保護環境 – 環境績效</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
A3 The Environment and Natural Resources A3環境及天然資源	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響
KPI A3.1 關鍵績效指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響
A4 Climate Change A4氣候變化	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	MEASURES ON MITIGATING CLIMATE RISK 減低氣候風險措施
KPI A4.1 關鍵績效指標A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	MEASURES ON MITIGATING CLIMATE RISK 減低氣候風險措施

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
Aspect B: Social		
層面B：社會		
B1 Employment B1僱傭	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 遵守對發行人有重大影響的相關法律及規例的資料。	CARING FOR OUR PEOPLE — Employment Conditions 關愛僱員 — 僱傭條件
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. 按性別、僱傭類型(如全職或兼職)、年齡組別及地區劃分的僱員總數。	CARING FOR OUR PEOPLE — Employment Conditions 關愛僱員 — 僱傭條件
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	CARING FOR OUR PEOPLE — Employment Conditions 關愛僱員 — 僱傭條件
B2 Health and Safety B2健康與安全	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 遵守對發行人有重大影響的相關法律及規例的資料。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛僱員 — 僱員健康及安全
KPI B2.1 關鍵績效指標B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. 過去三年(包括匯報年度)每年因工亡故的人數及比率。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛僱員 — 僱員健康及安全

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
KPI B2.2 關鍵績效指標B2.2	Lost days due to work injury. 因工傷損失工作日數。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛僱員 — 僱員健康及安全
KPI B2.3 關鍵績效指標B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛僱員 — 僱員健康及安全
B3 Development and Training B3發展及培訓	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 Note: Training refers to vocational training. It may include internal and external courses paid by the employer. 附註：培訓指職業培訓，可包括由僱主付費的內外部課程。	CARING FOR OUR PEOPLE — Training and Development 關愛僱員 — 培訓與發展
KPI B3.1 關鍵績效指標B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層)劃分的受訓僱員百分比。	CARING FOR OUR PEOPLE — Training and Development 關愛僱員 — 培訓與發展
KPI B3.2 關鍵績效指標B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	CARING FOR OUR PEOPLE — Training and Development 關愛僱員 — 培訓與發展

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
B4 Labour Standards B4勞工準則	Information on: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 遵守對發行人有重大影響的相關法律及規例的資料。	CARING FOR OUR PEOPLE — Employment Conditions 關愛僱員 — 僱傭條件
KPI B4.1 關鍵績效指標B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	CARING FOR OUR PEOPLE — Employment Conditions 關愛僱員 — 僱傭條件
KPI B4.2 關鍵績效指標B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	CARING FOR OUR PEOPLE — Employment Conditions 關愛僱員 — 僱傭條件
B5 Supply Chain Management B5供應鏈管理	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理
KPI B5.1 關鍵績效指標B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理
KPI B5.2 關鍵績效指標B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理
KPI B5.3 關鍵績效指標B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
KPI B5.4 關鍵績效指標B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理
B6 Product Responsibility B6產品責任	Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 遵守對發行人有重大影響的相關法律及規例的資料。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度 Due to the Group's business nature, we do not involve in any advertising matters. 由於本集團的業務性質使然，我們並無涉及任何廣告事宜。
KPI B6.1 關鍵績效指標B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
KPI B6.2 關鍵績效指標B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
KPI B6.3 關鍵績效指標B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
KPI B6.4 關鍵績效指標B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
KPI B6.5 關鍵績效指標B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
B7 Anti-corruption B7反貪污	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 遵守對發行人有重大影響的相關法律及規例的資料。	SUSTAINABLE OPERATIONS — Business Ethics 可持續營運 — 商業道德
KPI B7.1 關鍵績效指標B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	SUSTAINABLE OPERATIONS — Business Ethics 可持續營運 — 商業道德
KPI B7.2 關鍵績效指標B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Business Ethics 可持續營運 — 商業道德
KPI B7.3 關鍵績效指標B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	SUSTAINABLE OPERATIONS — Business Ethics 可持續營運 — 商業道德

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

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HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		解釋／參考章節
B8 Community Investment B8社區投資	<p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p> <p>有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p>	SUPPORTING OUR COMMUNITY 支持社區
KPI B8.1 關鍵績效指標B8.1	<p>Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p> <p>專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。</p>	SUPPORTING OUR COMMUNITY 支持社區
KPI B8.2 關鍵績效指標B8.2	<p>Resources contributed (e.g. money or time) to the focus area.</p> <p>在專注範疇所動用資源(如金錢或時間)。</p>	SUPPORTING OUR COMMUNITY 支持社區

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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TO THE SHAREHOLDERS OF KA SHUI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 148 to 303, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

致嘉瑞國際控股有限公司 全體股東

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第148頁至303頁嘉瑞國際控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此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，與截至該日止年度的綜合損益表及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(包括主要重大會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於二零二二年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照《公司條例》的披露規定妥善編製。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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 judgment, 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. The key audit matters we identified are:

1. Fair value measurement of lands
2. Allowance for inventories

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們就該等準則承擔的責任將在本報告「核數師就審核綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審核憑證能充分及適當地為我們的審核意見提供基礎。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期間綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時進行處理的，而我們不會對這些事項提供單獨的意見。我們識別出的關鍵審核事項包括：

1. 土地公平值的計量
2. 存貨撥備

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTER (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式
<p>1. Fair value measurement of lands 土地公平值的計量</p> <p>Refer to notes 5(e), 7 and 20 to the consolidated financial statements. 參閱綜合財務報告附註5(e)、7及20。</p> <p>The Group measures its lands at fair value using a market approach. The valuation is a level 3 fair value measurement as it involves adjustments to market comparables to reflect the particular characteristics of the land, including location and plot sizes, which are based on unobservable inputs that are subjective. The value of land is sensitive to these inputs. In order to determine an appropriate fair value of the land, the Group appointed an independent professional valuer to perform the assessment. 貴集團使用市場法，按公平值計量其土地。估值為第三層公平值計量，因為當中涉及就市場可資比較資料進行調整，以反映土地的具體特性，包括地方及地段大小，乃以主觀不可觀察的參數為基礎。土地之價值對該等參數敏感。為釐定該土地的恰當公平值，貴集團委任獨立專業估值師進行評估。</p>	<p>Our procedures in relation to the fair value measurement of lands included: 我們就土地公平值的計量進行的程序包括：</p> <ul style="list-style-type: none"> — Understanding and evaluating the key controls over the management's process in determining the fair value of lands and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes, susceptibility to management bias of fraud; 通過考慮估計的不確定程度及其他固有風險因素水平(如複雜性、主觀性、變化、管理層偏頗舞弊之可能性)，了解及評價管理層對釐定土地公平值和評估重大錯誤陳述的固有風險的主要控制措施； — Evaluating the independent external valuer's competence, capabilities and objectivity and obtaining an understanding of the independent external valuer's scope of work and terms of engagement; 評估獨立外部估值師的資格、能力及客觀性，以及了解獨立外部估值師的工作範圍及聘用條款； — With the assist of independent third-party specialists, assessing the valuation methodologies used and the appropriateness of the key assumptions and comparables, checking the accuracy of the observable inputs, reviewing the appropriateness of those adjustments which were based on unobservable inputs; and 在獨立第三方專家的協助下，評估所用估值方法以及主要假設及可資比較資料是否恰當、檢查可觀察參數是否準確、檢討按不可觀察參數所作調整是否恰當；及 — Assessing the adequacy of the disclosures in respect of the fair value of lands. 評估就土地公平值所作披露是否足夠。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTER (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式
<p>2. Allowance for inventories 存貨撥備</p> <p>Refer to notes 5(a) and 27 to the consolidated financial statements. 參閱綜合財務報表附註5(a)及27。</p> <p>At the end of the reporting period, the Group identifies obsolete and slow-moving inventories items that are not probable for use in future production or to be sold out. It also identifies any other inventories with net realisable value below cost. The identification is based on forecasts of customers' future orders and future market conditions, and involves subjective estimation. The allowance has impact on the carrying amount of inventories and the profit or loss for the year. 於報告期末，貴集團識別不可能用作未來生產或售出的過時及滯銷存貨項目。彼亦識別可變現淨值低於成本的任何其他存貨。該識別是以預測客戶未來訂單及未來市場狀況為基礎，並涉及主觀估計。有關撥備對年內存貨賬面值及損益有影響。</p>	<p>Our procedures in relation to the allowance for inventories included: 我們就存貨撥備進行的程序包括：</p> <ul style="list-style-type: none"> — Understanding and evaluating the key controls over the management's assessment of allowance for inventories and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes, susceptibility to management bias of fraud; 通過考慮估計的不確定程度及其他固有風險因素水平(如複雜性、主觀性、變化、管理層偏頗舞弊之可能性)，了解及評價管理層對存貨撥備的估值和評估重大錯誤陳述的固有風險的主要控制措施； — Evaluating the outcome of prior period assessment of allowance for inventories to assess the effectiveness of management's estimation process; 評價前期存貨撥備評估的結果，以評估管理層估計值過程的有效性； — Reviewing inventory ageing analysis to identify obsolete or slow-moving inventories; 審閱存貨賬齡分析，識別過時或滯銷存貨； — Testing the accuracy of inventory ageing list by reviewing the date of purchase; 通過審閱購買日期、測試存貨賬齡列表的準確性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTER (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式
	<p>Our procedures in relation to the allowance for inventories included (Continued): 我們就存貨撥備進行的程序包括(續)：</p> <ul style="list-style-type: none"> — Testing whether the net realisable value of major items of inventories exceeded cost by reviewing sales after the reporting date and considering the costs of completion and sales, if applicable; 審閱報告日期後的銷售，測試主要存貨項目的可變現淨值是否低於成本並考慮完工成本和銷售成本，如適用； — Reviewing the appropriateness of the allowance for inventories by reference to information about subsequent sales or usage; and 參考有關其後銷售或使用的資料，審閱存貨撥備是否恰當；及 — Checking the historical accuracy of inventory provisioning and the level of inventories write-off during the year. 檢查過去存貨撥備的準確性及年內存貨撇銷的水平。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

其他資料

董事需對其他資料負責。其他資料包括 貴公司年報所載列的全部資料(不包括綜合財務報表及我們就此發出的核數師報告)。

我們對綜合財務報表的意見並不涵蓋其他資料及我們亦不對其他資料發表任何形式的保證結論。

在我們審核綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事和審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及《公司條例》的披露規定擬備真實而公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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

審核委員會協助董事履行監督 貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按《香港審計準則》進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則可被視作重大錯誤陳述。

在根據《香港審計準則》進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, 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.

核數師就審核綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則修改我們的意見。我們的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。我們負責指導、監督和執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與審核委員會溝通了(其中包括)審核計劃範圍及時間安排以及重大審核發現，包括我們在審核期間識別出內部控制的任何重大缺失。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Liu Fung Yi.

RSM Hong Kong

Certified Public Accountants

28 March 2023

核數師就審核綜合財務報表承擔的責任(續)

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及消除威脅及實施防範措施(如適用)。

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。我們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，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審核項目合夥人是廖鳳儀女士。

羅申美會計師事務所

執業會計師

二零二三年三月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

		Note 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元 (restated) (重列)
Revenue	收入	8	1,504,439	1,714,549
Cost of sales	銷售成本		(1,169,105)	(1,247,314)
Gross profit	毛利		335,334	467,235
Other income	其他收入	9	31,220	30,125
(Impairment losses for trade receivables)/reversals of impairment losses on trade receivables	(貿易應收款項減值虧損)/貿易應收款項減值虧損回撥		(52)	242
Selling and distribution expenses	銷售及分銷開支		(33,568)	(33,116)
General and administrative expenses	一般及行政開支		(246,690)	(287,988)
Other operating expenses and income	其他營運開支及收入	11	(7,068)	(22,612)
Profit from operations	經營溢利		79,176	153,886
Finance costs	融資成本	12	(4,165)	(3,259)
Loss on deregistration of a subsidiary	註銷附屬公司損失		—	(100)
Share of (losses)/profits of associates	攤分聯營公司(損失)/溢利	25	(1,058)	45
Profit before tax	除稅前溢利		73,953	150,572
Income tax expense	所得稅開支	13	(5,095)	(22,835)
Profit for the year	年內溢利	14	68,858	127,737
Attributable to	以下人士應佔權益：			
Owners of the Company	本公司權益持有人		74,844	131,139
Non-controlling interests	非控股權益		(5,986)	(3,402)
			68,858	127,737
			HK Cents	HK Cents
			港仙	港仙
Earnings per share	每股盈利	18		
Basic	基本		8.37	14.67
Diluted	攤薄		N/A	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Profit for the year	年內溢利	68,858	127,737
Other comprehensive income:	其他全面收益		
<i>Items that will not be reclassified to profit or loss</i>	<i>將不會重新分類至損益之項目</i>		
Surplus on revaluation of leasehold lands	租賃土地價值重估之盈餘	30,669	4,466
Income tax on items that will not be reclassified to profit or loss	不會重新分類至損益之項目之所得稅	(4,573)	(943)
		26,096	3,523
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益之項目</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(70,286)	17,421
Other comprehensive income for the year, net of tax	年內除稅後其他全面收益	(44,190)	20,944
Total comprehensive income for the year	年內全面收益總額	24,668	148,681
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人	32,182	151,839
Non-controlling interests	非控股權益	(7,514)	(3,158)
		24,668	148,681

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

For the year ended 31 December 2022 於二零二二年十二月三十一日

			2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
	Note 附註			
Non-current assets		非流動資產		
Property, plant and equipment	19	物業、機器及設備	492,350	547,487
Right-of-use assets	20	使用權資產	270,990	244,968
Goodwill	21	商譽	2,654	2,654
Other intangible assets	22	其他無形資產	3,382	3,835
Club membership	23	會所會籍	718	718
Investment in associates	25	於聯營公司之投資	9,845	8,949
Deposits paid for acquisition of property, plant and equipment		預付購買物業、機器及設備之按金	20,186	13,411
Deferred tax assets	35	遞延稅項資產	4,364	99
			804,489	822,121
Current assets		流動資產		
Inventories	27	存貨	192,525	209,363
Right of return assets		退回資產之權利	54	54
Trade and bills receivables	28	貿易及票據應收款項	405,432	453,082
Contract assets	29	合約資產	11,420	14,132
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	43,764	49,543
Due from an associate	25	應收聯營公司款項	702	212
Current tax assets		即期稅項資產	6,261	1,474
Restricted bank balances	30	有限制銀行存款	1,860	2,029
Bank and cash balances	30	銀行及現金結餘	244,153	280,683
			906,171	1,010,572
Current liabilities		流動負債		
Trade payables	31	貿易應付款項	184,897	209,935
Contract liabilities	29	合約負債	8,611	7,854
Refund liabilities		退款負債	241	241
Other payables and accruals		其他應付款項及應計費用	92,863	103,801
Due to an associate	25	應付聯營公司款項	78	121
Derivative financial liabilities	26	衍生金融負債	935	3,486
Bank borrowings	32	銀行借款	68,835	132,858
Lease liabilities	34	租賃負債	11,807	8,894
Current tax liabilities		即期稅項負債	4,475	22,936
			372,742	490,126

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

For the year ended 31 December 2022 於二零二二年十二月三十一日

			2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
		Note 附註		
Net current assets	流動資產淨值		533,429	520,446
Total assets less current liabilities	資產總值減流動負債		1,337,918	1,342,567
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	32	—	10,500
Loan from non-controlling interests	非控股權益貸款	32	971	803
Lease liabilities	租賃負債	34	12,662	5,582
Deferred tax liabilities	遞延稅項負債	35	34,009	31,280
			47,642	48,165
NET ASSETS	資產淨值		1,290,276	1,294,402
Capital and reserves	資本及儲備			
Share capital	股本	36	89,376	89,376
Reserves	儲備	38	1,194,091	1,190,703
Equity attributable to owners of the Company	本公司權益持有人應佔權益		1,283,467	1,280,079
Non-controlling interests	非控股權益		6,809	14,323
TOTAL EQUITY	權益總額		1,290,276	1,294,402

Approved by the Board of Directors on 28 March 2023 and are signed on its behalf by:

經董事會於二零二三年三月二十八日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Wing Chuen
黃永銓
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司權益持有人應佔權益											
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Statutory reserve	Land revaluation reserve	Share-based payments	Non-controlling interests	Total equity	
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	法定儲備	重估儲備	以股份支付之款項儲備	總數	權益總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2021	於二零二一年一月一日	89,376	204,650	681,420	2,115	(9,931)	(2,507)	23,004	175,863	–	1,163,990	15,318	1,179,308
Total comprehensive income for the year	年內全面收益總額	–	–	131,139	–	–	17,177	–	3,523	–	151,839	(3,158)	148,681
Acquisition of a subsidiary (note 40(b))	收購附屬公司(附註40(b))	–	–	–	–	–	–	–	–	–	–	2,163	2,163
Transfer to statutory reserve	轉至法定儲備	–	–	(2,114)	–	–	–	2,114	–	–	–	–	–
Dividends paid (note 17)	已付股息(附註17)	–	–	(35,750)	–	–	–	–	–	–	(35,750)	–	(35,750)
Changes in equity for the year	年內權益變動	–	–	93,275	–	–	17,177	2,114	3,523	–	116,089	(995)	115,094
At 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日	89,376	204,650	774,695	2,115	(9,931)	14,670	25,118	179,386	–	1,280,079	14,323	1,294,402
Total comprehensive income for the year	年內全面收益總額	–	–	74,844	–	–	(68,758)	–	26,096	–	32,182	(7,514)	24,668
Share-based payments	以股份支付之款項	–	–	–	–	–	–	–	–	700	700	–	700
Transfer to statutory reserve	轉至法定儲備	–	–	(3,188)	–	–	–	3,188	–	–	–	–	–
Dividends paid (note 17)	已付股息(附註17)	–	–	(29,494)	–	–	–	–	–	–	(29,494)	–	(29,494)
Changes in equity for the year	年內權益變動	–	–	42,162	–	–	(68,758)	3,188	26,096	700	3,388	(7,514)	(4,126)
At 31 December 2022	於二零二二年十二月三十一日	89,376	204,650	816,857	2,115	(9,931)	(54,088)	28,306	205,482	700	1,283,467	6,809	1,290,276

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Note	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
	附註		
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營業務所得現金淨額		
	40(a)	164,930	172,072
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Interest received	已收利息	952	1,042
Proceeds from disposals of property, plant and equipment	出售物業、機器及設備	1,620	1,849
Purchase of property, plant and equipment	購買物業、機器及設備	(72,570)	(84,399)
Acquisition of a subsidiary	收購附屬公司	—	(7,432)
Net cash outflow from deregistration of a subsidiary	註銷附屬公司淨現金流出	—	(159)
Investment in an associate	於聯營公司之投資	(2,676)	—
Purchase of right-of-use assets	購買使用權資產	(6,828)	—
Deposits paid for the acquisition of property, plant and equipment	預付物業、機器及設備之訂金	(16,836)	(8,297)
Net cash used in investing activities	投資活動所用之現金淨額	(96,338)	(97,396)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Dividends paid	已付股息	(29,494)	(35,750)
Loan from non-controlling interests	非控股權益貸款	—	4,500
Short-term bank loans raised	新增短期銀行貸款	10,000	60,000
Short-term bank loans repaid	償還短期銀行貸款	(20,000)	(950)
Repayment of long-term bank loans	償還長期銀行貸款	(62,074)	(70,033)
Principal elements of lease payments	租賃本金部份付款	(13,249)	(9,388)
Net cash used in financing activities	融資活動所耗之現金淨額	(114,817)	(51,621)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

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

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
	Note 附註		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金項目 (減少)/增加淨額	(46,225)	23,055
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及等同現金項目	280,683	256,686
Effect of foreign exchange rate changes	匯率變動之影響	9,695	942
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及等同現金項目	244,153	280,683
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及等同現金項目 分析		
Bank and cash balances	銀行及現金結餘	244,153	280,683
	30		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

Ka Shui International Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room A, 29/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 24 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2022, Precisefull Limited, a company incorporated in the British Virgin Islands (“BVI”), is the ultimate parent and Mr. LEE Yuen Fat (“Mr. Lee”) is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. 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”) and with the disclosure requirements of the Companies Ordinance (Cap. 622). 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.

1. 公司資料

嘉瑞國際控股有限公司(「本公司」)根據開曼群島公司法於開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為 Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點為香港九龍九龍灣宏光道一號億京中心B座29樓A室。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司，其附屬公司之主要業務載列於綜合財務報表附註24。

本公司董事認為，於二零二二年十二月三十一日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

2. 編製基準

此等綜合財務報表乃根據適用之由香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表也遵從適用之聯交所證券上市規則(「上市規則」)之披露守則及公司條例(第622章)之披露要求。本集團所採納之主要會計政策如下文披露。

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。在該等綜合財務報表中反映之因初次應用該等與本集團有關的頒佈而引致之本年度或過往會計期間會計政策之任何變動詳述於綜合財務報表附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the 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 HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
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Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
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Amendments to HKFRS 3	Reference to the Conceptual Framework
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Amendments to HKFRS 16 (March 2021)	Covid-19 Related Rent Concessions beyond 30 June 2021
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Annual Improvements Project	Annual Improvements to HKFRS Standards 2018–2020
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Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations
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None of the application of these amendments to HKFRSs in the current year had material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

本集團於編製綜合財務報表時已首次應用以下由香港會計師公會頒佈的香港財務報告準則修訂本，有關修訂自二零二二年一月一日或之後開始的年度期間強制生效：

香港會計準則第16號之修訂本	物業、廠房及設備：擬定用途前的所得款項
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香港會計準則第37號之修訂本	虧損性合約 — 履行合約的成本
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香港財務報告準則第3號之修訂本	概念框架提述
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香港財務報告準則第16號之修訂本 (二零二一年三月)	二零二一年六月三十日後之2019冠狀病毒病相關租金減免
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香港財務報告準則之年度改進	香港財務報告準則2018至2020年的年度改進
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會計指引第5號之修訂本	共同控制合併之合併會計法
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於本年度應用香港財務報告準則修訂本對本集團於本年度及過往年度之財務狀況及表現及／或對該綜合財務報表所載之披露事宜並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not applied any amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2022. These amendments to standards and interpretation include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after		於下列日期或 之後開始的會 計期間起生效
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024	香港會計準則第1號 之修訂本 – 將負 債分類為流動或非 流動	二零二四年 一月一日
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024	香港會計準則第1號 之修訂本 – 附帶 契約的非流動負債	二零二四年 一月一日
Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023	香港會計準則第1號 及香港財務報告準 則實務公告第2號 之修訂本 – 會計 政策的披露	二零二三年 一月一日
Amendments to HKAS 8 – Definition of Accounting Estimates	1 January 2023	香港會計準則第8號 之修訂本 – 會計 估計的定義	二零二三年 一月一日
Amendments to HKAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023	香港會計準則第12 號之修訂本 – 與 單一交易產生的資 產及負債相關的遞 延稅項	二零二三年 一月一日

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無應用任何已頒佈但尚未於二零二二年一月一日開始的財政年度起生效的經修訂準則及詮釋。該等經修訂的準則及詮釋中可能與本集團相關者如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised HKFRSs in issue but not yet effective (Continued)

	Effective for accounting periods beginning on or after
Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024

The Group is in the process of making an assessment of what the impact of these amendments to standards and interpretation is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. 採納新訂及經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

	於下列日期或 之後開始的會 計期間起生效
香港財務報告準則第16號之修訂本 – 售後租回的租賃負債	二零二四年 一月一日
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之間的資產出售或投入	由香港會計師 公會決定
香港詮釋第5號(二零二零)財務報表的呈列 – 借款人對包含按要求償還條款之定期貸款之分類	二零二四年 一月一日

本集團正在評估該等經修訂準則及詮釋預期於首次應用期間的影響。截至目前，本集團已經確定了採納該等修訂及新訂準則不太可能對綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. leasehold land and certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

(a) Consolidation

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

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

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

4. 主要會計政策

除按下列會計政策外(例如以公平值計量之租賃土地及若干金融工具),此等綜合財務報表乃按歷史成本作為編製基準。

編製符合香港財務報告準則的綜合財務報表須使用若干重要會計估計,亦需要管理層於應用於本集團會計政策的過程中作出判斷。對此等綜合財務報表涉及高度之判斷及具複雜性及屬重大的假設及估計的範疇於綜合財務報表附註5中披露。

編製此等綜合財務報表所採用的主要會計政策載列如下:

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。當本集團透過從參予該實體之運作而得到或有權利得到可變動之回報,並有能力影響該實體之回報,則視為本集團對該實體擁有控制權。當本集團現有權利令其目前有能力主導相關活動(即對實體回報構成重大影響的活動),則本集團對該實體擁有權力。

在評估本集團是否擁有控制權時,本集團會考慮其潛在表決權以及其他各方所持潛在表決權。潛在表決權僅於持有人擁有實質能力可行使該項權利時方予考慮。

附屬公司於控制權轉移至本集團當日全面綜合計算,並於控制權終止當日不再作綜合處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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

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

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

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

4. 主要會計政策(續)

(a) 綜合賬目(續)

因出售一間附屬公司而導致失去控制權的盈虧指(i)出售代價公平值加上於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值加上與該附屬公司有關的任何餘下商譽以及任何相關累計匯兌儲備兩者間的差額。

集團間的交易、結餘及未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益表及綜合損益及其他全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收益總額之分配。

即使會導致非控股權益出現赤字結餘，損益及其他全面收益各部份仍歸屬於本公司擁有人及非控股股東。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

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

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4. 主要會計政策(續)

(a) 綜合賬目(續)

本公司於不會導致失去控制權之附屬公司之擁有權權益變動計入權益交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已經調整,以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認,並由本公司擁有人分佔。

於本公司之財務狀況表內,於附屬公司之投資按成本扣除減值虧損列賬,除非該投資被分類為持作銷售(或包括在被分類為持作銷售之出售組別)。

成本包括投資直接應佔成本。本公司按已收及應收股息基準將附屬公司業績入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該投資於單獨財務報表內的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表內的賬面值,則於收到該等股息時須對該等投資進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill

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

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

4. 主要會計政策(續)

(b) 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。於業務合併中轉移之代價按收購日所交付資產、所發行股本工具、所產生或承擔之負債及或然代價之公平值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購日之公平值計算，除了少數例外情況外。

轉移之代價總和超出本集團攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。任何本集團攤分可識別資產及負債之公平淨值高於轉移之代價總和之差額將於綜合損益表內確認為本集團應佔之議價收購收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

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

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

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. 主要會計政策(續)

(b) 業務合併及商譽(續)

分階段進行業務合併時，過往持有之附屬公司股本權益按其收購日期之公平值重新計算，據此產生之損益則於綜合損益確認。公平值將計入於業務合併中轉移之代價總和，以計算商譽。

附屬公司之非控股權益初步以非控股股東於收購日在附屬公司中可識別資產及負債之公平淨值之股權比例計量。

經初步計量後，商譽以成本減累計減值虧損計量。就減值測試目的而言，於業務合併中收購的商譽將分配各個預期將自該業務合併所產生之協同效應獲益的現金產生單位。各個或各組獲分配商譽相當於本集團內最低層，其商譽就內部管理目的而受監察。商譽減值檢討每年進行一次，倘發生任何事件或情況有變顯示潛在減值風險，檢討將更為頻密。載有商譽之現金產生單位的賬面值將與其可收回金額(即其使用價值或其公平值減出售成本之較高者)比較。任何減值將即時確認為開支並不可於其後撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. 主要會計政策(續)

(c) 聯營公司

聯營公司為本集團對其有重大影響之實體。重大影響乃於有關實體之財務及營運政策之決策擁有參與權而非控制或共同控制權。包括其他實體持有之潛在投票權在內的現時可行使或可兌換之潛在投票權，其存在及影響將於評估本集團有否重大影響力時予以考慮。在評估潛在投票權有否重大影響時，持有人行使或兌換該權力之意圖及財務能力不會考慮在內。

於聯營公司之投資乃採用權益會計法於綜合財務報表列賬，並按成本作出初步確認。所收購聯營公司之可識別資產及負債乃按其於收購當日之公平值計量。倘投資成本超出本集團應佔聯營公司之可識別資產及負債之公平淨值，則差額將以商譽列賬，並列入投資之賬面值內。倘本集團應佔可識別資產及負債之公平淨值高於收購成本，則有關差額將於綜合損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4. 主要會計政策(續)

(c) 聯營公司(續)

本集團評估是否有客觀證據顯示在聯營公司的權益可能出現減值。當存在任何客觀證據時，投資的全數賬面值(包括商譽)將作為單一資產根據香港會計準則第36號進行減值測試，方法是將其可收回金額(即使用價值與公平值減出售成本之較高者)與其賬面值進行比較。任何已確認的減值虧損不會分配至構成投資賬面值一部份的任何資產(包括商譽)。該減值虧損之任何撥回乃根據香港會計準則第36號按投資之可收回金額其後增加確認。

本集團應佔聯營公司之收購後損益及其他全面收益於綜合收益及其他全面收益表內確認。倘本集團應佔聯營公司虧損相等於或超逾其於聯營公司之權益(包括實際上構成本集團於該聯營公司投資淨值一部份之任何長期權益)，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔負債或支付款項。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認之虧損後恢復確認其應佔之該等溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign currency translation

(i) **Functional and presentation currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

4. 主要會計政策(續)

(c) 聯營公司(續)

因出售聯營公司而導致其失去重大影響之損益為(i)出售代價之公平值加任何保留於該聯營公司之投資之公平值及(ii)本集團應佔該聯營公司全部賬面值(包括商譽)及任何有關累計匯兌儲備兩者間之差額。倘於聯營公司之投資成為於合營企業投資,本集團繼續採用權益法而不重新計量保留權益。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限。未變現虧損亦會對銷,除非該交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要變更,以確保與本集團所採納政策貫徹一致。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元呈列,而港元為本公司的功能及呈列貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary 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 company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 主要會計政策(續)

(d) 外幣換算(續)

(ii) 各實體財務報表內的交易及結餘

外幣交易在初始確認時以交易日期適用的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按每個報告期間完結時的匯率換算。該換算政策所產生的收益及虧損於損益內確認。

按外幣歷史成本計算的非貨幣資產及負債以交易日期的現行匯率換算。交易日期指本公司初始確認該非貨幣資產或負債的日期。按外幣公平值計算的非貨幣項目以決定公平值當天之匯率換算。

當非貨幣項目的收益或虧損於其他全面收益中確認，任何該收益或虧損之匯兌部份於其他全面收益中確認。當非貨幣項目的收益或虧損於損益中確認，任何該收益或虧損之匯兌部份於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rate for the period (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. 主要會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算

本集團內所有功能貨幣與本公司呈列貨幣有別的海外業務(其中並無任何業務具有通脹嚴重的經濟體系的貨幣),其業績及財務狀況乃按下列方式換算為本公司的呈列貨幣:

- 各財務狀況表所呈列的資產及負債均按財務狀況表之日期的收市匯率換算;
- 期內的收入及開支按平均匯率換算(除非該平均匯率並非為交易日期的適用匯率累計影響的合理約數,在該情況下,收入及開支按交易日期的匯率換算);及
- 所產生的全部匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

4. 主要會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算(續)

綜合賬目時，換算海外實體投資淨額所產生的現金項目匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。當海外業務被出售，該匯兌差額於綜合損益中重新分類至出售溢利或虧損的一部份。

收購海外實體所產生的商譽及公平值調整被視作海外實體的資產及負債，並按收市匯率換算。

(e) 物業、機器及設備

物業、機器及設備持有作生產用途或供應貨品或服務或行政目的(不包括下述之在建物業)。物業、機器及設備乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產之賬面值或確認為獨立資產項目(如適用)。所有其他維護及保養費用均需於產生時於該財務期間之損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	5 to 20 years or over the unexpired term of lease
Leasehold improvements	2 to 5 years or over the unexpired term of lease
Plant and machinery	5 to 10 years
Computer equipment	3 to 5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 主要會計政策(續)

(e) 物業、機器及設備(續)

物業、機器及設備之折舊乃於估計可使用年期內，以直線法按適當比率計算以撇銷其成本或重估金額減其剩餘價值。主要可用年期如下：

樓宇	5至20年或尚餘租賃年期
租賃物業裝修	2至5年或尚餘租賃年期
機器及設備	5至10年
電腦設備	3至5年
傢俬、固定裝置及辦公室設備	3至5年
汽車	3至5年

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)，任何估計變更的影響均按預期基準列賬。

在建工程指建設中的樓宇及待安裝的機器及設備，按成本減減值虧損列賬。當有關資產可供使用時，折舊即開始。

出售物業、機器及設備的收益或虧損指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases

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.

(i) The Group 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.

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 which, for the Group are primarily laptops and office furniture. 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.

4. 主要會計政策(續)

(f) 租賃

於訂立合約時，本集團評估合約是否為租賃或包含租賃。倘合約給予於一段時間內控制已識別資產使用的權利以換取代價，則合約為租賃或包含租賃。倘客戶同時有權指示已識別資產的用途及從該用途獲得絕大部份經濟利益，則表示擁有控制權。

(i) 本集團作為承租人

倘合約包含租賃部份及非租賃部份，則本集團選擇不區分非租賃部份，並就所有租賃將各租賃部份及任何相關的非租賃部份入賬列為單一租賃部份。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或以下的短期租賃及低價值資產租賃除外，就本集團而言，低價值資產主要為筆記本電腦及辦公室傢俬。倘本集團就低價值資產訂立租賃，則本集團決定是否按個別租賃基準將有關租賃撥充資本。與該等並無撥充資本的租賃相關的租賃付款於租賃期內按系統基準確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

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. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. 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 assets 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, except for the right-of-use assets related to leasehold land where the Group is the registered owner of the leasehold interest are carried at fair value.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

倘有關租賃撥充資本，則有關租賃負債於租賃期內按應付租賃付款的現值初步確認，並使用租賃內含利率或(如該利率無法輕易釐定)使用相關增量借款利率貼現。在合理確定的延期選項下作出的租賃付款亦計入租賃負債的計量中。初步確認後，租賃負債按攤銷成本計量，利息開支則使用實際利息法計算。計量租賃負債時並不計及不會依賴指數或利率的可變租賃付款，故有關付款在產生的會計期間於損益中扣除。

租賃撥充資本時確認的使用權資產初步按成本計量，其中包括租賃負債的初步金額加於開始日期或之前作出的任何租賃付款及任何已產生初步直接成本。倘適用，使用權資產成本亦包括就拆除並移除相關資產或修復相關資產或其所在地盤產生的估計成本，並將其貼現至現值(扣除任何已收租賃獎勵)。使用權資產其後按成本減累計折舊及減值虧損列賬，惟與租賃土地相關而本集團為有關租賃權益的註冊擁有人的使用權資產按公平值列賬則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Right-of-use assets related to leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

為釐定增量借款利率，本集團：

- 在可能的情况下，使用個別承租人最近獲得的第三方融資作為出發點，並作出調整以反映自獲得第三方融資以來融資條件的變動，
- 使用累加法，先就信貸風險調整無風險利率，及
- 對租賃作出特定調整，如年期、國家、貨幣及擔保國家。

就生產用途或供應貨品或服務或行政目的持有之租賃土地相關之使用權資產乃按彼等的重估金額(即於重估日期之公平值減任何其後累計折舊及其後累計減值虧損)於綜合財務狀況表入賬。重估每隔若干適當時間進行，以確保賬面值與於各報告期末以公平值釐定的數值不會出現重大偏差。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in land revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued land is recognised in profit or loss. On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

任何重估有關土地產生之重估增值會於其他全面收益內確認，並累計列入土地重估儲備，除非其撥回之前於損益確認之相同資產之重估減值，在此情況下則有關增值會以之前支出之減額為限計入損益。重估有關土地產生之賬面減值會於損益內確認，至其超過與該資產過往重估有關之土地重估儲備內之結餘(如有)為止。

經重估土地的折舊於損益確認。已重估土地其後出售或報廢時，留存於土地重估儲備的應佔重估盈餘乃直接轉撥至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the unexpired term of lease.

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

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.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

本集團於租賃期結束時合理確定獲取相關租賃資產所有權的使用權資產自開始日期起至可使用年期結束期間折舊。在其他情況下，使用權資產以直線法於其估計可使用年期及未屆滿的租賃期(以較短者為準)內折舊。

已付的可退回租賃按金乃根據香港財務報告準則第9號列賬，並初步按公平值計量。初步確認公平值的調整被視為額外租賃款項，並計入使用權資產的成本內。

當指數或利率變動引致未來租賃付款變動，或本集團根據剩餘價值擔保預期應付款項之估計有變，或當重新評估本集團是否將合理確定行使購買、延期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，就使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值減至零，則記錄於損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(g) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

4. 主要會計政策(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

當租賃範圍或租賃合約原先並無規定的租賃代價(「租賃修改」)發生變化,且未作為單獨租賃入賬時,則租賃負債亦重新計量。在此情況,租賃負債根據經修訂的租賃付款及租賃期,使用經修訂折現率在修改生效日期重新計量。唯一的例外為因新型冠狀病毒疫情直接引致且滿足香港財務報告準則第16號第46B段所載條件的任何租金減免。在該等情況下,本集團使用實際權宜方法從而而不評估租金減免是否為租賃修改,並於觸發租金減免的事件或條件發生的期間內於損益內將代價變動確認為負向租賃付款。

(ii) 本集團作為出租人

當本集團作為出租人,其於訂立租賃時釐定各項租賃是否融資租賃或經營租賃。倘租賃轉移相關資產所有權附帶的絕大部份風險及回報至承租人,則分類為融資租賃。倘情況並非如此,則租賃分類為經營租賃。

(g) 研究及開發支出

研究活動的支出於產生的期間作為開支確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Other intangible assets Technology knowhow

Know-how is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

Customer relationships

Customer relationships are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Other contract costs

Other contract costs are the incremental costs of obtaining a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

4. 主要會計政策(續)

(h) 其他無形資產 技術訣竅

訣竅按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

客戶關係

客戶關係按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

(i) 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本乃按加權平均基準計量。製成品及在製品的成本包括原材料、直接勞工及所有生產經常性開支及分包開支(如適用)。外購存貨的成本於扣除回扣及折扣後釐定。可變現淨值按一般業務過程中的估計銷售價格減去估計完成成本及估計銷售所需費用計算。

(j) 其他合約成本

其他合約成本為取得客戶合約的增量成本。

取得合約的增量成本為本集團取得客戶合約所產生的該等成本，若沒有取得合約，便不會產生有關成本。若預期將收回取得合約的增量成本，則該等成本在產生時便會撥充資本，惟預期攤銷期間是自初始確認資產日期起一年或以下則除外，在該情況下成本在產生時列作開支。取得合約的其他成本在產生時列作開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(l) Contract assets and contract liabilities

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 expected credit losses (“ECLs”) in accordance with the policy set out in note 4(z) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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.

4. 主要會計政策(續)

(k) 會所會籍

具無限可使用年期的會所會籍按成本減任何減值虧損列賬。會所會籍每年及當有跡象顯示出現減值虧損時，將進行減值檢討。

(l) 合約資產及合約負債

當本集團在無條件地有權享有合約載列的付款條款下的代價前確認收入，便會確認合約資產。合約資產根據附註4(z)載列的政策評估預期信貸虧損，並在代價的權利成為無條件時重新分類為應收款項。

當客戶在本集團確認相關收入前支付代價，本集團便會確認合約負債。若本集團在確認相關收入前具有無條件權利收取代價，則本集團亦會確認合約負債。在該等情況下，亦會確認相關應收款項。

就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多項的合約而言，不相關合約的合約資產及合約負債並非按淨額基準呈列。

當合同包含重大融資成分時，合同餘額包括根據實際利率法的應計利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. 主要會計政策(續)

(m) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，將於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)直接應佔的交易成本乃於初始確認時計入金融資產或金融負債的公平值，或從相關公平值中扣除(如適用)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本則隨即在損益中確認。

本集團僅於資產現金流量的合約權利屆滿，或其轉讓金融資產及絕大部份資產擁有權的風險及回報予另一實體時，才會終止確認金融資產。倘本集團未有轉讓或保留絕大部份擁有權的所有風險及回報，並繼續控制已轉讓的資產，本集團便確認其於該項資產的保留權益及其可能須要支付的金額的相關負債。倘本集團保留已轉讓金融資產所有權絕大部份的風險及回報，本集團便繼續確認該項金融資產，亦就收取的所得款項確認有抵押借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Debt instruments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method. Typically, trade and bills receivables, other receivables, cash and bank balances are classified in this category.

4. 主要會計政策(續)

(m) 確認及終止確認金融工具(續)

本集團僅在義務已解除、取消或屆滿時才終止確認金融負債。終止確認的金融負債賬面值金額與已付及應付的代價(包括任何已轉讓的非現金資產或承擔的負債)的差額，則於損益中確認。

(n) 金融資產

所有以慣常方式作出的金融資產買賣均按交易日期確認及終止確認。慣常方式買賣為須在市場規例或慣例建立的時限內交付資產的金融資產買賣。所有已確認的金融資產其後則全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

債務投資

本集團持有的債務投資乃分類為下列其中一項計量類別：

- 倘投資是持有作收集合約現流量，而該等現金流量僅為本金及利息款項，則為攤銷成本。投資的利息收入乃使用實際利率法計算。貿易及票據應收款項、其他應收款項、現金及銀行結餘一般均歸類於此類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial assets (Continued) Debt instruments (Continued)

- Financial assets at fair value through other comprehensive income (“FVTOCI”) — recycling, if the contractual cash flows of the instruments comprise solely payments of principal and interest and the instrument is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the instrument is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the instrument does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the instrument (including interest) are recognised in profit or loss.

4. 主要會計政策(續)

(n) 金融資產(續) 債務投資(續)

- 倘投資的合約現金流量僅由本金及利息款項組成，且投資是在一個業務模式內持有，其目標是透過收集合約現金流量及出售達致，則為按公平值計入其他全面收益 — 重新歸入。公平值變動是在其他全面收益確認，惟在損益中確認預期信貸虧損、利息收入(使用實際利率法計算)及外匯收益及虧損則除外。當終止確認投資時，在其他全面收益累計的金額則由權益重新歸入損益。
- 倘投資不符合按攤銷成本或按公平值計入其他全面收益(重新歸入)計量的標準，則為按公平值計入損益。投資公平值的變動(包括利息)則於損益賬認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Financial assets (Continued) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings but not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(o) 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.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

4. 主要會計政策(續)

(n) 金融資產(續) 股權投資

除非股權證券投資並非持作交易用途，且在初始確認投資時本集團選擇指定投資按公平值計入其他全面收益(不得重新歸入)，致使其後公平值的變動在其他全面收益確認，否則股權證券投資分類為按公平值計入損益。該等選擇乃在個別工具的基礎上作出，但僅可在從發行人角度而言投資符合股權的定義才可作出。倘作出了該項選擇，則在其他全面收益累計的金額仍然留在公平值儲備(不得重新歸入)，直至出售投資為止。於出售時，在公平值儲備(不得重新歸入)累計的金額則轉移至保留盈利，而並非透過損益重新歸入。來自股權證券投資的股息，不論分類為按公平值計入損益或按公平值計入其他全面收益，均會於損益中確認為其他收入。

(o) 貿易及其他應收款項

應收款項於本集團有無條件權利收取代價時確認。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。倘收入於本集團有無條件權利收取代價前已確認，則該金額按合約資產呈列。

貿易應收款項可按無條件獲得的代價金額進行初始確認，但當其包含重大融資成分時，按公平值進行初始確認。本集團持有貿易應收款項的目的為收取合約現金流量，因此後續使用實際利率法按攤銷成本減信貸虧損撥備對其進行計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 cash flow statement. Cash and cash equivalents are assessed for ECL.

(q) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

4. 主要會計政策(續)

(p) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及可隨時轉換為已知金額現金的短期高變現能力，且價值改變風險不大及於收購後三個月內到期的投資。就編製綜合現金流量表而言，現金及等同現金項目包括按要求償還及構成本集團現金管理組成部份的銀行透支。現金及等同現金項目乃就預期信貸虧損作評估。

(q) 金融負債及股本工具

金融負債及股本工具乃根據所訂立的合約安排性質及根據香港財務報告準則對金融負債及股本工具的定義而分類。股本工具為證明於本集團經扣除其所有負債後的資產中所剩餘權益的任何合約。就特定金融負債及股本工具而採納的會計政策載於下文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial liabilities and equity instruments (Continued)

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4. 主要會計政策(續)

(q) 金融負債及股本工具(續)

(i) 借貸

借貸初步按公平值扣除所產生的交易成本確認，其後則以實際利率法按攤銷成本值計量。所得款項(扣除交易成本)與贖回金額之間的任何差額於借貸期間按實際利率法於損益確認。倘貸款很有可能部分或全部被提取，就設立貸款融資支付的費用將確認為貸款的交易成本。在此情況下，該費用將遞延至貸款提取為止。倘並無證據證明部分或全部融資很有可能會被提取，則該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團擁有無條件權利，可將負債的償還日期遞延至報告期間完結後至少十二個月，否則借貸被分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial liabilities and equity instruments (Continued)

(ii) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

4. 主要會計政策(續)

(q) 金融負債及股本工具(續)

(ii) 財務擔保合約負債

在擔保簽訂的同時，財務擔保合約確認為一項金融負債。該項負債按公平值初步計量，其後則按以下兩者中較高者計量：

- 按香港財務報告準則第9號的預期信貸虧損模式確定的金額；及
- 初步確認的金額減去(如適用)按香港財務報告準則第15號確認的累計收入。

財務擔保的公平值由基於債務工具下規定的合約支付金額，與毋須保證的支付金額或與作為承擔義務付給第三方的估計金額之間的現金流量差額的現值決定。

當與聯營公司的借款或其他應付聯營公司的款項不提供補償時，公平值便作為投入列賬且確認為投資成本的一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial liabilities and equity instruments (Continued)

(iii) Trade and other payables

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

(iv) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(r) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

(s) Revenue and other income

Revenue is recognised when control over a product or service 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 trade discounts.

4. 主要會計政策(續)

(q) 金融負債及股本工具(續)

(iii) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後則以實際利率法按攤銷成本值計量，貼現影響微少則作別論，在該情況下，則按成本值列賬。

(iv) 股本工具

股本工具指能證明於實體扣除其所有負債後的資產中存在剩餘權益的任何合約。本公司發行的股本工具按已收取的所得款項減去直接發行成本而列賬。

(r) 衍生金融工具

衍生工具於訂立衍生合約之日按公平值進行初步確認，其後於各報告期末按公平值進行重新計量。

(s) 收入及其他收入確認

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶時，便會確認收入。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

For OEM Products that have no alternative use to the Group and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue from the sales of such OEM Products as the performance obligation is satisfied over time in accordance with the input method, by reference to the costs incurred to date over the total expected costs. Otherwise, sales are recognised when control of the products has been transferred, being when the products are delivered to the customers. Delivery occurs when the products have been delivered to the designated location prescribed by the customer. Payment for goods is not due from the customer until the OEM Products are delivered to the customer and therefore a contract asset is recognised over the period in which the goods are produced, representing the entity's right to consideration for the services performed to date.

4. 主要會計政策(續)

(s) 收入及其他收入確認(續)

原設備製造產品對本集團並無替代用途，且當本集團擁有收取客戶迄今為止已完成履約的款項之可強制執行權利時，本集團根據輸入數據法，並參考迄今為止已產生費用佔預期費用總額之比例，將按原設備製造產品銷售收入已達成之履約責任的進度確認。否則，當產品控制權已轉移時(即產品已交付至客戶時)確認銷售。交付在產品已運送至客戶的特定地點時發生。客戶毋須支付貨品款項，直至原設備製造產品運送至客戶為止，因此合約資產是在於貨品已生產一段時間，代表實體對迄今履行服務的代價所享有的權利的期間內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

Revenue from the sales of non-OEM Products is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer 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. A refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Revenue from sales of moulds is recognised when the quality of moulds are accepted by the customers, and the customers have the legal title to the moulds and can direct the Group to use them for production.

4. 主要會計政策(續)

(s) 收入及其他收入確認(續)

由非原設備製造產品銷售所產生的收入在貨品的控制權已轉讓，即貨品已運送至客戶的指定地點(交付)時確認。在交付後，客戶對銷售貨品的分銷方式及價格擁有完全酌情權，在銷售貨品時具有主要責任，並承擔貨品滯銷及損失的風險。當貨品交付予客戶，本集團便會確認應收款項，原因是此乃對代價的權利僅因到期付款前需要時間流逝方成為無條件的時點。對於預期將要退回的產品，退款負債和作出相應的調整並於收入確認。同時，當客戶行使退貨權時，本集團有權收回產品，並因此確認退貨資產的權利以及對銷售成本作相應調整。本集團利用其積累的歷史經驗，使用期望值方法估計投資組合水平的收益數量。考慮到往年的收益水平穩定，很可能不會發生已確認累計收入的重大回撥。

銷售模具的收入於模具質量獲客戶接納及客戶擁有模具的合法所有權，並指示本集團使用該等模具作生產時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Revenue and other income (Continued)

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (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.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(t) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 主要會計政策(續)

(s) 收入及其他收入確認(續)

利息收入於產生時按實際利率法確認。就按攤銷成本或按公平值計入其他全面收益(重新歸入)計量且並無出現信貸減值的金融資產而言,實際利率便適用於資產的賬面總值。就出現信貸減值的金融資產而言,實際利率則適用於資產的攤銷成本(即扣除虧損撥備的賬面總值)。

經營租賃項下的應收租金收入在租賃期涵蓋期間內平均分期於損益確認,除非替代基準更能代表使用租賃資產所產生的收益模式。授予的租賃獎勵措施在損益中確認為應收租賃淨付款總額的組成部份。不依賴於指數或利率的可變租賃付款在其產生的會計期間內確認為收入。

(t) 僱員福利

(i) 僱員享有的假期

僱員年假及長期服務假於僱員享有時確認,並已就僱員因截至報告期間完結時止所提供服務享有的年假及長期服務假的估計負債作出撥備。

僱員病假及產假於放假時始確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

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

(u) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

4. 主要會計政策(續)

(t) 僱員福利(續)

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金的百分比計算。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

(iii) 離職福利

離職福利於本集團不再撤回該等福利邀約與本集團確認重組成本及涉及支付離職福利當日(以較早者為準)確認。

(u) 以股份支付之款項

本集團向若干董事、僱員及顧問發行以股權結算以股份支付的款項。

對董事及員工的以股權結算以股份支付的款項乃於授出當日按股本工具的公平值(不包括非市場歸屬條件的影響)計量。於按股權結算以股份支付的款項授出當日釐定的公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整的股份，按歸屬期以直線法支銷。

向顧問作出之以股權結算以股份支付的款項按所提供服務的公平值計量，或倘無法可靠地計量所提供服務的公平值，則按所授出股本工具的公平值計量。公平值於本集團獲得服務當日計量，並確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying assets. Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. 主要會計政策(續)

(v) 借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本，會撥充該等資產成本部份，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，會於合資格資本化的借貸成本中扣除。

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款(用於獲取一項合資格的資產的借貸除外)的借貸成本的加權平均值。在相關資產準備可用於其預期用途或出售後仍尚未償還的任何特定借款均計入一般借款池，以計算一段借款的資本化率。

所有其他借貸成本乃於其產生期間在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(x) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4. 主要會計政策(續)

(w) 政府補助金

如有合理保證本集團將遵守附帶條件及將收取政府補助金，則確認政府補助金。

與收入有關之政府補助金就其與擬補償成本配對之所需期間於損益遞延及確認。

作為開支或已承受的虧損的補償或為本集團提供即時財務資助而可收取(並無日後相關成本)的政府補助金，乃於其成為可收取的期間於損益確認為收入。

(x) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按報告期間完結前已頒佈或實質頒佈的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Taxation (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. 主要會計政策(續)

(x) 稅項(續)

遞延稅項乃就綜合財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認，遞延稅項資產僅於可能有應課稅溢利而動用暫時性差異、未動用稅項虧損或未動用稅項資產可予以抵銷時方予以確認。於一項交易中，倘因商譽或其他資產及負債之初步確認(業務合併除外)而產生的暫時差異且不影響應課稅溢利及會計溢利時，則該等資產及負債不會予以確認。

遞延稅項負債乃就投資於附屬公司及聯營公司而產生的應課稅暫時差異予以確認，惟倘本集團能控制撥回暫時差異以及暫時差異在可見將來不會被撥回則作別論。

遞延稅項資產的賬面值於各報告期間完結時均會作出檢討，並在預期不再有足夠應課稅溢利可令全部或部份資產變現時作出相應減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

4. 主要會計政策(續)

(x) 稅項(續)

遞延稅項乃以預期於償還負債或變現資產即期應用的稅率並基於報告期間完結前頒佈或實質頒佈的稅率計算。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收益中或直接於權益中確認的相關聯者則除外，在此情況下，遞延稅項亦會於其他全面收益中或直接於權益中確認。

遞延稅項資產及負債之計量反映本集團於報告期間結束時預計收回或結算其資產及負債賬面值之方式而引致之稅務後果。

就計量按公平值模式計量之投資物業之遞延稅項而言，假定該等物業之賬面值可透過出售全數收回，除非假定被駁回則作別論。倘該投資物業可予折舊且以業務目標為隨時間而非透過出售消耗該投資物業所包含之絕大部分經濟利益之業務模式持有，此假定則被駁回。倘假定被撥回，該等投資物業之遞延稅項乃基於物業將被收回的預期方式進行計量。

就計量本集團確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

(y) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

4. 主要會計政策(續)

(x) 稅項(續)

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團將香港會計準則第12號之規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，故與使用權資產及租賃負債相關之暫時性差異不會於初步確認時及於租賃期內確認。

倘有法定可行使權利可以即期稅項資產抵銷即期稅項負債，以及彼等為關乎同一稅務機構徵收之所得稅，而且本集團擬按淨額基準結算其即期稅項資產及負債或同時變現資產及結算負債時，則遞延稅項資產及負債會予以抵銷。

(y) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額，惟倘有關資產乃按重估金額列賬，則減值虧損按重估減少處理。可收回金額乃就個別資產釐定，惟倘資產並無產生大部份獨立於其他資產或資產組合之現金流入。如屬此情況，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Impairment of non-financial assets (Continued)

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(z) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECLs on trade and bills receivables, contract assets, deposits and other receivables, due from an associate, bank balances as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and bills receivables, contract assets and lease receivables. The 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, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

4. 主要會計政策(續)

(y) 非金融資產減值(續)

使用價值為資產/現金產生單位估計未來現金流量之現值。現值按反映貨幣時間值及資產/現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。惟倘有關資產乃按重估金額列賬，則減值虧損的撥回按重估增加處理。

(z) 金融資產及合約資產減值

本集團就按攤銷成本或按公平值計入貿易及票據應收款項、合約資產、應收聯營公司的按金及其他應收款項、銀行存款，以及財務擔保合約確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各個報告日期更新，以反映自各項金融工具初始確認以來信貸風險的變動。

本集團一直就貿易及票據應收款項、合約資產及租賃應收款項確認全期預期信貸虧損。該等金融資產的預期信貸虧損乃使用以本集團過往信貸虧損經驗為基礎的撥備矩陣估算，並就債務人特定因素、整體經濟環境及報告日期當前情況及預測動向的評估(在適當時包括貨幣的時間價值)作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

對於所有其他金融工具，本集團在信貸風險自初始確認以來顯著上升時確認全期預期信貸虧損。然而，若金融工具的信貸風險自初始確認以來並未顯著上升，則本集團便按12個月預期信貸虧損的相同金額計量該金融工具的虧損撥備。

全期預期信貸虧損指於金融工具預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指金融工具於報告日期後12個月內可能發生的違約事件預計產生的該部份全期預期信貸虧損。

信貸風險顯著上升

評估金融工具的信貸風險自首次確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及毋須付出不必要的成本或努力即可獲得的前瞻性資料。所考慮的前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智庫及其他類似組織的本集團債務人經營所在行業的未來前景，以及與本集團核心業務相關的各種外在來源的實際及預測經濟資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

具體而言，評估信貸風險自初始確認以來是否顯著上升時會考慮以下資料：

- 金融工具對外(如有)或內部信貸評級的實際或預期顯著惡化；
- 特定金融工具信貸風險的對外市場指標顯著惡化；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還其債務的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 同一債務人其他金融工具的信貸風險顯著上升；及
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還其債務的能力顯著下降。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，金融資產的信貸風險已自初始確認以來顯著增加，除非本集團有合理及可作為依據的資料顯示並非如此則作別論。

儘管存在上文所述，本集團假設倘金融工具釐定為於報告日期具有低信貸風險，則金融工具的信貸風險自初始確認以來並無顯著增加。金融工具釐定為具有低信貸風險，假若：

- (i) 金融工具具有低違約風險；
- (ii) 債務人於短期內具備雄厚實力履行其合約現金流量責任；及
- (iii) 長期經濟及業務狀況的不利變動可能(但不一定)減低借款人履行其合約現金流量責任的能力。

當金融資產根據環球理解的定義擁有「投資級別」的外圍信貸評級，或倘未有外圍評級，則資產具有「良好」的內部評級，本集團便會認為該項資產具有低信貸風險。良好的意思為對手方具有強勁的財務狀況，以及無逾期款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

就財務擔保合約而言，在本集團不可撤回地成為該項承擔的相關方當日，該日即被視為評估財務工具減值的初始確認日。在評估信貸風險在初始確認財務擔保合約後是否大幅攀升，本集團會考慮個別債務人的違約風險變動。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自對外來源的資料表明，債務人不大可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Definition of default (Continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

違約的定義(續)

不論上述分析結果如何，本集團認為當金融資產付款逾期超過90日時，便已出現違約，除非本集團有合理及可作為依據的資料顯示並更寬鬆的違約標準更為合適則作別論。

信貸減值的金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗事件時，該金融資產即出現信貸減值。金融資產出現信貸減值的證據包括與下列事件相關的可觀察數據：

- 發行人或交易對手陷入嚴重財困；
- 違反合約，如違約或逾期事件；
- 交易對手的貸款人出於與交易對手財困相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能將進入破產程序或進行其他財務重組；或
- 因財務困難而導致該項金融資產失去活躍市場。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and bills receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

撇銷政策

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回資產可能之時(包括債務人遭受清盤或已進入破產程序，或在貿易及票據應收款項的情況下，則有關金額逾期超過兩年(以較早發生者為準)，便會撇銷金融資產。在考慮法律意見(如適當)後，已撇銷金融資產仍可根據本集團的收回程序實施強制執行活動。任何收回資產於損益中確認。

計量及確認預期信貸虧損

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險承擔的函數。評估違約概率及違約損失率的依據是過往數據，並按上文所述的前瞻性資料調整。違約風險承擔方面，金融資產則由資產於報告日期的賬面總值代表。

就金融資產而言，預期信貸虧損按根據合約應付予本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額估計，並按原本的實際利率貼現。就租賃應收款項而言，根據香港財務報告準則第16號用作釐定預期信貸虧損的現金流量與用作計量租賃應收款項的現金流量一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Impairment of financial assets and contract assets (Continued) Measurement and recognition of ECL (Continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(aa) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present 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 expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4. 主要會計政策(續)

(z) 金融資產及合約資產減值(續)

計量及確認預期信貸虧損(續)

倘本集團於上個報告期間以相等於全期預期信貸虧損的金額計量一項金融工具的虧損撥備，但於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期便會按相等於12個月預期信貸虧損的金額計量虧損撥備，惟使用了簡化方式的資產則除外。

本集團於損益確認所有金融工具的減值收益或虧損，對透過虧損撥備賬對其賬面值作出相應調整，惟按公平值計入其他全面收益計量的債務工具投資除外，其虧損撥備於其他全面收益確認，並於投資重估儲備累計，且並無削減金融資產於財務狀況表的賬面值。

(aa) 撥備及或然負債

倘本集團因過往事件承擔現有法定或推定責任而可能需要經濟利益流出以履行有關責任並可作出可靠估計，便會就無確定時間或金額的負債確認撥備。倘款項的時間價值重大，撥備會以履行責任預期所需開支的現值列報。用於確定現值的折現率為除稅前利率，反映了當前市場對貨幣時間價值的評估及負債的特定風險。隨著時間的推移，撥備的增加被確認為利息支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Provisions and contingent liabilities (Continued)

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 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 is remote.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

4. 主要會計政策(續)

(aa) 撥備及或然負債(續)

倘不大可能需要經濟利益流出，或有關款額不能可靠估量，有關責任則按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。可能承擔的責任（其存在與否僅藉一項或多項未來事件的發生與否而確定）亦按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。

(ab) 報告期間完結後事項

報告期間完結後事項提供本集團於報告期間完結時狀況的額外資料，此等為調整事項並反映於綜合財務報表。如屬非調整事項的報告期間完結後事項，倘屬重大時，則於綜合財務報表附註內披露。

5. 關鍵判斷及主要估計

應用附註4所述本集團之會計政策時，董事須作出對所確認金額有重大影響之判斷（涉及估計者除外）及作出有關無法即時自其他來源獲得之資產及負債賬面值之估計及假設。有關估計及假設乃基於過往經驗及被視為相關之其他因素。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘對會計估計之修訂僅影響修訂有關估計之期間，則於該期間確認；或倘該修訂影響本期間及未來期間，則於修訂及未來期間確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for inventories

The directors identify obsolete and slow-moving inventory items that are no longer probable for use in production or to be sold out at the end of each reporting period. The directors estimate the net realisable value for such inventories based primarily on the latest selling prices and costs of completion and selling expenses estimated at current operation conditions. The directors carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items.

5. 關鍵判斷及主要估計(續)

應用會計政策時的關鍵判斷

於應用會計政策的過程中，董事已作出以下對綜合財務報表所確認金額產生最重大影響的判斷(除涉及估計者於下文處理外)。

信貸風險顯著增加

第1階段資產的預期信貸虧損按相等於12個月預期信貸虧損的撥備計量，而第2階段或第3階段資產則按全期預期信貸虧損計量。當信貸風險自首次確認後顯著增加時，資產將移至第2階段。香港財務報告準則第9號並無界定甚麼構成信貸風險顯著增加。於評估資產的信貸風險是否已顯著增加時，本集團會考慮定性及定量的合理而有據可依的前瞻性資料。

估計不明朗因素的主要來源

下文討論有關未來的主要假設及於報告期間完結時的其他主要估計不明朗因素來源，而該等假設及估計不明朗因素來源具有導致下一個財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 存貨撥備

董事於各報告期間完結時識別一些不再適合生產的過時及滯銷存貨項目。董事主要根據最新售價及現時經營狀況下的銷售開支及預計完成成本估計該等存貨的可變現淨值。董事於每個報告期間完結時對存貨逐一進行檢查，並對過時項目作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(a) Allowance for inventories (Continued)

Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimates have been changed.

The allowance on inventories as at 31 December 2022 was approximately HK\$67,720,000 (2021: HK\$70,613,000).

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2022 were approximately HK\$492,350,000 (2021: HK\$547,487,000) and HK\$270,990,000 (2021: HK\$244,968,000) respectively.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(a) 存貨撥備(續)

倘日後實際結果與原定估計有差異，則該等差異將影響存貨賬面值及該估計變更期間的撥備／撥回值。

於二零二二年十二月三十一日，存貨撥備為約67,720,000港元(二零二一年：70,613,000港元)。

(b) 物業、機器及設備以及使用權資產折舊

物業、機器及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否發生減值時，本集團須進行判斷並作出估計，特別是於評估(1)是否發生可能影響資產價值的事件或出現任何有關跡象；(2)資產賬面值是否能以可收回金額作支持，若為使用價值，則為根據持續使用資產估計得出的未來現金流量的淨現值；及(3)估計可收回金額所用的合適主要假設(包括現金流量預測及合適的折現率)。倘無法估計個別資產(包括使用權資產)的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。更改假設及估計(包括現金流量預測中的折現率或增長率)可對可收回金額產生重大影響。

於二零二二年十二月三十一日，物業、機器及設備以及使用權資產賬面值為分別約492,350,000港元(二零二一年：547,487,000港元)及270,990,000港元(二零二一年：244,968,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of trade and bills receivables and contract assets

The management of the Group estimates the amount of impairment loss for ECL on trade and bills receivables and contract assets based on the credit risk of trade and bills receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2022, the carrying amounts of trade and bills receivables and contract assets are approximately HK\$405,432,000 (2021: HK\$453,082,000) (net of allowance for doubtful debts of approximately HK\$385,000 (2021: HK\$353,000)), and HK\$11,420,000 (2021: HK\$14,132,000) respectively.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(c) 貿易及票據應收款項及合約資產的減值

本集團管理層的估計按貿易及票據應收款項及合約資產的信貸風險估計貿易及票據應收款項及合約資產預期信貸虧損的減值虧損金額。基於預期信貸虧損模型的減值虧損金額以根據本集團按合約應收的所有合約現金流量及本集團預期收取的所有現金流量(於首次確認時決定的實際利率貼現)之間的差額計量。當未來現金流量低於預期,或由於事實和情況的變化被向下修訂,重大減值虧損可能會產生。

於二零二二年十二月三十一日,貿易及票據應收款項及合約資產的賬面值分別為約405,432,000港元(二零二一年:453,082,000港元)(扣除約385,000港元(二零二一年:353,000港元)呆賬撥備)及11,420,000港元(二零二一年:14,132,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, approximately HK\$5,095,000 (2021: HK\$22,835,000) of income tax was charged to profit or loss based on the estimated profit from operations.

Recognition of deferred tax assets, which principally relates to deductible temporary differences and tax losses, depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which deferred tax assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place. The directors considered that, based on the profit forecast of the group companies with tax losses, it is probable that the tax losses can be utilised in the foreseeable future. The profit forecast required the use of judgement and estimates.

The carrying amount of deferred tax assets with respect to tax losses as at 31 December 2022 was approximately HK\$4,323,000 (2021: HK\$961,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(d) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重要估計。在日常業務過程中有多項交易及計算方式，均會導致不能確定最終稅項。倘若該等事情最終所得之稅項與最初錄得之款額有所差異，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。於本年度，根據經營業務的估計溢利計入損益的所得稅約5,095,000港元(二零二一年：22,835,000港元)。

確認遞延稅項資產主要與可扣減暫時差異及稅項虧損有關，視乎是否很可能獲得可利用遞延稅項資產來抵扣之未來應課稅溢利或應課稅暫時差異而定。倘所產生之未來實際應課稅溢利或應課稅暫時差異少於預期數額，則該遞延稅項資產可能予以撥回，並會於有關撥回發生期間之損益內確認。董事認為，根據錄得稅項虧損之集團公司之溢利預測，稅項虧損很可能在可見將來動用。溢利預測需要運用判斷及估計。

於二零二二年十二月三十一日，有關稅項虧損之遞延稅項資產之賬面值為約4,323,000港元(二零二一年：961,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Fair value of leasehold lands

The Group appointed an independent professional valuer to assess the fair value of the leasehold lands. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of leasehold lands as at 31 December 2022 was approximately HK\$247,468,000 (2021: HK\$231,080,000).

(f) Fair value of derivative component

As disclosed in note 26 to the consolidated financial statements, the fair value of the derivative financial instruments at the end of the reporting period was determined using mark-to-market approach and discounted cash flow method. Application of discounted cash flow method requires the Group to estimate the prominent factors affecting the fair value, including but not limited to, the assigned value based on the current price of that instrument and expected rate of return. Where the estimation on these factors is different from those previously estimated, such differences will impact the fair value gain or loss of the derivative financial instrument in the period in which such determination is made.

The carrying amount of the derivative financial liabilities as at 31 December 2022 was approximately HK\$935,000 (2021: HK\$3,486,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(e) 租賃土地的公平值

本集團委任獨立專業估值師評估租賃土地的公平值。於釐定公平值時，估值師利用的估值方法涉及若干估計。董事已行使判斷，並信納估值方法及使用的參數反映現行市況。

於二零二二年十二月三十一日，租賃土地的賬面值為約247,468,000港元(二零二一年：231,080,000港元)。

(f) 衍生工具部份的公平值

誠如綜合財務報表附註26所披露，衍生金融工具在報告期末的公平值乃使用按市值計價法及折現現金流量法釐定。應用折現現金流量法規定本集團須估計影響公平值的主要因素，包括但不限於基於該工具的當前價格及預期收益率所得的分配價值。倘對該等因素的估計有異於先前估計所得，則有關差額將影響衍生金融工具在釐定期間的公平值收益或虧損。

衍生金融負債於二零二二年十二月三十一日的賬面值為約935,000港元(二零二一年：3,486,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(g) Revenue and profit recognition

As explained in policy note 4(s), revenue from sales of moulds is recognised when the quality of moulds is accepted by the customers and the customers can direct the Group to use them for production. Certain contracts with customers may include moulds and products, and the Group only charges the customers for the products and recovers the costs of moulds through the sales of products. Since moulds and products are distinct performance obligations, transaction price of a contract should be allocated to moulds and products separately. In the allocation of the transaction price to moulds, the Group has to make estimation of the stand-alone price of moulds and the products, and the quantity of the products that the moulds can be ultimately manufactured. Actual outcomes of revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

During the year, approximately HK\$106,130,000 (2021: HK\$140,637,000) of revenue from moulds was recognised.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(g) 收入及溢利確認

如政策附註4(s)所闡述，銷售模具的收入於模具質量獲客戶接納及客戶指示本集團用作生產時確認。若干客戶合約可能包括模具及產品，而本集團僅就產品向客戶收費，並透過產品銷售收回模具成本。由於模具及產品為不同的履約責任，故合約的交易價格應分別分配予模具及產品。於分配交易價格至模具時，本集團須估計模具及產品的獨立價格，以及模具最終可以製造的產品數量。收入的實際結果於報告期間完結時可能高於或低於估計，這將作為對至今已記錄金額的調整而影響未來年度確認的收入及溢利。

本年度確認模具收入約106,130,000港元(二零二一年：140,637,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(h) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

The carrying amount of goodwill at the end of the reporting period was HK\$2,654,000 (2021: HK\$2,654,000) (net of accumulated impairment losses of approximately HK\$Nil (2021: HK\$Nil)).

(i) Impairment of other intangible assets

Determining whether other intangible assets are impaired requires an estimation of the value in use of the CGU to which other intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

The carrying amount of other intangible assets as at 31 December 2022 was approximately HK\$3,382,000 (2021: HK\$3,835,000) (net of accumulated impairment losses of approximately HK\$Nil (2021: HK\$Nil)).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(h) 商譽減值

釐定商譽是否減值時須估計商譽所獲分配的現金產生單位的使用價值。計算使用價值要求本集團須就預期源自該現金產生單位的日後現金流量及合適的折現率作出估計，以計算現值。若實際未來現金流量低於預期，或由於事實及情況有變導致未來現金流量下調或貼現率上調，則可能會產生重大減值虧損或進一步減值虧損。

商譽於報告期末的賬面值為2,654,000港元(二零二一年：2,654,000港元)(扣除約零港元(二零二一年：零港元)的累計減值虧損)。

(i) 其他無形資產減值

釐定其他無形資產是否減值時須估計其他無形資產所獲分配的現金產生單位的使用價值。計算使用價值要求本集團須就預期源自該現金產生單位的日後現金流量及合適的折現率作出估計，以計算現值。

其他無形資產於二零二二年十二月三十一日的賬面值為約3,382,000港元(二零二一年：3,835,000港元)(扣除累計減值虧損約零港元(二零二一年：零港元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Company's functional currency is the HKD and the functional currencies of majority of the subsidiaries are the HKD, Renminbi ("RMB") and United States dollars ("USD"). The Group's transactions, trade receivables and trade payables are mainly denominated in these currencies. As the exchange rate of the USD and HKD is pegged, management considers the foreign exchange risk in this respect is not significant.

The Group periodically reviews monetary assets and liabilities held in currencies other than the USD and HKD in particular RMB to ensure that net exposure is kept at an acceptable level, and will consider hedging significant foreign currency exposure should the need arise. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's profit after tax due to changes in the fair value of monetary assets and liabilities.

6. 財務風險管理

本集團因經營業務而承受多項財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中在金融市場的不可預測性，故務求降低本集團財務表現所受到的潛在負面影響。

(a) 外匯風險

本公司的功能貨幣為港元，且絕大多數附屬公司的功能貨幣均為港元、人民幣（「人民幣」）及美元（「美元」）。本集團的交易、貿易應收款項及貿易應付款項主要以該等貨幣計值。由於美元兌港元匯率掛鈎，管理層認為就此而言的外匯風險並不重大。

本集團定期審閱美元及港元，尤其是人民幣以外貨幣所持有的的貨幣資產及負債，以確保敞口淨額維持在可接受水平，並於需要時將考慮對沖重大外幣敞口。下表列示截至報告期末在所有其他可變因素維持不變之情況下，貨幣資產及負債公平值變動導致本集團除稅前溢利對人民幣匯率合理可能變動之敏感度。

		2022 二零二二年	2021 二零二一年
Increase/ (decrease) in foreign currency rate 外匯匯率 上升/ (下降) %		Increase/ (decrease) in profit after tax 除稅前溢利 增加/ (減少) HK\$'000 千港元	Increase/ (decrease) in profit after tax 除稅前溢利 增加/ (減少) HK\$'000 千港元
If HKD strengthens against RMB	倘港元兌人民幣轉強	5	(3,751)
If HKD weakens against RMB	倘港元兌人民幣轉弱	(5)	3,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and bills receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade and bills receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and bills receivables are due within 30 to 120 days from the date of billing. Generally, debtors with balances that are more than 30 days past due or exceeding the credit limit granted are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

6. 財務風險管理(續)

(b) 信貸風險

信貸風險為交易對手方不履行金融工具或客戶合約的責任，導致財務損失的風險。本集團面對其經營活動(主要為貿易及票據應收款項及合約資產)及其融資活動(包括銀行及金融機構存款、外匯交易及其他金融工具)的信貸風險。本集團面對因現金及等同現金項目而產生的信貸風險有限，因為交易對手方為由國際信貸評級機構評定擁有高信貸評級的銀行及金融機構，本集團認為其信貸風險較低。

貿易及票據應收款項及合約資產

客戶信貸風險由各業務單位管理，惟須按照本集團與客戶信貸風險管理有關的既定政策、程序及控制執行。個別信貸評估會對所有需要超過若干金額的信貸的客戶進行。該等評估側重於客戶過往的到期付款記錄及當前的支付能力，並考慮客戶特定及與客戶經營所處經濟環境有關的資料。貿易及票據應收款項於發票日期起30至120日內到期。一般而言，餘額逾期超過30日或超逾信貸限額的債務人會被要求在獲授任何進一步信貸前結清所有未結餘額。正常來說，本集團不會從客戶獲取抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

The Group measures loss allowances for trade and bills receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2022:

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

本集團按相等於全期預期信貸虧損的金額計量貿易及票據應收款項及合約資產的虧損撥備，並使用撥備矩陣計算。由於本集團的過往信貸虧損經驗並無顯示不同客戶組別的虧損模式存在顯著差異，故基於逾期狀態的虧損撥備並無在本集團的不同客戶群之間進一步劃分。

下表提供有關本集團貿易應收款項於二零二二年十二月三十一日的信貸風險及預期信貸虧損的資料：

		2022 二零二二		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
		百分比	千港元	千港元
Current (not past due)	現時(未逾期)	0.02%	333,791	67
1-30 days past due	逾期1至30日	0.14%	50,516	70
31-90 days past due	逾期31至90日	0.54%	12,065	65
91-180 days past due	逾期91至180日	3.77%	1,804	68
More than 180 days past due	逾期超過180日	13.29%	865	115
			399,041	385

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

		2021 二零二一		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
		百分比	千港元	千港元
Current (not past due)	現時(未逾期)	0.02%	434,224	86
1-30 days past due	逾期1至30日	0.54%	8,344	45
31-90 days past due	逾期31至90日	1.83%	2,078	38
91-180 days past due	逾期91至180日	4.58%	1,005	46
More than 180 days past due	逾期超過180日	20.81%	663	138
			446,314	353

Expected loss rates are based on actual loss experience over the past 3 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.

預期虧損率乃基於過去3年的實際虧損經驗。該等比率會作調整以反映收集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期的經濟狀況的看法之間的差異。

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

Movement in the loss allowance account in respect of trade and bills receivables during the year is as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
At 1 January	於一月一日	353	590
Impairment losses recognised for the year/(reversals of impairment losses)	年內確認的減值虧損／ (減值虧損回撥)	52	(242)
Exchange difference	匯兌差額	(20)	5
At 31 December	於十二月三十一日	385	353

Other financial assets at amortised cost

The Group's other financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses.

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

年內有關貿易及票據應收款項的虧損撥備賬目變動如下：

按攤銷成本計算的其他金融資產

本集團按攤銷成本計算的其他金融資產均被視為擁有低信貸風險，因此於期內確認的虧損撥備僅限於12個月預期虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

6. 財務風險管理(續)

(c) 流動資金風險

本集團之政策為定期監察其流動資金需要、其遵守借款契諾及其與銀行之關係，以確保其維持足以應付短期及較長遠之融資需要之現金儲備及可隨時變現有價證券以及由主要財務機構已承諾之足夠額度。

按本集團非衍生金融負債的合約未折現現金流量的到期日分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理(續)

(c) Liquidity risk (Continued)

(c) 流動資金風險(續)

		On demand or within 1 year 按要求 或一年內 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但少於五年 HK\$'000 千港元	More than 5 years 五年以上 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2022	於二零二二年 十二月三十一日					
Trade payables	貿易應付款項	184,897	—	—	—	184,897
Refund liabilities	退款負債	241	—	—	—	241
Other payables and accruals	其他應付款項及 應計費用	56,998	—	—	—	56,998
Bank borrowings	銀行借款	69,047	—	—	—	69,047
Loan from non-controlling interests	非控股權益貸款	—	1,500	—	—	1,500
Due to an associate	應付聯營公司款項	78	—	—	—	78
Lease liabilities	租賃負債	13,708	9,797	3,203	—	26,708
		324,969	11,297	3,203	—	339,469
At 31 December 2021	於二零二一年 十二月三十一日					
Trade payables	貿易應付款項	209,935	—	—	—	209,935
Refund liabilities	退款負債	241	—	—	—	241
Other payables and accruals	其他應付款項及 應計費用	72,637	—	—	—	72,637
Bank borrowings	銀行借款	133,631	10,596	—	—	144,227
Loan from non-controlling interests	非控股權益貸款	—	—	1,500	—	1,500
Due to an associate	應付聯營公司款項	121	—	—	—	121
Lease liabilities	租賃負債	9,422	4,538	1,286	—	15,246
		425,987	15,134	2,786	—	443,907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Bank loans with a repayment on demand clause are included in the “on demand or less than 1 year” time band in the above maturity analysis. As at 31 December 2022 and 31 December 2021, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$58,335,000 and HK\$96,858,000 respectively. Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within two years (2021: three years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$59,488,000 (2021: HK\$98,236,000).

6. 財務風險管理(續)

(c) 流動資金風險(續)

在以上到期分析中，附帶按要求償還條款的銀行貸款列入「按要求或少於1年」時間類別。於二零二二年十二月三十一日及二零二一年十二月三十一日，該等銀行貸款的未折現本金總額分別為58,335,000港元及96,858,000港元。鑒於本集團的財務狀況，董事認為銀行不太可能行使其酌情權要求即時還款。董事相信有關銀行貸款將按貸款協議所載的協定還款日期於報告期末後兩年(二零二一年：三年)內償還。屆時，本金連利息現金流出的總額將為59,488,000港元(二零二一年：98,236,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The liquidity analysis for the Group's derivative financial instruments are prepared on agreed scheduled settlements set out in the agreements as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrative by the yield curves at the end of the reporting period.

6. 財務風險管理(續)

(c) 流動資金風險(續)

本集團衍生金融工具的流動性分析乃根據協議所載經協定的預定結算編製，原因為本集團管理層認為結算日期對理解衍生工具現金流量的時間至關重要。有關列表乃根據按淨額基準結算的衍生工具的未折現合約淨現金流入及流出而編製。倘應付或應收金額並非固定，披露金額乃參考報告期間完結時收益率曲線所示的預測利率而釐定。

		Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 2 years 一年至兩年 之間 HK\$'000 千港元	Between 2 and 5 years 兩年至五年 之間 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2022	於二零二二年 十二月三十一日					
Derivative – net outflow	衍生工具 – 淨流出					
Cross currency interest rate swaps	交叉貨幣利率掉期	(1,099)	–	–	–	(1,099)
At 31 December 2021	於二零二一年 十二月三十一日					
Derivative – net outflow	衍生工具 – 淨流出					
Cross currency interest rate swaps	交叉貨幣利率掉期	(436)	(583)	–	–	(1,019)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's loan from non-controlling interests bear interests at fixed interest rate and therefore are subject to fair value interest rate risks.

The Group's exposure to cash flow interest rate risk arises from its bank deposits, short term and long term borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

The Group used interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows.

At 31 December 2022, if interest rates at that date had been 100 basis points (2021: 100 basis points) higher/lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK\$1,555,000 (2021: HK\$1,483,000) higher/lower.

6. 財務風險管理(續)

(d) 利率風險

本集團來自非控股權益的貸款乃按固定利率計息，因此面臨公平值利率風險。

本集團的現金流利率風險來自其銀行存款、短期及長期借款。該等存款及借款按跟隨當時市場狀況而變動的不同利率計息。

本集團利用利率掉期以減低其有關利息現金流浮動的風險。

於二零二二年十二月三十一日，倘利率上升/下跌100個基點(二零二一年：100個基點)，而其他所有變數維持不變，則年內除稅後綜合溢利將增加/減少約1,555,000港元(二零二一年：1,483,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理(續)

(e) Categories of financial instruments at 31 December

(e) 於十二月三十一日金融工具之分類

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Financial assets:	金融資產：		
Financial assets measured at amortised cost	按攤銷成本計算的金融資產	685,425	762,916
Financial liabilities:	金融負債：		
Financial liabilities at FVTPL	按公平值計入損益的金融負債		
— Derivative financial instruments	— 衍生金融工具	935	3,486
— Loan from non-controlling interests	— 非控股權益貸款	971	803
Financial liabilities at amortised cost	按攤銷成本計算的金融負債	311,049	426,292
Lease liabilities	租賃負債	24,469	14,476

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. 公平值計量

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層參數：本集團可於計量日期獲得之相同資產或負債於活躍市場之報價（未經調整）。

第2層參數：第一層所包括於報價以外，資產或負債直接或間接觀察得出之參數。

第3層參數：資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(a) Disclosures of level in fair value hierarchy:

(a) 公平值等級架構披露：

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Recurring fair value measurements:	經常性公平值計量：				
Non-financial assets	非金融資產				
Leasehold lands:	租賃土地：				
Commercial — Hong Kong	商業 — 香港	—	—	45,140	45,140
Commercial — the PRC	商業 — 中國	—	—	202,328	202,328
Total	合計	—	—	247,468	247,468
Financial liabilities	金融負債				
Loan from non-controlling interest	非控股權益貸款	—	—	971	971
Cross currency interest rate swap contracts	交叉貨幣利率掉期合約	—	935	—	935
Total	合計	—	935	971	1,906

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(a) Disclosures of level in fair value hierarchy: (Continued)

(a) 公平值等級架構披露：(續)

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Recurring fair value measurements:					
Non-financial assets					
Leasehold lands:		租賃土地：			
Commercial – Hong Kong	商業 – 香港	—	—	48,880	48,880
Commercial – the PRC	商業 – 中國	—	—	182,200	182,200
Total	合計	—	—	231,080	231,080
Financial liabilities		金融負債			
Loan from non-controlling interest	非控股權益貸款	—	—	803	803
Cross currency interest rate swap contracts	交叉貨幣利率掉期合約	—	3,486	—	3,486
Total	合計	—	3,486	803	4,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(b) Reconciliation of assets/(liability) measured at fair value based on level 3:

(b) 根據第三層公平值計量的資產/ (負債)對賬:

		Properties held for own use — Leasehold lands 持作自用物業 — 租賃土地 HK\$'000 千港元	Loan from non-controlling interests 非控股權益 貸款 HK\$'000 千港元
2022	二零二二年		
At beginning of year	年初	231,080	(803)
Additions	添置	6,828	—
Recognised in profit or loss:	於損益中確認:		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般及 行政開支中確認之折舊 開支	(6,828)	—
Loss on revaluation of leasehold lands	租賃土地價值重估之虧損	(10)	—
Fair value loss	公平值虧損	—	(168)
Recognised in other comprehensive income:	於其他全面收益中確認:		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌 差額	(14,271)	—
Surplus on revaluation of leasehold lands	租賃土地價值重估之盈餘	30,669	—
At end of year	年末	247,468	(971)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(b) Reconciliation of assets/(liability) measured at fair value based on level 3: (Continued)

(b) 根據第三層公平值計量的資產/(負債)對賬:(續)

		Properties held for own use — Leasehold lands 持作自用物業 — 租賃土地 HK\$'000 千港元	Loan from non- controlling interests 非控股權益 貸款 HK\$'000 千港元
2021	二零二一年		
At beginning of year	年初	230,480	—
Addition	添置	—	(803)
Recognised in profit or loss:	於損益中確認:		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般及行政開支中確認之折舊開支	(7,078)	—
Loss on revaluation of leasehold lands	租賃土地價值重估之虧損	(708)	—
Recognised in other comprehensive income:	於其他全面收益中確認:		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	3,920	—
Surplus on revaluation of leasehold lands	租賃土地價值重估之盈餘	4,466	—
At end of year	年末	231,080	(803)

The total gains or loss recognised in other comprehensive income are presented in surplus on revaluation of leasehold lands and exchange differences on translating foreign operations in the consolidated statement of profit or loss and other comprehensive income.

於其他全面收益中確認之總收益或虧損乃於綜合損益及其他全面收益表中之租賃土地價值重估之盈餘及換算海外業務產生之匯兌差額呈列。

The total gains or loss recognised in profit or loss are presented in cost of sales, general and administrative expenses and other operating expenses and income in the consolidated statement of profit or loss.

於損益內確認之總收益或虧損乃於綜合損益表中之銷售成本、一般及行政開支及其他營運開支及收益呈列。

All the gains or loss recognised in profit or loss for the year were attributable to the unrealised loss of the leasehold lands and fair value loss of loan from non-controlling interests held at the end of the reporting period.

所有於年內損益內確認的收益或虧損均由於報告期末所持之租賃土地之未實現虧損及非控股權益貸款之公平值虧損所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2022:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 2 and Level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

Level 2 fair value measurements:

Description 項目	Valuation technique 估值方法	Inputs 參數	Liabilities 負債	
			2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Financial liabilities 金融負債				
Cross currency interest rate swap contracts 交叉貨幣利率掉期合約	Discounted cash flows 折現現金流	Interest rate Discount rate 折現利率	935	3,486

For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

7. 公平值計量(續)

(c) 於二零二二年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：

本集團的財務總監負責就財務報告進行所需的資產及負債的公平值計量(包括第2及第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

第二層公平值計量：

就第三層公平值計量而言，本集團一般委聘具備認可專業資格且有近期估值經驗的外聘估值專家。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2022: (Continued)

Level 3 fair value measurements:

(c) 於二零二二年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量：

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Land use rights in Egongling Village, Pinghu Town, Shenzhen City, the PRC 中國深圳市平湖鎮鵝公嶺村的土地使用權	Direct comparison approach 直接比較法	Adjusted accommodation value per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整樓面價格	RMB578/square metre – RMB843/square metre (2021: RMB598/square metre – RMB2,854/square metre) 每平方米人民幣578元至每平方米人民幣843元(二零二一年：每平方米人民幣598元至每平方米人民幣2,854元)	Increase 增加	12,100	13,600
Land use rights in Western District of Daya Bay, Huizhou City, the PRC 中國惠州市大亞灣西區的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格	RMB600/square metre – RMB1,041/ square metre (2021: RMB600/square metre – RMB960/square metre) 每平方米人民幣600元至每平方米人民幣1,041元(二零二一年：每平方米人民幣600元至每平方米人民幣960元)	Increase 增加	173,800	158,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2022: (Continued)

Level 3 fair value measurements: (Continued)

7. 公平值計量(續)

(c) 於二零二二年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第三層公平值計量:(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Land use rights in Wuhu City, Anhui Province, the PRC	Direct comparison approach	Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate	RMB267/ square metre (2021: RMB144/square metre – RMB1,158/square metre)	Increase	9,600	10,600
中國安徽省蕪湖市的土地使用權	直接比較法	經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格	每平方米人民幣267元(二零二一年:每平方米人民幣144元至每平方米人民幣1,158元)	增加		
Land use rights in Baoan District, Shenzhen City, the PRC	Direct comparison approach	Adjusted price per square metre taking into account the differences from the comparables with respect to location and size	HK\$34,000/square metre	Increase	6,828	—
中國深圳市寶安區的土地使用權	直接比較法	經可比較土地之地點及面積差異的每平方米經調整價格	每平方米34,000港元	增加		
Land use rights in Billion Centre, Kowloon Bay, Hong Kong	Direct comparison approach	Adjusted price per square feet taking into account the differences from the comparables with respect to location and size	HK\$10,067/square feet – HK\$11,678/square feet (2021: HK\$11,114/square feet – HK\$11,678/square feet)	Increase	33,860	37,080
香港九龍灣億京中心的土地使用權	直接比較法	經可比較土地之地點及面積差異的每平方呎經調整價格	每平方呎10,067港元至每平方呎11,678港元(二零二一年:每平方呎11,114港元至每平方呎11,678港元)	增加		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2022: (Continued)

Level 3 fair value measurements: (Continued)

7. 公平值計量(續)

(c) 於二零二二年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量：(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Land use rights in Kinetic Industrial Centre, Kowloon Bay, Hong Kong 香港九龍灣興力工業中心的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square feet taking into account the differences from the comparables with respect to location and size 經可比較土地之地點及面積差異的每平方米經調整價格	HK\$4,831/ square feet – HK\$4,974/ square feet (2021: HK\$4,928/square feet – HK\$5,170/square feet) 每平方米4,831港元至每平方米4,974港元(二零二一年：每平方米4,928港元至每平方米5,170港元)	Increase 增加	11,280	11,800
Loan from non-controlling interests 非控股權益貸款	Discounted cash flows method 折現現金流量法	Discount rate 折現率	24% (2021: 23%) 24% (二零二一年：23%)	Decrease 減少	971	803
		Probability of meeting profit target 達到利潤目標的概率	0% (2021: 0%) 0% (二零二一年：0%)	Increase 增加		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2022: (Continued)

Level 3 fair value measurements: (Continued)

The fair value of leasehold lands held for own use located in the PRC and Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable leasehold lands on an accommodation value per metre or price per square metre/square feet basis, adjusted for a premium or a discount specific to the quality of the Group's leasehold lands compared to the recent sales. Higher premium for higher quality land will result in a higher fair value measurement.

During the two years, there were no changes in the valuation techniques used.

8. REVENUE

(a) Disaggregation of revenue

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicle power systems.

7. 公平值計量(續)

(c) 於二零二二年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第三層公平值計量:(續)

位於中國及香港持有作自用的租賃土地的公平值乃使用直接比較法釐定，當中已參考可比較租賃土地近期銷售的每平方米樓面價格或每平方米/平方呎價格，並按本集團租賃土地的質量與最近銷售比較所引致的溢價或折讓作出調整。高質量土地可享有較高溢價，並可產生較高的公平值計量數值。

於兩個年度，所使用的估值方法並無變動。

8. 收入

(a) 收入分拆

本集團主要從事生產及銷售鋅、鎂及鋁合金產品、塑膠產品和零部件、照明產品貿易、生產智能家居產品、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

8. REVENUE (Continued)

(a) Disaggregation of revenue (Continued)

Disaggregation of revenue derived from the transfer of goods and services over time and at a point in time is as follows:

Timing of revenue recognition 收入確認時間		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Products transferred at a point in time 於某一時點轉移產品		1,325,777	1,506,950
Products transferred over time 於一段時間轉移產品		178,662	207,599
		1,504,439	1,714,549

Disaggregation of revenue from major products are as follows:

來自主要產品之收入分拆如下：

Types of products	產品種類	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Die casting products	壓鑄產品	663,082	674,263
Plastic products	塑膠產品	678,378	851,799
Moulds	模具	106,130	140,637
Others	其他	56,849	47,850
		1,504,439	1,714,549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

8. REVENUE (Continued)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022 and the expected timing of recognising revenue as follows:

		Sales of goods 銷售貨品	
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within one year	一年內	3,458	1,645

8. 收入(續)

(b) 分配至客戶合約的剩餘履約責任的交易價格

於二零二二年十二月三十一日分配至剩餘履約責任(未履行或部份未履行)的交易價格及確認收入的預期時間如下:

9. OTHER INCOME

Interest income on bank deposits	銀行存款利息收入	952	1,042
Rental income	租金收入	838	1,111
Reimbursement from customers	客戶報銷收回	4,875	6,231
Compensation from suppliers	供應商補償	253	1,361
Sales of scrap materials	廢料銷售	4,578	7,748
Government grants (note)	政府補助金(附註)	14,775	9,863
Others	其他	4,949	2,769

Note:

Government grants recognised during the year are mainly related to various employment support schemes from PRC and Hong Kong governments (2021: mainly related to unconditional support for subsidising the Group's research and development). The Group has complied all attached conditions before 31 December 2022.

9. 其他收入

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
		31,220	30,125

附註:

年內確認的政府補助金主要是與中國和香港政府的各項就業支持計劃有關(二零二一年: 主要與無條件支援本集團之研發之資助有關)。本集團已於二零二二年十二月三十一日前符合所有附帶條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into seven (2021: seven) operating divisions – zinc, magnesium, aluminium alloy, plastic products and components, trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicles power systems. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

The Group's other operating segments include trading of lighting products, production of smart home products, provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicle power systems. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'Others' column.

Segment profits or losses do not include interest income, corporate income, share of profits/losses of associates, loss on deregistration of a subsidiary, net fair value gain/loss on derivative financial instruments, corporate expenses, finance costs and income tax expense.

Segment assets and liabilities are not reported or used by the chief operating decision maker.

10. 分部資料

為方便管理，本集團現時業務分為七個（二零二一年：七個）營運部門 — 鋅、鎂及鋁合金產品、塑膠產品和零部件、照明產品貿易、生產智能家居產品、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統。該等部門是本集團五個呈報分部資料的基準。本集團之呈報分部為提供不同產品之策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

本集團的其他經營分部包括照明產品及智能家居產品貿易、提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統。此等分部均未達到決定可呈報分部的任何量化門檻。其他經營分部的資料載於「其他」一欄。

分部溢利或虧損不包括利息收入、企業收入、攤分聯營公司溢利／損失、註銷附屬公司損失、衍生金融工具的公平值淨收益／虧損、企業開支、融資成本及所得稅開支。

主要經營決策者不報告或使用分部資產和負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

Information about reportable segment profit or loss:

呈報分部溢利或虧損之資料：

		Zinc alloy 鋅合金 HK\$'000 千港元	Magnesium alloy 鎂合金 HK\$'000 千港元	Aluminium alloy 鋁合金 HK\$'000 千港元	Plastic 塑膠 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總數 HK\$'000 千港元
Year ended 31 December 2022	截至二零二二年 十二月三十一日止年度						
Revenue from external customers	來自外來客戶的收入	99,327	451,100	190,367	706,584	57,061	1,504,439
Segment profit/(loss)	分部溢利/(虧損)	1,130	25,770	4,355	54,620	(5,435)	80,440
Depreciation and amortisation	折舊及攤銷	4,507	47,457	8,513	34,062	3,830	98,369
(Reversal of allowance for inventories)/impairment for allowance for inventories	(存貨撥備回撥)/存貨撥備減值虧損	(90)	1,325	6,942	(4,503)	1,460	5,134
Year ended 31 December 2021	截至二零二一年 十二月三十一日止年度						
Revenue from external customers	來自外來客戶的收入	142,537	415,207	144,417	964,538	47,850	1,714,549
Segment profit/(loss)	分部溢利/(虧損)	5,626	41,151	8,835	110,101	(2,574)	163,139
Depreciation and amortisation	折舊及攤銷	4,671	42,661	6,886	29,173	4,390	87,781
(Reversal of allowance for inventories)/impairment for allowance for inventories	(存貨撥備回撥)/存貨撥備減值虧損	—	793	—	15,734	(2,214)	14,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

Reconciliation of reportable segment revenue, profit or loss:

呈報分部收入、溢利或虧損之對賬：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue	收入		
Total revenue of reportable segments	呈報分部之總收入	1,504,439	1,714,549
Unallocated amounts	不分類數目	—	—
Consolidated revenue	綜合收入	1,504,439	1,714,549
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Profit or loss	溢利或虧損		
Total profit of reportable segments	呈報分部總溢利	80,440	163,139
Unallocated amounts:	不分類數目：		
Share of (losses)/profits of associates	攤分聯營公司(損失)/溢利	(1,058)	45
Loss on deregistration of a subsidiary	註銷附屬公司損失	—	(100)
Net fair value gain/(loss) on derivative financial instruments	衍生金融工具的公平值淨收益/(虧損)	2,355	(3,665)
Interest income	利息收入	952	1,042
Finance costs	融資成本	(4,165)	(3,259)
Government grants	政府補助金	14,775	9,863
Income tax expense	所得稅開支	(5,095)	(22,835)
Corporate income	企業收入	—	—
Corporate expenses	企業開支	(19,346)	(16,493)
Consolidated profit for the year	年內綜合溢利	68,858	127,737

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss: (Continued)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Other material items – depreciation and amortisation	其他重大項目 – 折舊及攤銷		
Total depreciation and amortisation of reportable segments	呈報分部總折舊及攤銷	98,369	87,781
Unallocated amounts:	不分類數目：		
Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets for corporate use	企業用物業、機器及設備、使用權資產及無形資產攤銷折舊	7,280	7,104
Consolidated depreciation and amortisation	綜合折舊及攤銷	105,649	94,885

10. 分部資料(續)

呈報分部收入、溢利或虧損之對賬： (續)

Geographical information:

地區資料：

		Revenue 收入	
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Hong Kong	香港	72,843	94,776
The PRC except Hong Kong	中國(香港除外)	734,190	710,434
Japan	日本	—	1,566
USA	美國	556,930	802,710
Others	其他	140,476	105,063
Consolidated total	綜合總數	1,504,439	1,714,549

In presenting the geographical information, revenue is based on the locations of the customers.

呈列地區資料時，收入是以客戶的地區為基準。

The Group's non-current assets by geographical areas are not presented as the aggregate amount of the geographical segments other than the PRC is less than 10% (2021: less than 10%) of the aggregate amount of all segments.

因為除中國外之地區分部之非流動資產總金額佔所有分部之總額少於10% (二零二一年：少於10%)，所以本集團沒有按地區呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

10. SEGMENT INFORMATION (Continued)

Revenue from major customers:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Zinc alloy segment	鋅合金分部		
Customer a	客戶a	26,934	32,666
Customer b	客戶b	47,071	48,894
Magnesium alloy segment	鎂合金分部		
Customer c	客戶c	46,396	73,193
Customer d	客戶d	219,556	197,993
Aluminium alloy segment	鋁合金分部		
Customer a	客戶a	21,987	28,862
Customer c	客戶c	10,783	3,004
Plastic segment	塑膠分部		
Customer b	客戶b	70,502	66,063
Customer e	客戶e	476,584	733,600

10. 分部資料(續)

來自主要客戶之收入：

11. OTHER OPERATING EXPENSES AND INCOME

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Allowance for inventories, net	淨存貨撥備	5,134	14,313
Bad debts written off	壞賬撇銷	177	1,511
Net loss on disposal of property, plant and equipment	出售物業、機器及設備之淨虧損	3,392	1,237
Property, plant and equipment written off	物業、機器及設備撇銷	666	1,178
Fair value loss on loan from non-controlling interests	非控股權益的公平值淨虧損	168	—
Gain on early termination of leases	提前終止租賃收益	(124)	—
Loss on revaluation of land	土地價值重估虧損	10	708
Net fair value (gain)/loss on derivative financial instruments	衍生金融工具的公平值淨(收益)/虧損	(2,355)	3,665
		7,068	22,612

11. 其他經營開支及收入

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

12. FINANCE COSTS

12. 融資成本

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Interest expenses on lease liabilities (note 20)	租賃負債利息開支 (附註20)	1,059	618
Interest expenses on bank borrowings	銀行借款利息開支	2,941	2,641
Other interest expenses	其他利息開支	165	—
		4,165	3,259

13. INCOME TAX EXPENSE

13. 所得稅開支

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current tax — Hong Kong Profits Tax Provision for the year	即期稅項 — 香港利得稅 本年度撥備	12,536	20,108
Over-provision in prior years	過往年度超額撥備	(5,049)	(5,973)
Current tax — Income tax outside Hong Kong	即期稅項 — 香港以外 所得稅		
Provision for the year	本年度撥備	1,720	4,092
(Over)/under-provision in prior years	過往年度(超額撥備)/ 撥備不足	(449)	1,150
Current tax — PRC dividend withholding tax for the year	即期稅項 — 本年度中國 股息預提稅	815	227
Deferred tax (note 35)	遞延稅項(附註35)	(4,478)	3,231
Income tax expense	所得稅開支	5,095	22,835

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

在兩級制利得稅制度下，在香港成立的合資格集團實體的首200萬港元溢利按8.25%的稅率徵稅，而超出該金額的溢利將按16.5%的稅率徵稅。不符合兩級制利得稅制度的集團實體的溢利將繼續按16.5%的稅率徵稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

13. INCOME TAX EXPENSE (Continued)

Under the PRC Enterprise Income Tax (the “EIT”) Law, the statutory tax rate for the Group’s subsidiaries established and operating in Mainland China is 25% (2021: 25%).

Three (2021: Three) of the Group’s subsidiaries registered in the PRC are recognised as a High and New-technology Enterprises which have been granted tax concessions by local tax bureau and are entitled to PRC EIT at concessionary rate of 15% during the reporting period.

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

According to the PRC EIT Law, withholding tax at a rate of 10% would be imposed on dividend payment relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such tax rate may be further reduced by applicable tax treaties or arrangements. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% (2021: 5%) if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

13. 所得稅開支(續)

根據中國企業所得稅法，本集團於中國大陸成立及營運之附屬公司之法定稅率為25% (二零二一年：25%)。

集團在中國註冊的三間(二零二一年：三間)附屬公司被認定為高新科技企業，獲當地稅務局給予稅務優惠，在報告期內中國企業所得稅享有15%的稅率優惠。

海外溢利之所得稅根據年內估計應課稅溢利以本集團有營運之海外國家之現行稅率計算。

根據中國企業所得稅法，外國投資者由二零零八年起自於中國成立之公司賺取利潤相關之股息支付將被施加10%預提稅。該稅率有可能按適用稅務條例或安排進一步降低。根據《內地與香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》，如果香港居民企業持有中國居民企業至少25%的股權，中國居民企業向香港居民企業支付股息之預扣稅率則進一步降至5% (2021年：5%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

13. 所得稅開支(續)

所得稅開支與除稅前溢利乘以香港利得稅稅率計算所得結果的對賬如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Profit before tax	除稅前溢利	73,953	150,572
Tax at Hong Kong Profits Tax rate at 16.5% (2021: 16.5%)	按香港利得稅稅率16.5% (二零二一年: 16.5%) 計算的稅項	12,202	24,844
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	6,768	7,218
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(1,862)	(3,300)
Tax effect of temporary differences not recognised	未確認暫時差異的稅務影響	(1,519)	629
Tax effect of share of loss of associates	攤分聯營公司虧損之稅務影響	(159)	(7)
Tax effect of recognition of tax losses not previously recognised	確認早前未確認之稅務虧損之稅務影響	(2,715)	—
Tax loss previously recognised and reversed	先前確認及撥回之稅務虧損	—	4,874
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	4,390	2,525
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認之稅項虧損之稅務影響	(1,285)	(5,400)
Over-provision in prior years	過往年度超額撥備	(5,498)	(4,823)
Under-provision for current year	本年度撥備不足	—	(488)
Tax effect of two-tiered tax rate	兩級制稅率之稅務影響	(165)	(165)
Tax concession	稅務優惠	(5,366)	(4,554)
Tax effect of withholding tax arising from dividend payments/ undistributed profits of PRC subsidiaries	中國附屬公司支付股息/ 未分派溢利產生之預提稅之稅務影響	815	—
Tax effect of withholding tax arising from interest payment of a PRC subsidiary	中國附屬公司支付利息產生之預提稅之稅務影響	—	227
Tax effect of different tax rates of subsidiaries	附屬公司不同稅率之稅務影響	(511)	1,255
Income tax expense	所得稅開支	5,095	22,835

In addition to the amount charged to profit or loss, deferred tax relating to the revaluation of the Group's leasehold lands during the year has been charged to other comprehensive income.

除在損益表列賬外，於年內本集團之租賃土地重估之有關遞延稅項已計入其他全面收益中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

14. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

14. 年內溢利

本集團年內之溢利已計入/(扣除)下列各項：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Allowance for inventories, net (note (a))	存貨撥備淨值(附註(a))	5,134	14,313
Auditor's remuneration	核數師酬金	2,180	2,080
Bad debts written off (note (a))	壞賬撇銷(附註(a))	177	1,511
Cost of inventories sold (note (b))	已售存貨成本(附註(b))	1,085,849	1,187,357
Loss on revaluation of land (note (a))	土地價值重估虧損(附註(a))	10	708
Net fair value (gain)/loss on derivative financial instruments (note (a))	衍生金融工具的公平值淨 (收益)/虧損(附註(a))	(2,355)	3,665
Amortisation of intangible assets	無形資產攤銷	453	25
Depreciation of property, plant and equipment	物業、機器及設備折舊	85,391	78,156
Depreciation on right-of-use assets	使用權資產折舊	19,805	16,704
Net exchange loss	匯兌淨虧損	3,565	6,426
Net loss on disposal of property, plant and equipment (note (a))	出售物業、機器及設備淨 虧損(附註(a))	3,392	1,237
Property, plant and equipment written off (note (a))	物業、機器及設備撇銷 (附註(a))	666	1,178
Other fees paid to the auditor of the Company	已付本公司核數師之其他 費用	327	336
Research and development expenditure	研究及開發支出	51,945	58,045

Notes:

(a) These amounts are included in other operating expenses and income.

(b) Cost of inventories sold includes staff costs and depreciation of approximately HK\$368,498,000 (2021: HK\$377,107,000), which are included in the amounts disclosed separately above and in note 15.

附註：

(a) 該等款項已計入其他營運開支及收入內。

(b) 已售存貨成本包括員工成本及折舊約368,498,000港元(二零二一年：377,107,000港元)，彼等已各自分別於上文及附註15披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

15. EMPLOYEE BENEFITS EXPENSE

15. 僱員福利開支

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Employee benefits expense (excluding directors' emoluments):	僱員福利開支(不包括董事酬金):		
Salaries, bonuses and allowances	薪酬、花紅及津貼	372,633	397,056
Retirement benefit scheme contributions	退休福利計劃供款	33,224	31,611
Share-based payments (note)	以股份支付之款項(附註)	700	—
Other benefits	其他福利	30,731	40,736
		437,288	469,403

Note: Equity-settled share-based payments represents amortisation to the profit or loss of the fair value of share options measured at the respective grant dates, regardless the share options could be exercised or not.

附註: 以股權結算以股份為基礎的付款指於損益攤銷購股權於各自授出日期計量的公平值(不論購股權能否獲行使)。

(a) Pensions — defined contribution plans

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC and Hong Kong.

Pursuant to the relevant laws and regulations in the People's Republic of China, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "PRC Retirement Schemes"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

(a) 退休金定額供款計劃

本集團為中國及香港合資格僱員可享有的定額供款退休金計劃作出供款。

根據中華人民共和國的有关法律及法規，本集團已為僱員參加由當地政府勞動社保當局安排的定額供款退休金計劃(「中國退休金計劃」)。本集團按當地政府機構所規定金額以適用比率向中國退休金計劃供款。於退休後，當地政府勞動社保當局負責向退休僱員支付退休福利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(a) Pensions — defined contribution plans (Continued)

The Group operates a Mandatory Provident Fund scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000.

During the years ended 31 December 2022 and 2021, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2022 and 2021 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

15. 僱員福利開支(續)

(a) 退休金定額供款計劃(續)

本集團根據強制性公積金計劃條例(香港法例第485章)為受香港僱傭條例(香港法例第57章)管轄之受僱僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為一項定額供款退休金計劃，由獨立信託人管理。根據強積金計劃，僱主及僱員各自須按僱員有關收入(有關收入之每月上限為30,000元)之5%向計劃供款。

截至二零二一年及二零二二年十二月三十一日止年度，本集團於中國退休金計劃及強基金計劃項下概無遭沒收供款可供本集團用於降低當前的供款水平。於二零二一年及二零二二年十二月三十一日於中國退休金計劃及強基金計劃項下亦無遭沒收供款可供本集團用於降低未來年度應付的供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2021: three) directors whose emoluments are reflected in the analysis presented in note 16. The emoluments of the remaining two (2021: two) individuals for the year ended 31 December 2022 are set out below:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Basic salaries and allowances	基本薪酬及津貼	3,096	3,097
Discretionary bonus	酌情花紅	354	590
Retirement benefits scheme contributions	退休福利計劃供款	18	18
Share-based payments (note)	以股份支付之款項(附註)	43	—
		3,511	3,705

Note: Equity-settled share-based payments represents amortisation to the profit or loss of the fair value of share options measured at the respective grant dates, regardless the share options could be exercised or not.

The emoluments fell within the following bands:

		Number of individuals 人數	
		2022 二零二二年	2021 二零二一年
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	2	2

During the year, no emoluments were paid by the Group to any of these highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of any member of the Group.

15. 僱員福利開支(續)

(b) 五名最高薪酬人士

年內本集團的五名最高薪酬人士包括三名(二零二一年: 三名)董事, 有關酬金詳情載於附註16的分析。於截至二零二二年十二月三十一日止年度餘下兩名(二零二一年: 兩名)最高薪酬人士的酬金如下:

附註: 以股權結算以股份為基礎的付款指於損益攤銷購股權於各自授出日期計量的公平值(不論購股權能否獲行使)。

酬金介乎以下範圍:

		Number of individuals 人數	
		2022 二零二二年	2021 二零二一年
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	2	2

年內, 本集團並無向該等最高薪酬人士支付任何作為加盟本集團時或之後的獎勵或作為與本集團任何成員公司事務管理有關的離職的補償之酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

16. 董事及行政總裁福利及利益

(a) Emoluments of directors

The emoluments of each director were as follows:

(a) 董事酬金

各董事的酬金如下：

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Retirement	Estimated	Total
					benefits scheme contributions	money value of other benefits (note (iii))	
		袍金	薪金及津貼	酌情花紅	退休福利計劃供款	其他利益的估計金錢價值 (附註(iii))	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Year ended	截至二零二二年						
31 December 2022	十二月三十一日止年度						
Executive directors (note (i))	執行董事 (附註(i))						
Mr. Lee	李先生	—	3,436	546	—	35	4,017
Mr. WONG Wing Chuen	黃永銓先生	—	1,913	305	18	35	2,271
Ms. CHAN So Wah	陳素華女士	—	1,365	221	18	35	1,639
Mr. CHU Weiman (Chief executive officer) (note (ii))	初維民先生 (行政總裁) (附註(ii))	—	1,820	294	8	—	2,122
Independent non-executive directors	獨立非執行董事						
Professor SUN Kai Lit, Cliff BBS, JP	孫啟烈教授 BBS, JP	220	—	—	—	—	220
Ir Dr. LO Wai Kwok GBS, MH, JP	盧偉國博士工程師 GBS, MH, JP	220	—	—	—	—	220
Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie)	江啟銓先生 (前稱江道揚)	220	—	—	—	—	220
Mr. Andrew LOOK	陸東先生	220	—	—	—	—	220
Total for 2022	二零二二年總計	880	8,534	1,366	44	105	10,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

16. 董事及行政總裁福利及利益(續)

(a) Emoluments of directors (Continued)

(a) 董事酬金(續)

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Retirement benefits scheme contributions	Estimated money value of other benefits	Total
						(note (ii))	
		袍金	薪金及津貼	酌情花紅	退休福利計劃供款	其他利益的估計金錢價值(附註(ii))	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Year ended	截至二零二一年						
31 December 2021	十二月三十一日止年度						
Executive directors (note (i))	執行董事(附註(i))						
Mr. Lee	李先生	—	3,438	923	5	—	4,366
Mr. WONG Wing Chuen	黃永銓先生	—	1,914	507	18	—	2,439
Ms. CHAN So Wah	陳素華女士	—	1,365	368	18	—	1,751
Mr. CHU Weiman (Chief executive officer) (note (ii))	初維民先生(行政總裁)(附註(ii))	—	687	490	6	—	1,183
Independent non-executive directors	獨立非執行董事						
Professor SUN Kai Lit, Cliff BBS, JP	孫啟烈教授BBS, JP	211	—	—	—	—	211
Ir Dr. LO Wai Kwok GBS, MH, JP	盧偉國博士工程師GBS, MH, JP	211	—	—	—	—	211
Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie)	江啟銓先生(前稱江道揚)	212	—	—	—	—	212
Mr. Andrew LOOK	陸東先生	200	—	—	—	—	200
Total for 2021	二零二一年總計	834	7,404	2,288	47	—	10,573

Note:

- (i) Emoluments of Executive Directors shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (ii) Mr. Chu was appointed as chief executive officer and executive director on 1 February 2021 and 1 September 2021 respectively.
- (iii) Estimated money values of other benefits represent share-based payments.

附註：

- (i) 如上所示的執行董事酬金乃為管理本公司及本集團相關事務而提供的服務。
- (ii) 初先生分別於二零二一年二月一日及二零二一年九月一日獲委任為行政總裁及執行董事。
- (iii) 其他利益的估計金錢價值代表以股份支付之款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(a) Emoluments of directors (Continued)

There were no arrangements under which a director waived or agreed to waive any emoluments during the year (2021: Nil).

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

(b) Emoluments of chief executive officer

Mr. Chu Weiman ("Mr. Chu") was appointed as the chief executive officer of the Company on 1 February 2021. Mr. Lee has stepped down as the chief executive officer since that date. Mr. Chu was appointed as executive director on 1 September 2021. The emoluments of Mr. Chu as the chief executive officer from 1 February 2021 to 31 August 2021 were as follows:

16. 董事及行政總裁福利及利益(續)

(a) 董事酬金(續)

董事於本年內概無作出放棄或同意放棄任何酬金的安排(二零二一年:無)。

年內,本集團並無向任何董事支付任何作為加盟本集團時或之後的獎勵或作為本集團任何成員公司的董事或作為與本集團任何成員公司的事務管理有關的離職補償的酬金。

(b) 行政總裁酬金

初維民先生(「初先生」)於二零二一年二月一日獲委任為本公司行政總裁。李先生於同日退任行政總裁。初先生於二零二一年九月一日獲委任為執行董事。初先生由二零二一年二月一日至二零二一年八月三十一日作為行政總裁的酬金如下:

	Salaries and allowances	Retirement benefits scheme contributions	Total
	薪金及津貼	退休福利計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元
Year ended 31 December 2021 截至二零二一年十二月三十一日			
Mr. Chu 初先生	840	11	851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(c) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities with such directors

During the year ended 31 December 2022, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors, their controlled bodies corporate and the directors' connected entities (2021: Nil).

(d) Directors' material interests in transactions, arrangement or contracts

Save as disclosed in note 43 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(e) Director's termination benefits

None of the directors of the Company received any payment made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity during their terms of directorships in 2022 (2021: Nil).

(f) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2022, the Company did not pay considerations to any third parties for making available directors' services in such capacity or in any other capacity during their terms of directorships (2021: Nil).

16. 董事及行政總裁福利及利益(續)

(c) 有關以董事、受控法人團體及該等董事的關連實體為受益人的貸款、准貸款及其他交易資料

截至二零二二年十二月三十一日止年度，本公司或其附屬公司(如適用)概無訂立以董事、彼等控制實體法團及董事之關連實體為受益人的貸款、准貸款及其他交易(二零二一年：無)。

(d) 董事於交易、安排或合約中的重大權益

除載列於綜合財務報表附註43外，於年終或年內任何時間，本公司概無訂立任何與本集團業務有關而本公司董事及其關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

(e) 董事的辭退福利

於二零二二年，本公司董事概無以董事身份還是在出任董事期間以任何其他身份收取任何因終止董事服務而支付的款項或提供的辭退福利(二零二一年：無)。

(f) 就獲提供董事服務而向第三方提供代價

於二零二二年十二月三十一日止年度內，本公司並無向第三方就提供董事服務或其出任董事期間以任何其他身份提供服務提供代價(二零二一年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

17. DIVIDENDS

17. 股息

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Interim dividend of HK0.3 cent (2021: 2021 Interim dividend of HK1.0 cent) per ordinary share	中期股息每股普通股0.3港 仙(二零二一年:二零 二一年中期股息每股普通 股1.0港仙)	2,682	8,938
Final dividend of HK3.0 cents (2021: 2020 Final dividend of HK3.0 cents) per ordinary share	末期股息每股普通股3.0港 仙(二零二一年:二零二 零年末期股息每股普通股 3.0港仙)	26,812	26,812
		29,494	35,750

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2022 of HK2.0 cents per ordinary share totaling approximately HK\$17,875,000 has been proposed by the Board of Directors of the Company and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

於報告期間完結後，本公司董事會建議宣派截至二零二二年十二月三十一日止年度之末期股息每股普通股2.0港仙，股息總額約為17,875,000港元。此股息有待本公司股東於應屆股東週年大會上批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

18. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following:

18. 每股盈利

每股基本盈利按下列計算：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Earnings	盈利		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	用於計算每股基本盈利之本公司權益持有人應佔溢利	74,844	131,139
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	用於計算每股基本盈利之加權平均普通股股數	893,761,400	893,761,400

No diluted earnings per share for 2022 and 2021 is presented as the Company did not have any dilutive potential shares for the financial years ended 31 December 2022 and 2021.

由於本公司於截至二零二二年十二月三十一日及二零二一年十二月三十一日止年度沒有任何攤薄股份，因此二零二二年及二零二一年沒有呈列每股攤薄盈利。

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綜合財務報表附註(續)

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

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、機器及設備

		Buildings	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment 傢俬、固定裝置及辦公室設備	Motor vehicles	Construction in progress	Total
		樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	機器及設備 HK\$'000 千港元	電腦設備 HK\$'000 千港元	傢俬、固定裝置及辦公室設備 HK\$'000 千港元	汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
Cost or revaluation	成本或估值								
At 1 January 2021	於二零二一年一月一日	309,910	212,048	737,799	12,399	28,093	9,337	6,913	1,316,499
Additions	添置	—	16,945	74,244	54	4,697	1,691	496	98,127
Disposal/write off	出售/撇銷	—	(1,528)	(16,813)	(424)	(583)	(1,720)	—	(21,068)
Exchange differences	匯兌差額	6,908	4,997	17,451	148	665	115	175	30,459
At 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日	316,818	232,462	812,681	12,177	32,872	9,423	7,584	1,424,017
Additions	添置	706	1,213	63,256	197	9,611	511	7,137	82,631
Disposal/write off	出售/撇銷	—	(4,291)	(25,285)	(132)	(1,621)	(152)	(1,579)	(33,060)
Exchange differences	匯兌差額	(25,145)	(17,942)	(51,822)	(534)	(2,375)	(442)	(895)	(99,155)
At 31 December 2022	於二零二二年十二月三十一日	292,379	211,442	798,830	11,708	38,487	9,340	12,247	1,374,433
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2021	於二零二一年一月一日	109,318	165,534	485,990	9,895	12,455	8,018	5,473	796,683
Charge for the year	年內扣除	13,391	16,084	43,507	1,122	3,607	445	—	78,156
Disposal/write off	出售/撇銷	—	(1,525)	(13,273)	(419)	(562)	(1,025)	—	(16,804)
Exchange differences	匯兌差額	2,640	4,850	10,399	107	283	83	133	18,495
At 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日	125,349	184,943	526,623	10,705	15,783	7,521	5,606	876,530
Charge for the year	年內扣除	14,700	12,049	47,111	873	10,181	477	—	85,391
Disposal/write off	出售/撇銷	—	(4,291)	(20,272)	(119)	(1,452)	(129)	(1,119)	(27,382)
Exchange differences	匯兌差額	(10,845)	(12,948)	(26,024)	(464)	(1,456)	(287)	(432)	(52,456)
At 31 December 2022	於二零二二年十二月三十一日	129,204	179,753	527,438	10,995	23,056	7,582	4,055	882,083
Carrying amount	賬面值								
At 31 December 2022	於二零二二年十二月三十一日	163,175	31,689	271,392	713	15,431	1,758	8,192	492,350
At 31 December 2021	於二零二一年十二月三十一日	191,469	47,519	286,058	1,472	17,089	1,902	1,978	547,487

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綜合財務報表附註(續)

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

20. RIGHT-OF-USE ASSETS

20. 使用權資產

		Leasehold lands 租賃土地 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2021	於二零二一年 一月一日	230,480	17,604	130	248,214
Additions	添置	—	4,636	—	4,636
Adjustment for lease modification	租賃修改調整	—	894	—	894
Depreciation	折舊	(7,078)	(9,582)	(44)	(16,704)
Surplus on revaluation recognised in other comprehensive income	於其他全面收益確認的重 估盈餘	4,466	—	—	4,466
Loss on revaluation recognised in profit or loss	於損益確認的重估虧損	(708)	—	—	(708)
Exchange differences	匯兌差額	3,920	250	—	4,170
At 31 December 2021 and 1 January 2022	於二零二一年 十二月三十一日及 二零二二年一月一日	231,080	13,802	86	244,968
Additions	添置	6,828	18,334	—	25,162
Adjustment for lease modification	租賃修改調整	—	9,027	—	9,027
Early termination	提前終止	—	(3,459)	—	(3,459)
Depreciation	折舊	(6,828)	(12,934)	(43)	(19,805)
Surplus on revaluation recognised in other comprehensive income	於其他全面收益確認的重 估盈餘	30,669	—	—	30,669
Loss on revaluation recognised in profit or loss	於損益確認的重估虧損	(10)	—	—	(10)
Exchange differences	匯兌差額	(14,271)	(1,291)	—	(15,562)
At 31 December 2022	於二零二二年 十二月三十一日	247,468	23,479	43	270,990

The Group's leasehold lands were revalued on 31 December 2022 and 2021 using the direct comparison approach by reference to market evidence of recent transactions for similar properties by independent surveyors.

本集團之租賃土地乃於二零二一年及二零二二年十二月三十一日由獨立測量師按直接比較法參考市場類似物業之最近交易證據重估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

20. RIGHT-OF-USE ASSETS (Continued)

The carrying amount of the Group's leasehold lands would have been approximately HK\$51,373,000 (2021: HK\$48,189,000) at 31 December 2022 had it been stated at cost less accumulated depreciation and impairment losses.

20. 使用權資產(續)

如按成本減累計折舊及減值虧損列賬，於二零二二年十二月三十一日，本集團租賃土地的賬面值將約為51,373,000港元(二零二一年：48,189,000港元)。

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Depreciation expenses on right-of-use assets 使用權資產折舊開支	19,805	16,704
Interest expense on lease liabilities (included in finance cost) 租賃負債利息開支(計入融資成本)	1,059	618
Expenses relating to short-term lease (included in cost of sales and general and administrative expenses) 與短期租賃有關之開支(計入銷售成本及一般及行政開支)	858	767

Details of total cash outflow for leases is set out in note 40(e).

租賃的現金流出總額詳情載列於附註40(e)。

For both years, the Group leases various offices premises, factories, warehouses, staff quarters and office equipment for its operations. Lease contracts are entered into for fixed term of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團租賃多個辦公室、廠房、倉庫、員工宿舍及辦公室設備用於營運。租賃合約訂立的固定租期為一年至五年。租賃條款乃在個別基礎上磋商，包括各種不同條款及條件。於釐定租賃期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

此外，本集團擁有多項生產設施所位處之工業建築及辦公室建築。本集團為該等物業權益(包括相關租賃土地)之註冊擁有人。本集團已提前作出一次性付款以獲取該等物業權益。僅當所作出款項能夠可靠分配時，才單獨呈列該等自有物業之租賃土地組成部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

21. GOODWILL

21. 商譽

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Cost	成本		
At 1 January	於一月一日	2,654	—
Arising on acquisition of a subsidiary (note 40(b))	收購一間附屬公司產生 (附註40(b))	—	2,654
At 31 December	於十二月三十一日	2,654	2,654
Carrying amount	賬面值		
At 31 December	於十二月三十一日	2,654	2,654

Goodwill acquired in a business combination is allocated, at acquisition, to the CGU that is expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

於業務合併中收購的商譽於收購時獲分配至預期將從業務合併中收益的現金產生單位。商譽的賬面值已分配如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Others segment – new energy vehicles power systems:	其他分部 – 新能源汽車動力系統：		
Green Print Transportation Limited ("GPTL")	綠圖交通有限公司 ("綠圖交通")	2,654	2,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

21. GOODWILL (Continued)

The recoverable amounts of the CGU has been determined on the basis of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3% (2021: 3%). This rate do not exceed the average long-term growth rate for the relevant markets.

The pre-tax rate used to discount the forecast cash flows from the Group's are 24% (2021: 23%).

21. 商譽(續)

現金產生單位的可收回金額乃使用貼現現金流量法基於其使用價值釐定。貼現現金流量法使用的主要假設包括有關貼現率、增長率及預算毛利率以及期內營業額的假設。本集團估計可反映目前市場對貨幣時間價值之評估及現金產生單位之特定風險的貼現率。增長率乃以現金產生單位所經營業務所在地區的長期平均經濟增長率為基準。預算毛利率及營業額乃以過往慣例及對市場發展之預期為基準。

本集團根據獲董事批准且涵蓋未來五年之最近期財政預算，按3%（二零二一年：3%）的增長率預測剩餘年期而編製現金流量預測。此比率並無超逾相關市場之平均長期增長率。

本集團稅前貼現預測現金流量所用的利率為24%（二零二一年：23%）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

22. OTHER INTANGIBLE ASSETS

22. 其他無形資產

		Technology knowhow 技術訣竅 HK\$'000 千港元	Customer relationship 客戶關係 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本			
At 1 January 2021	於二零二一年一月一日	—	—	—
Acquisition of a subsidiary (note 40(b))	收購一間附屬公司 (附註40(b))	833	3,027	3,860
At 31 December 2021, 1 January 2022 and 31 December 2022	於二零二一年十二月 三十一日、二零二二 年一月一日和二零 二二年十二月三十一 日	833	3,027	3,860
Accumulated amortisation	累計攤銷			
At 1 January 2021	於二零二一年一月一日	—	—	—
Amortisation for the year	年內攤銷	8	17	25
At 31 December 2021 and 1 January 2022	於二零二一年 十二月三十一日及 二零二二年一月一日	8	17	25
Amortisation for the year	年內攤銷	142	311	453
At 31 December 2022	於二零二二年十二月 三十一日	150	328	478
Carrying amount	賬面值			
At 31 December 2022	於二零二二年 十二月三十一日	683	2,699	3,382
At 31 December 2021	於二零二一年 十二月三十一日	825	3,010	3,835

Technology knowhow

The technology knowhow represents the manufacturing of engine motors. The remaining amortisation period of the use right is 4.9 years (2021: 5.9 years).

技術訣竅

技術訣竅指發動機的生產。該使用權的剩餘攤銷年期為4.9年(二零二一年: 5.9年)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

22. OTHER INTANGIBLE ASSETS (Continued)

Customer relationship

The customer relationship represents the present value of the future cash flow attributed to established customer base and other business relationships built up by GPTL. The average remaining amortisation period of the customer relationship is 8.9 years (2021: 9.9 years).

23. CLUB MEMBERSHIP

Cost

At 1 January 2021, 31 December 2021,
1 January 2022 and 31 December 2022

成本

於二零二一年一月一日、二零二一年
十二月三十一日、二零二二年一月
一日及二零二二年十二月三十一日

HK\$'000
千港元

718

The Group's club membership of HK\$718,000 (2021: HK\$718,000) at 31 December 2022 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by that club.

本集團於二零二二年十二月三十一日之會所會籍價值為718,000港元(二零二一年：718,000港元)已評定為具無限可使用年期，原因是本集團享用該會所提供服務之時間並無限制。

22. 其他無形資產(續)

客戶關係

客戶關係指歸屬於綠圖交通所建立的成熟客戶基礎及其他業務關係的未來現金流量現值。客戶關係的剩餘攤銷年期為8.9年(二零二一年：9.9年)。

23. 會所會籍

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2022 are as follows:

24. 於附屬公司的投資

於二零二二年十二月三十一日，附屬公司之詳情如下：

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (Holdings) Company Limited 嘉瑞集團有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$36,909 36,909美元	100%	—	Investment holding 投資控股
Ample Wealth Developments Limited 富豐發展有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$1 1美元	—	100%	Investment holding 投資控股
Ka Fung Metal Manufactory Company Limited 嘉豐金屬製品廠有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$74,487,660 74,487,660港元	—	100%	Sale of plastic injection products and components 銷售塑膠注塑產品及零部件
Ka Shui Manufactory Co., Limited 嘉瑞製品有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	100%	Sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 銷售鋅、鎂及鋁合金壓鑄和塑膠注塑產品及零部件
Ka Shui Technology (Huizhou) Company Limited* 嘉瑞科技(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital HK\$321,105,502 註冊資本 321,105,502港元	—	100%	Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零部件
Elegant Shine Investments Limited 雅輝投資有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$1 1美元	—	100%	Investment holding 投資控股
Ample Wealth Property Developments (Huizhou) Limited* 富豐物業開發(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital HK\$6,800,000 註冊資本 6,800,000港元	—	100%	Inactive 暫無業務
Wing Yu (Far East) Industries Company Limited 永裕(遠東)實業有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$6,900,000 6,900,000港元	—	100%	Investment holding 投資控股

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綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Huizhou Wing Yu Metal and Plastic Manufactory Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$4,500,000	—	100%	Provision of surface finishing treatment services and sale and manufacture of zinc alloy die casting products and components
惠州市永裕五金塑料製品有限公司*	中國/外國投資者全資所有的有限公司	註冊資本 4,500,000港元			提供表面處理服務及銷售及生產鋅合金壓鑄產品及零部件
Ka Yi Technology (Huizhou) Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$20,000,000	—	100%	Sale and manufacture of zinc and aluminium alloy die casting products and components
嘉宜科技(惠州)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本 20,000,000港元			銷售及生產鋅及鋁合金壓鑄產品及零部件
Ka Fung Industrial Technology (Huizhou) Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$132,000,000	—	100%	Sale and manufacture of products and components with plastic contents
嘉豐工業科技(惠州)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本 132,000,000港元			銷售及生產含塑膠部件之產品及零部件
Alphalite Company Limited 嘉能照明有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Inactive 暫無業務
Ka Shui Metal Manufactory (Shenzhen) Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$40,000,000	—	100%	Sale and manufacture of zinc, magnesium and aluminium alloy die casting products and component
嘉瑞金屬製品(深圳)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本 40,000,000港元			銷售及生產鋅、鎂及鋁合金壓鑄產品及零部件
Alphalite Incorporation	USA/Business corporation 美國/商業股份公司	US\$100 100美元	—	100%	Trading and marketing of LED and plasma lighting products 從事LED及等離子照明產品之貿易及市場推廣

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (USA) Incorporation	USA/Business corporation 美國、商業股份公司	US\$5,000 5,000美元	—	100%	Marketing of zinc, magnesium and aluminium alloy die casting and plastic injection products and components, trading of LED and home appliance products 從事鋅、鎂及鋁合金壓鑄及塑膠注塑產品及零部件之市場推廣以及LED及家居器具之貿易
Kalok Technology Investment Limited 嘉樂科技投資有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$50,000 50,000美元	—	100%	Investment holding 投資控股
Wuhu Lenka Technologies Company Limited ("Wuhu Lenka")*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB50,000,000 註冊資本 人民幣50,000,000元	—	100%	Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零部件
Ka Shui Metal Company Limited 嘉瑞金屬有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$100,000 100,000港元	—	100%	Sale of magnesium alloy die casting products and components 銷售鎂合金壓鑄產品及零部件
Katchon Precision Holdings Company Limited 嘉昌精密控股有限公司	BVI/Limited liability company 英屬處女群島/有限責任公司	US\$1,000 1,000美元	—	70%	Investment holding 投資控股
Ka Shui Plastic Technology Company Limited 嘉瑞塑膠科技有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Research and development, trading of germ repellent plastic related product 斥菌塑膠相關產品之研發及銷售

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綜合財務報表附註(續)

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24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Goodly Precision Industrial Limited 卓研精密工業有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$50,000 50,000港元	—	70%	Investment holding 投資控股
Goodly Precision (Suzhou) Industrial Limited ("Goodly Suzhou")* 卓研精密工業(蘇州)有限公司 (「卓研蘇州」)*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital US\$5,000,000 註冊資本 5,000,000美元	—	70%	Research, manufacture and sale of plastic injection moulding and components of car-related products 汽車相關產品之塑膠注塑及零件之研發、生產及銷售
Huizhou Ka May New Material Technology Company Limited* 惠州嘉錕新材料科技有限公司*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元	—	70%	Inactive 暫無業務
Ka Shui Aluminium Technology (Shenzhen) Company Limited* 嘉瑞鋁科技(深圳)有限公司*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元	—	70%	Research and development and trading of aluminium related products 鋁相關產品之研發及貿易
Pioneer Lead Global Enterprises Limited 領拓環球企業有限公司	BVI/Limited liability company 英屬處女群島/有限責任公司	US\$1 1美元	—	100%	Investment holding 投資控股
Nobel Development Limited 隆邦發展有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Shuilong Green Transport Company Limited 瑞龍綠運有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	70%	Repair and maintenance of motor vehicles for commercial use and sales of special purpose vehicles 維修及保養商用車及銷售特別種類車輛
Orient World International Limited 凱華國際有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股

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24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (Malaysia) Sdn. Bhd.	Malaysia/Private limited company 馬來西亞/私人有限公司	MYR1 1馬來西亞元	—	100%	Inactive 暫無業務
Innoka Trading (Huizhou) Company Limited* 昕樂嘉貿易(惠州)有限公司*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB100,000 註冊資本人民幣100,000元	—	100%	Trading of healthcare products 健康護理產品貿易
Kamay New Material Technology (Yulin) Company Limited* 嘉錕新材料科技(榆林)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital RMB10,000,000 註冊資本人民幣10,000,000元	—	100%	Sales and manufacture of metallic material 銷售及生產金屬材料
Good Hero Development Limited 佳濠發展有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Ka Shui Holdings (Macau) Company Limited 嘉瑞控股(澳門)一人有限公司	Macau/Limited liability company 澳門/有限責任公司	Registered capital MOP25,000 註冊資本25,000澳門元	—	100%	Inactive 暫無業務
Capital Link Holdings Limited 嘉盈集團有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Green Print Transportation Limited 綠圖交通有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	70%	Provision of new energy vehicle power systems 提供新能源汽車動力系統
Green Print New Energy (Huizhou) Company Limited* 綠圖新能源(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital RMB8,000,000 註冊資本人民幣8,000,000元	—	70%	Provision of new engine vehicle power systems 提供新能源汽車動力系統
Bestgrand Enterprises Limited 百亨企業有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	100%	Investment holding 投資控股
Ka Shui United Industries (Huizhou) Company Limited* 嘉瑞聯合實業(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital HK\$193,894,498 註冊資本193,894,498港元	—	100%	Property investment 物業投資

* English translation of the name is for identification purpose only.

* 名稱之英文翻譯只供識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

24. INVESTMENTS IN SUBSIDIARIES (Continued)

As at 31 December 2022, the bank and cash balances and restricted bank deposits of the Group's subsidiaries in the PRC denominated in RMB amounted to approximately HK\$93,847,000 (2021: HK\$65,886,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. INVESTMENT IN ASSOCIATES

The amounts due from/to associates are unsecured, interest free and repayable on demand.

24. 於附屬公司的投資(續)

於二零二二年十二月三十一日，本集團於中國之附屬公司以人民幣計值的銀行及現金結餘及有限制銀行存款為約93,847,000港元(二零二一年：65,886,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

25. 於聯營公司之投資

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Unlisted investments	非上市投資	9,845	8,949

應收／應付聯營公司款項為無抵押、免息及須在要求時即時償還。

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綜合財務報表附註(續)

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

25. INVESTMENT IN ASSOCIATES (Continued)

Details of the Group's associates at 31 December 2022 are as follows:

25. 於聯營公司之投資(續)

於二零二二年十二月三十一日本集團之聯營公司資料如下：

Name	Place of incorporation/ registration	Issued and fully paid up share capital/ registered capital	Percentage of ownership interest/voting power/profit sharing 應佔權益/ 投票權/ 溢利百分比	Principal activities
名稱	註冊/登記地點	已發行及繳足 股本/註冊資本		主要業務
Huizhou Intelligent Foundry Industry Light Alloy Innovation Center Company Limited*	The PRC	Registered capital RMB20,000,000	46%	Research and development, manufacture and trading of light alloy moulds
惠州共享智能鑄造產業輕合金 創新中心有限公司*	中國	註冊資本 人民幣20,000,000元	46%	輕合金模具之研發、生產及 貿易
Shanxi Quality Magnesium Fusion Technology Company Limited*	The PRC	Registered capital RMB20,000,000	22%	Research and development and trading of magnesium
陝西質鎂融合科技有限公司*	中國	註冊資本 人民幣20,000,000元	22%	鎂金屬產品研發和貿易

* English translation of the name is for identification purpose only.

* 名稱之英文翻譯只供識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

25. INVESTMENT IN ASSOCIATES (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
At 31 December:	於十二月三十一日：		
Carrying amounts of interests	權益賬面值	9,845	8,949
Year ended 31 December:	截至十二月三十一日 止年度：		
(Loss)/profit from operations	經營(虧損)/收益	(1,058)	45
Total comprehensive income	全面收益總額	(1,058)	45

As at 31 December 2022, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to approximately HK\$12,232,000 (2021: HK\$1,915,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

下表載列本集團以權益會計法入賬之所有個別非重要聯營公司攤分金額總數：

於二零二二年十二月三十一日，本集團於中國之聯營公司以人民幣計值的銀行及現金結餘為約12,232,000港元(二零二一年：1,915,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

26. DERIVATIVE FINANCIAL LIABILITIES

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Financial liabilities	金融負債		
Fair value of cross currency interest rate swaps	交叉貨幣利率掉期的公平值	935	3,486

26. 衍生金融負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

26. DERIVATIVE FINANCIAL LIABILITIES (Continued)

The cross currency interest rate swaps are measured at FVTPL. The Group has entered into cross currency interest rate swaps to sell EURO ("EUR") and buy RMB at fixed exchange rate and interest rate. The fair value of the derivatives are determined with reference to the EURIBOR plus a spread and the market forward exchange rate at year end, and the fixed forward rates stated in contracts.

The notional amounts of EUR cross currency interest rate swaps are EUR2,770,000 (2021: EUR2,770,000) and EUR2,570,000 (2021: EUR2,570,000).

26. 衍生金融負債(續)

交叉貨幣利率掉期乃按公平值計入損益計量。本集團已訂立交叉貨幣利率掉期，以固定匯率及利率出售歐元(「歐元」)及買入人民幣。衍生工具的公平值乃參考歐元銀行同業拆息加息差及年末的市場遠期匯率，以及合約列明的固定遠期匯率而釐定。

歐元交叉貨幣利率掉期的名義金額為2,770,000歐元(二零二一年：2,770,000歐元)及2,570,000歐元(二零二一年：2,570,000歐元)。

27. INVENTORIES

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Raw materials	原材料	73,395	77,022
Consumables supplies and spare parts	消耗品供應及備用零部件	9,521	11,482
Work in progress	在製品	77,231	106,919
Finished goods	製成品	100,098	84,553
		260,245	279,976
Less: Allowance for inventories	減：存貨撥備	(67,720)	(70,613)
		192,525	209,363

27. 存貨

28. TRADE AND BILLS RECEIVABLES

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Trade receivables	貿易應收款項	398,656	445,961
Bills receivables	票據應收款項	6,776	7,121
		405,432	453,082

28. 貿易及票據應收款項

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

28. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (2021: 30 to 120 days) after the end of the month in which the invoices issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
0 to 30 days	零至30日	133,549	181,915
31 to 60 days	31日至60日	93,066	135,361
61 to 90 days	61日至90日	83,163	101,984
91 to 180 days	91日至180日	87,392	25,940
Over 180 days	180日以上	1,871	1,114
		399,041	446,314
Less: Allowance for bad and doubtful debts	減：壞賬及呆賬撥備	(385)	(353)
		398,656	445,961

As at 31 December 2022, total bills received amounted to approximately HK\$6,776,000 (2021: HK\$7,121,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

At 31 December 2022, an allowance was made for estimated irrecoverable trade and bills receivables of approximately HK\$385,000 (2021: HK\$353,000) (note 6(b)).

28. 貿易及票據應收款項(續)

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30日至120日(二零二一年：30日至120日)。每名客戶有最高信貸限額。本集團致力嚴格控制其未償還應收款項，由董事定期檢討過期未付結餘。貿易應收款項(扣除撥備)按發票日期之賬齡分析如下：

於二零二二年十二月三十一日，本集團持有已收取的票據總額約6,776,000港元(二零二一年：7,121,000港元)以用作未來應收款項的結算。本集團於報告期末繼續確認其全部賬面值。本集團收取的所有票據的到期期限均少於一年。

於二零二二年十二月三十一日，就估計不可收回貿易及票據應收款項作出撥備約385,000港元(二零二一年：353,000港元)(附註6(b))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

28. TRADE AND BILLS RECEIVABLES (Continued)

The carrying amount of the Group's trade receivables are denominated in the following currencies:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	13,623	21,896
USD	美元	262,401	320,255
RMB	人民幣	122,719	103,825
Others	其他	298	338
		399,041	446,314
Less: Allowance for bad and doubtful debts	減：壞賬及呆賬之撥備	(385)	(353)
		398,656	445,961

28. 貿易及票據應收款項(續)

本集團貿易應收款項的賬面值以下列貨幣列值：

29. CONTRACT ASSETS/CONTRACT LIABILITIES

Contract assets

Arising from sales of OEM Products

Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and bills receivables"

合約資產

由原設備製造產品銷售所產生

香港財務報告準則第15號範圍內與客戶之合約之應收款項(已包括在「貿易及票據應收款項」內)

29. 合約資產／合約負債

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
		11,420	14,132
		405,432	453,082

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綜合財務報表附註(續)

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

29. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Amounts relating to contract assets are balances due from customers under sales contracts that arise when the Group's unconditional right to receive payments from customers is not in line with the progress of the OEM Products manufactured under contracts in which the Group has enforceable right to payment. Payment for OEM Products is not due from the customer until the products are delivered to the customer, and therefore a contract asset is recognised over the period in which the OEM Products are manufactured to represent the Group's right to consideration for the services transferred to date.

The decrease in the contract assets balance in current year is the result of the decrease in OEM products manufactured transfer to customers during the reporting period.

None of contract assets that is expected to be recovered after more than one year (2021: approximately HK\$Nil).

29. 合約資產／合約負債(續)

與合約資產相關的金額為當本集團之無條件向客戶收取款項之權利與按本集團擁有款項強制執行權之合約所生產的原設備製造產品的進度不一致。於產品交付客戶後，始收取客戶的原設備製造產品的款項，因此，合約資產於原設備製造產品生產期間（即本集團已轉移迄今為止服務的代價權）時被確認。

本年度合約資產結餘下跌是由於報告期內生產的原設備製造產品轉移給客戶減少所致。

概無預期將於一年以上收回的合約資產（二零二一年：零港元）。

Contract liabilities	合約負債	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Billings in advance of performance obligation arising from sales of OEM Products	銷售原設備製造產品產生 履約責任的預收款項	8,611	7,854

Contract liabilities relating to sales of OEM Products and moulds are balances due to customers under contracts with customers. They arise because customers pay deposits for the sales contract which exceed the revenue recognised to date.

與原設備製造產品及模具銷售相關的合約負債為應付客戶合約款項的結餘。該款項乃因客戶支付的銷售合約按金超過迄今已確認的收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

29. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

The increase in the contract liabilities balance in current year is mainly due to the increase in advances received from customers during the reporting period.

Movements in contract liabilities:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Balance at 1 January arising from sales of OEM Products	銷售原設備製造產品於一月一日結餘	7,854	14,031
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	年內確認收入導致合約負債減少已計入期初的合約負債內	(7,854)	(14,031)
Increase in contract liabilities as a result of billing in advance of sales of OEM products and moulds	銷售原設備製造產品及模具的預收款項導致合約負債增加	8,937	7,786
Effect of foreign exchange rate changes	匯率變動的影響	(326)	68
Balance at 31 December	於十二月三十一日結餘	8,611	7,854

29. 合約資產／合約負債(續)

本年度合約負債結餘有所增加，主要是由於本報告期收到客戶預收款上升所致。

合約負債變動：

30. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's restricted bank balances represent balances of approximately RMB1,669,000 (equivalent to approximately HK\$1,860,000) (2021: RMB1,664,000 (equivalent to approximately HK\$2,029,000)) to guarantee for the use of natural gas in the PRC.

The cash at banks earned interest at floating interest rates ranging from 0.01% to 0.75% per annum (2021: 0.001% to 0.35% per annum).

30. 有限制銀行存款與銀行及現金結餘

本集團的有限制銀行存款指人民幣約1,669,000元(相等於約1,860,000港元)(二零二一年：人民幣1,664,000元(相等於約2,029,000港元))作為於中國使用天然氣之擔保。

銀行存款按每年0.01厘至0.75厘(二零二一年：每年0.001厘至0.35厘)的浮動利率賺取利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

30. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES (Continued)

The carrying amounts of bank and cash balances are denominated in the following currencies:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	36,657	37,432
USD	美元	111,107	158,458
RMB	人民幣	94,572	83,802
EUR	歐元	1,760	891
Others	其他	57	100
		244,153	280,683

Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
0 to 30 days	0至30日	53,082	72,849
31 to 60 days	31至60日	44,693	58,065
61 to 90 days	61至90日	30,296	40,400
91 to 180 days	91至180日	40,015	32,944
Over 180 days	180日以上	16,811	5,677
		184,897	209,935

30. 有限制銀行存款與銀行及現金結餘(續)

銀行及現金結餘之賬面值以下列貨幣為單位：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	36,657	37,432
USD	美元	111,107	158,458
RMB	人民幣	94,572	83,802
EUR	歐元	1,760	891
Others	其他	57	100
		244,153	280,683

根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團獲允許可透過獲授權開展外匯業務的銀行以人民幣兌換外幣。

31. 貿易應付款項、其他應付款項及應計費用

貿易應付款項按收貨日期計算的賬齡分析如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
0 to 30 days	0至30日	53,082	72,849
31 to 60 days	31至60日	44,693	58,065
61 to 90 days	61至90日	30,296	40,400
91 to 180 days	91至180日	40,015	32,944
Over 180 days	180日以上	16,811	5,677
		184,897	209,935

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

31. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

The carrying amount of the Group's trade payables are denominated in the following currencies:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	3,042	3,475
USD	美元	19,738	29,862
RMB	人民幣	161,793	176,598
Others	其他	324	—
		184,897	209,935

Other payables and accruals comprise the following:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Accrued wages	應計工資	29,630	42,556
Other accrued expenses	其他應計費用	38,436	44,885
Other payables	其他應付款項	24,797	16,360
		92,863	103,801

The carrying amount of the Group's other payables and accruals are denominated in the following currencies:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	12,866	7,873
USD	美元	1,269	8,733
RMB	人民幣	78,728	87,195
		92,863	103,801

31. 貿易應付款項、其他應付款項及應計費用(續)

本集團貿易應付款項賬面值以下列貨幣為單位：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	3,042	3,475
USD	美元	19,738	29,862
RMB	人民幣	161,793	176,598
Others	其他	324	—
		184,897	209,935

其他應付款項及應計費用包括以下各項：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Accrued wages	應計工資	29,630	42,556
Other accrued expenses	其他應計費用	38,436	44,885
Other payables	其他應付款項	24,797	16,360
		92,863	103,801

本集團其他應付款項及應計費用的賬面值按以下貨幣列值：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	12,866	7,873
USD	美元	1,269	8,733
RMB	人民幣	78,728	87,195
		92,863	103,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

32. BORROWINGS

The analysis of the carrying amount of borrowings is as follows:

32. 借款

借款的賬面值分析如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current liabilities			
	流動負債		
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部份	60,502	36,000
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause	須於一年後到期償還的包含按要償還條款的銀行貸款部份	8,333	96,858
		68,835	132,858
Non-current liabilities			
	非流動負債		
Portion of bank borrowings due for repayment after one year which do not contain repayment on demand clause	須於一年後到期償還的不包含按要償還條款的銀行貸款部份	—	10,500
Loan from non-controlling interests (note)	非控股權益的貸款(附註)	971	803
		971	11,303

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause that is classified as current liabilities is expected to be settled within one year.

Note:

The loan from non-controlling interests requires the Group to repay according to certain conditions are to be satisfied. Approximately HK\$971,000 (2021: HK\$803,000) represents the estimated fair value of this loan amount at 31 December 2022. The loan is unsecured and repayable in 2025. The conditions of repayments to non-controlling interests are based on the accumulated audited profit before tax of GPTL for the three financial years ending 31 December 2024 are set as below:

計息銀行貸款(包括須按要償還的銀行貸款)乃按攤銷成本列賬。須於一年後到期償還的包含按要償還條款且分類為流動負債的銀行貸款部份預期毋須於一年內清償。

附註：

非控股權益的貸款要求本集團根據將達成的若干條件進行還款。約971,000港元(二零二一年：803,000港元)指該貸款金額於二零二二年十二月三十一日的估計公平值。該貸款為無抵押並須於二零二五年償還。向非控股權益還款的條件乃基於綠圖交通截至二零二四年十二月三十一日止三個財政年度的累計經審核除稅前溢利，載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

32. BORROWINGS (Continued)

Note: (Continued)

- less than US\$96,500, only HK\$1,500,000 with no interest bearing;
- more than US\$96,500 but less than US\$192,300, only HK\$3,000,000 with no interest bearing; or
- more than US\$192,300, HK\$4,500,000 with interest bearing 3.5% per annum.

At 31 December 2022, interest-bearing bank loans were due for repayment as follows:

32. 借款(續)

附註：(續)

- 低於96,500美元，僅1,500,000港元不計息；
- 超過96,500美元但低於192,300美元，僅3,000,000港元不計息；或
- 超過192,300美元，4,500,000港元按年利率3.5%計息。

於二零二二年十二月三十一日，到期償還的計息銀行貸款如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部份	60,502	36,000
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause (note (a)):	須於一年後到期償還的包含按要償還條款的銀行貸款部份(附註(a))：		
After 1 year but within 2 years	一年之後但兩年之內	8,333	88,525
After 2 years but within 5 years	兩年之後但五年之內	—	8,333
		8,333	96,858
Portion of bank borrowings due for repayment after one year which do not contain a repayment on demand clause:	須於一年後到期償還的不包含按要償還條款的銀行貸款部份：		
After 1 year but within 2 years	一年之後但兩年之內	—	10,500
		68,835	143,358

Note:

- (a) The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

附註：

- (a) 結欠款項乃按貸款協議所載的預定還款期為基準，並無計及任何按要償還條款的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

32. BORROWINGS (Continued)

Six (2021: Six) of the bank facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. Should the Group breach the covenants, the drawn down facilities would become repayable on demand. In addition, some of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, and is up to date with the scheduled repayments of the bank borrowings. Further details of the Group's management of liquidity risk are set out in note 6(c). There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2021 and 2022.

The interest rates of the Group's bank borrowings at 31 December were as follow:

Bank loans

銀行貸款

Bank loans are arranged at floating rate, thus exposing the Group to cash flow interest rate risk. Loan from non-controlling interests is arranged at fixed rate and exposed the Group to fair value interest rate risk.

32. 借款(續)

六個(二零二一年：六個)銀行融資額度需符合有關本集團若干財務比率之契諾，該等契諾通常於與金融機構訂立之貸款安排中出現。倘本集團違反有關契諾，則已動用之融資額度須按要求償還。此外，本集團若干銀行貸款協議之條款中給予貸款人全權酌情決定隨時要求即時償還貸款的權利，而無論本集團是否遵守契諾及符合預定償還職責。

本集團定期監控此等契諾之遵守，並根據銀行貸款的預定還款期作出償還。本集團控制流動資金風險的進一步詳情載於附註6(c)。於截至二零二一年及二零二二年十二月三十一日止年度，概無違反任何計息借款之財務契諾。

本集團的銀行借款於十二月三十一日的利率如下：

	2022 二零二二年 %	2021 二零二一年 %
	per annum 每年	per annum 每年
Bank loans	4.6% to 6.6%	1.7% to 2.5%

銀行貸款乃按浮動利率計息，因此使本集團面臨現金流量利率風險。來自非控股權益的貸款乃按固定利率計息，使本集團面臨公平值利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

32. BORROWINGS (Continued)

The carrying amount of the bank borrowings is denominated in the following currencies:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	58,833	114,833
EUR	歐元	10,002	28,525
		68,835	143,358

33. BANKING FACILITIES

As at 31 December 2022, the Group had available banking facilities of approximately HK\$459,942,000 (2021: HK\$565,260,000), which were utilised to the extent of approximately HK\$68,835,000 (2021: HK\$143,358,000). These banking facilities were secured by corporate guarantees provided by the Company and certain subsidiaries of the Group.

32. 借款(續)

銀行借款賬面值以下列貨幣為計算單位：

33. 銀行信貸

於二零二二年十二月三十一日，本集團可動用的銀行信貸為約459,942,000港元(二零二一年：565,260,000港元)，而已動用的數額為約68,835,000港元(二零二一年：143,358,000港元)。此等銀行信貸以本公司及本集團某些附屬公司提供的企業擔保作為抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

34. LEASE LIABILITIES

34. 租賃負債

		Minimum lease payments 最低租賃款項		Present value of minimum lease payments 最低租賃款項現值	
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within one year	一年內	13,708	9,422	11,807	8,894
More than one year but not exceeding two years	一年以上但不超過兩年	9,797	4,538	9,524	4,387
More than two years, but not more than five years	兩年以上但不超過五年	3,203	1,286	3,138	1,195
		26,708	15,246	24,469	14,476
Less: Future finance charges	減：未來融資費用	(2,239)	(770)	N/A不適用	N/A不適用
Present value of lease obligations	租賃承擔現值	24,469	14,476	24,469	14,476
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償付之款項(列示於流動負債項下)			(11,807)	(8,894)
Amount due for settlement after 12 months	十二個月後到期償付之款項			12,662	5,582

The weighted average incremental borrowing rates applied to lease liabilities is 4.06% (2021: 5.3%).

應用於租賃負債的加權平均增量借款利率為4.06%(二零二一年：5.3%)。

Lease payables are denominated in following currencies:

應付租賃乃按下列貨幣計值：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
HK\$	港元	1,900	3,666
USD	美元	952	2,929
RMB	人民幣	21,617	7,881
		24,469	14,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

35. DEFERRED TAX ASSETS/LIABILITIES

The following is the deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the year:

Deferred tax liabilities:

35. 遞延稅項資產／負債

以下為本集團於年內已確認的遞延稅項負債及資產與相關變動：

遞延稅項負債：

		Undistributed earnings of subsidiaries	Revaluation of leasehold lands	Temporary differences arising from the adoption of HKFRS 15 採納香港財務報告準則第15號產生之暫時差額	Fair value adjustment on business combination 業務合併的公平值調整	Others 其他	Total 總計
		附屬公司未分之盈利 HK\$'000 千港元	租賃土地價值重估 HK\$'000 千港元	第15號產生之暫時差額 HK\$'000 千港元	業務合併的公平值調整 HK\$'000 千港元	其他 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	5,952	28,207	373	—	78	34,610
Charge to other comprehensive income for the year	於年內支賬至其他全面收益	—	943	—	—	—	943
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	637	—	637
Withholding tax paid	已付預扣稅	(2,744)	—	—	—	—	(2,744)
(Credit)/charge to profit or loss for the year (note 13)	於年內(入賬)/支賬至損益(附註13)	—	(963)	(377)	—	23	(1,317)
Exchange differences	匯兌差額	—	506	4	—	—	510
At 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日	3,208	28,693	—	637	101	32,639
Charge to other comprehensive income for the year	於年內支賬至其他全面收益	—	4,573	—	—	—	4,573
Credit to profit or loss for the year (note 13)	於年內入賬至損益(附註13)	—	(816)	—	(79)	—	(895)
Exchange differences	匯兌差額	—	(1,828)	—	—	—	(1,828)
At 31 December 2022	於二零二二年十二月三十一日	3,208	30,622	—	558	101	34,489

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

35. DEFERRED TAX ASSETS/LIABILITIES (Continued)

Deferred tax assets:

		Tax losses	Decelerated tax depreciation	Fair value adjustment on business combination	Total
		稅項虧損	減速稅項折舊	業務合併的公平值調整	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2021	於二零二一年一月一日	5,426	381	121	5,928
(Charge)/credit to profit or loss for the year (note 13)	於年內(支賬)/入賬至損益(附註13)	(4,541)	17	(24)	(4,548)
Exchange differences	匯兌差額	76	—	2	78
At 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日	961	398	99	1,458
Credit to profit or loss for the year (note 13)	於年內入賬至損益(附註13)	3,551	32	—	3,583
Exchange differences	匯兌差額	(189)	—	(8)	(197)
At 31 December 2022	於二零二二年十二月三十一日	4,323	430	91	4,844

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

就綜合財務狀況表而言，遞延稅項結餘(抵銷後)之分析如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	34,009	31,280
Deferred tax assets	遞延稅項資產	(4,364)	(99)
		29,645	31,181

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

35. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At 31 December 2022, the Group had unused tax losses of approximately HK\$281,191,000 (2021: HK\$279,698,000) which are available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$28,820,000 (2021: HK\$6,408,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$252,371,000 (2021: HK\$273,290,000) due to the unpredictability of future profit streams. The unused tax loss of the Group have not yet been agreed by respective tax authorities. The expiry date of unrecognised tax loss are summarised as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Year 2022	二零二二年	—	375
Year 2023	二零二三年	9,831	10,760
Year 2024	二零二四年	16,374	17,911
Year 2025	二零二五年	2,046	8,185
Year 2026	二零二六年	32,956	57,709
Year 2027	二零二七年	136,975	143,952
Year 2029	二零二九年	773	845
Year 2031	二零三一年	2,642	2,890
Year 2032	二零三二年	8,626	—
Year 2036	二零三六年	115	115
Year 2037	二零三七年	1,031	1,032
Year 2042	二零四二年	1,350	—
Carried forward indefinitely	無限期結轉	39,652	29,516
		252,371	273,290

At 31 December 2022, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operated in the PRC for which deferred tax liabilities have not been recognised is approximately HK\$51,388,000 (2021: HK\$39,016,000). No liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

35. 遞延稅項資產／負債(續)

於二零二二年十二月三十一日，本集團有未動用稅項虧損約281,191,000港元(二零二一年：279,698,000港元)可供抵銷未來溢利。就該等虧損約28,820,000港元(二零二一年：6,408,000港元)確認為遞延稅項資產。概無就該等剩餘252,371,000港元(二零二一年：273,290,000港元)確認為遞延稅項資產，因為未能確定未來溢利流入。有關本集團之未動用稅項虧損尚未獲得各稅務機構的同意。未確認稅務虧損的到期日概括如下：

於二零二二年十二月三十一日，與中國營運之附屬公司之未分派盈利有關之暫時差額總數(遞延稅項負債尚未確認)為約51,388,000港元(二零二一年：39,016,000港元)。本集團並無就暫時差額確認負債，原因為本集團能控制暫時差額的回撥時間，而該差額將不可能於可見未來回撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

36. SHARE CAPITAL

36. 股本

		Number of Shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	於二零二一年一月一日、二零二一年十二月三十一日、二零二二年一月一日及二零二二年十二月三十一日	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	於二零二一年一月一日、二零二一年十二月三十一日、二零二二年一月一日及二零二二年十二月三十一日	893,761,400	89,376

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

本集團管理其資本以確保本集團內之實體將可持續經營，而持份者亦可透過優化債務及權益結餘取得最大回報。本集團的整體策略與去年無異。

The capital structure of the Group consists of cash and cash equivalents and total equity, comprising issued share capital, reserves, retained earnings and non-controlling interests. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

本集團的資本架構包括現金及等同現金項目及權益總額，包括已發行股本、儲備、保留盈利及非控股權益。本公司董事每半年檢討一次資本架構。於進行檢討時，董事考慮資本成本及有關各類資本的風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債項或贖回現有債項，藉以平衡其整體資本架構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

36. SHARE CAPITAL (Continued)

The net debt to equity ratio at the year end is as follows:

36. 股本(續)

於年終的負債淨額與權益比率如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Debt (note (a))	負債(附註(a))	94,275	158,637
Less: Restricted bank deposits	減：有限制銀行存款	(1,860)	(2,029)
Bank and cash balances	銀行及現金結餘	(244,153)	(280,683)
Net debt	負債淨額	(151,738)	(124,075)
Equity (note (b))	權益(附註(b))	1,290,276	1,294,402
Net debt to equity ratio	負債淨額與權益比率	N/A不適用	N/A不適用

Notes:

- (a) Debt is defined as borrowings and lease liabilities as detailed in notes 32 and 34 to the consolidated financial statements.
- (b) Equity includes all capital and reserves of the Group.

附註：

- (a) 負債乃界定為借款及租賃負債，有關詳情載於綜合財務報表附註32及34。
- (b) 權益包括本集團所有資本及儲備。

The only externally imposed capital requirements for the Group are (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of its shares, and (ii) to meet financial covenants attached to the interest-bearing borrowings. The Group receives reports from major shareholders and other connected persons on any changes in shares held by them to ensure the continuing compliance with the 25% limit throughout the year. As at 31 December 2022, 34.04% (2021: 34.12%) of the shares were in public hands. There have been no breaches in the financial covenants of any interest-bearing borrowings as at 31 December 2022 and 2021.

本集團唯一向外承擔之資本規定為(i)具有不少於25%之公眾持股量以維持於聯交所之上市地位；及(ii)遵守附於計息借款之財務契約。本集團從主要股東及其他關連人士收取有關彼等所持有的股份之任何變動的報告，以確保年內持續遵守25%的限制。於二零二二年十二月三十一日，34.04%（二零二一年：34.12%）之股份由公眾持有。於截至二零二一年及二零二二年十二月三十一日止年度，概無違反任何計息借款之財務契約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

37. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

37. 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

	Note 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	467,740	467,040
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	248	234
Bank and cash balances	銀行及現金結餘	147	495
		395	729
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	14	14
Due to subsidiaries	應付附屬公司款項	166,696	165,684
Financial guarantee contracts liabilities	財務擔保合約負債	816	3,578
		167,526	169,276
Net current liabilities	流動負債淨值	(167,131)	(168,547)
NET ASSETS	資產淨值	300,609	298,493
Capital and reserves	資本及儲備		
Share capital	股本	36	89,376
Reserves	儲備	37(b)	211,233
TOTAL EQUITY	權益總額	300,609	298,493

Approved by the Board of Directors on 28 March 2023 and are signed on its behalf by:

經董事會於二零二三年三月二十八日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Wing Chuen
黃永銓
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

37. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

37. 本公司財務狀況表及儲備變動(續)

(b) Reserves movement of the Company

(b) 本公司之儲備變動

		Share premium	Retained profits	Share-based payments reserve	Total
		股份溢價	保留盈利	以股份支付之款項儲備	總數
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2021	於二零二一年一月一日	204,650	3,449	—	208,099
Dividends paid	已付股息	—	(35,750)	—	(35,750)
Profit for the year	年內溢利	—	36,768	—	36,768
At 31 December 2021	於二零二一年十二月三十一日	204,650	4,467	—	209,117
At 1 January 2022	於二零二二年一月一日	204,650	4,467	—	209,117
Dividends paid	已付股息	—	(29,494)	—	(29,494)
Share-based payments	以股份支付之款項	—	—	700	700
Profit for the year	年內溢利	—	30,910	—	30,910
At 31 December 2022	於二零二二年十二月三十一日	204,650	5,883	700	211,233

38. RESERVES

38. 儲備

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statements of changes in equity.

(a) 本集團

本集團的儲備款項及相關變動均於綜合損益及其他全面收益表及綜合權益變動表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

38. RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are 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.

(ii) Merger reserve

The merger reserve represents the aggregate of (i) the nominal value of the shares issued by Ka Fung Metal Manufactory Company Limited on 18 January 2005 in exchange for the business of Ka Fung Metal Manufactory, an unincorporated partnership established in Hong Kong and controlled by Mr. Lee; and (ii) the nominal value of the shares issued by the Company in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited.

(iii) Capital reserve

The capital reserve represents the amount of minority interests in Ka Fung Metal Manufactory Company Limited and Ka Fung Metal Manufactory acquired by the Group.

38. 儲備(續)

(b) 儲備之性質及目的

(i) 股份溢價

股份溢價乃指因按高於每股面值的價格發行股份而產生的溢價。根據開曼群島公司法，本公司的股份溢價賬的資金乃可分派予本公司的股東，惟緊隨股息建議分派之日後，本公司須有能力償還於日常業務過程中到期的債務。

(ii) 合併儲備

合併儲備指以下兩項的總和：(i) 嘉豐金屬製品廠有限公司於二零零五年一月十八日為換取嘉豐金屬製品廠（一間非按公司法註冊成立的合夥，在香港成立，並由李先生控制）之業務而發行的股份面值；及(ii)本公司為換取嘉瑞集團有限公司的全部股權而發行的股份面值。

(iii) 資本儲備

資本儲備指本集團收購嘉豐金屬製品廠有限公司及嘉豐金屬製品廠少數股東權益的款額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

38. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) Foreign currency translation reserve

The foreign currency 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 4(d)(iii) to the consolidated financial statements.

(v) Statutory reserve

The statutory reserve comprises the PRC statutory reserve fund which is non-distributable.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the statutory reserve fund reaches 50% of their registered capital. The statutory surplus reserve fund can be used to make up prior year losses or applied in conversion into capital.

38. 儲備(續)

(b) 儲備之性質及目的(續)

(iv) 匯兌儲備

匯兌儲備包括來自換算海外業務財務報表時產生的所有匯兌差額。該等儲備根據綜合財務報表附註4(d)(iii)所示會計政策處理。

(v) 法定儲備

法定儲備包括不可分派的中國法定儲備基金。

根據中國外商投資企業的相關法律及條例規定，本公司的中國附屬公司須根據中國會計法例及條例計算的除稅後溢利10%轉撥至法定儲備基金，直至累計法定儲備基金總額達到註冊資本的50%為止。法定盈餘儲備基金可用來填補過往年度虧損或撥入資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

38. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(vi) Land revaluation reserve

The land revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for leasehold lands in note 4(f) to the consolidated financial statements.

(vii) Share-based payments reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(u) to the consolidated financial statements.

39. SHARE-BASED PAYMENTS

(a) Share Option Scheme

Pursuant to a resolution passed in the annual general meeting of the Company held on 19 May 2017, a new share option scheme ("2017 Scheme") was adopted.

38. 儲備(續)

(b) 儲備之性質及目的(續)

(vi) 土地重估儲備

設立土地重估儲備乃根據綜合財務報表附註4(f)所載有關租賃土地而採納之會計政策。

(vii) 以股份支付之款項儲備

以股份支付之款項儲備指已授予本集團已確認之員工的實際或估計未行使的購股權數量的公平值，乃根據綜合財務報表附註4(u)中以股權結算以股份支付的款項所採用的會計政策處理。

39. 以股份支付之款項

(a) 購股權計劃

根據於二零一七年五月十九日舉行的本公司股東週年大會通過的決議案，新購股權計劃(「二零一七計劃」)已獲採納。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The purpose of the 2017 Scheme is to (i) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group. Eligible participants of the 2017 Scheme include (i) any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The 2017 Scheme became effective on 19 May 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the 2017 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2017 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

二零一七計劃目的在於(i)鼓勵合資格參與者為本集團利益最大程度提升表現及效率；及(ii)吸引並挽留目前、日後或預期對本集團長遠業務發展有裨益的合資格參與者或與彼等保持持續的業務關係。二零一七計劃合資格參與者包括(i)本集團或本集團持有權益公司或該公司之附屬公司(「聯屬人士」)的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商；或(ii)本集團或聯屬人士的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商作為受益人的任何信託或作為全權信託對象的任何全權信託的受託人；或(iii)由本集團或聯屬人士的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商實益擁有的公司。二零一七計劃於二零一七年五月十九日起生效，除非另行註銷或修訂，此購股權計劃將自該日起十年內有效。

根據二零一七計劃，目前允許授予的未行使購股權的最高數目上限等於其行使後的任何時間的本公司已發行股本10%。於任何十二個月期間，可發行予二零一七計劃各合資格參與者的最高股份數目上限不得超過本公司任何時候的已發行股份之1%。任何進一步授予此上限之購股權必須於股東大會上獲股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after meeting certain performance targets or certain vesting period that may be set by the directors, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the 2017 Scheme, if earlier.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

向本公司董事、行政總裁或主要股東或彼等各自的任何聯繫人士授出購股權，須待獨立非執行董事事先批准後方可進行。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等的任何聯繫人士授予的任何購股權，倘超過本公司不時已發行股份的0.1%或總值(按授出日期本公司股份收市價計算)超過5,000,000港元者，須待股東於股東大會上批准後方可進行。

承授人支付合共10港元的象徵式代價後，邀約購股權之日起30日內授出購股權便屬獲得接納。獲授購股權的行使期由董事釐定，並符合由董事釐定的若干表現目標及歸屬期後開始，而屆滿日期不得遲於提出購股權繳約日期起計10年或二零一七計劃屆滿日期(以較早者為準)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

On 31 October 2022, the Group granted 40,210,000 share options with exercise price of HK\$0.39 per share to certain directors, employees and consultants. The share options shall be exercisable in whole or in parts from the date of grant until 31 October 2027 and subject to the following vesting period. 50% of the share options will vest on each of 31 October 2023 and 2024 respectively.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

購股權的行使價由董事釐定，惟不得低於以下最高者：(i)本公司股份於購股權授出日期在聯交所的收市價；(ii)股份於購股權授出日期前五個交易日在聯交所的平均收市價；及(iii)本公司股份於授出日期的面值。

購股權持有人無權獲派股息或於股東大會上投票。

於二零二二年十月三十一日，本集團以每股0.39港元的行使價向若干董事、僱員及顧問授出40,210,000份購股權。該等購股權自授出當日直至二零二七年十月三十一日止可全部或部分行使，並受下列歸屬期的規限。50%的購股權將分別於二零二三年及二零二四年十月三十一日歸屬。

已向顧問授出的購股權為有助於本集團拓展其業務網絡、收購及探索新業務項目及機遇的獎勵。該福利的公平值未能可靠估計，因此，該公平值經參考已授出購股權的公平值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The estimated fair value of the options at the date of grant on 31 October 2022 was approximately HK\$5,569,000. The fair value calculated was inherently subjective and uncertain due to the assumptions made and the limitations of the model used.

The fair value was calculated using the binomial option pricing model. The inputs into the model are as follows:

		2022 二零二二年
Weighted average exercise price	加權平均行使價	HK\$0.39港元
Expected volatility	預期波動率	60.84%
Risk free rate	無風險利率	4.142%
Expected dividend yield	預期股息收益率	8.46%

Notes:

- Expected volatility was determined by calculating the historical volatility of the Company's share price.
- Expected dividend yield was based on the historical dividend yield of the Company.

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

於授出日期的購股權估計公平值於二零二二年十月三十一日約為5,569,000港元。經計算的公平值公平值具主觀性且由於所作假設及所採用模型的局限性而具有不確定性。

公平值乃採用二項式期權定價模型計算。該模型的輸入數據如下：

附註：

- 預期波動率乃通過計算本公司股價的過往波動率而釐定。
- 預期股息收益率乃以本公司過往股息收益率為基準。

倘購股權自授出當日起計5年後尚未行使，則該等購股權屆滿。倘僱員離開本集團，則沒收該等購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Details of the movement of share options during the year are as follows:

		2022 二零二二年		2021 二零二一年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	—	—	—	—
Granted during the year	年內已授出	40,210,000	0.39	—	—
Forfeited during the year	年內已沒收	—	—	—	—
Exercised during the year	年內已行使	—	—	—	—
Expired during the year	年內已屆滿	—	—	—	—
Outstanding at the end of the year	年末尚未行使	40,210,000	0.39	—	—
Exercisable at the end of the year	年末可行使	—	—	—	—

The options outstanding at the end of the year have a weighted average remaining contractual life of 4.84 years (2021: Nil) and the exercise prices of HK\$0.39 (2021: Nil).

年末尚未行使的購股權之加權平均餘下已訂約年限為4.84年(二零二一年：無)及行使價為0.39港元(二零二一年：無)。

39. 以股份支付之款項(續)

(a) 購股權計劃(續)

年內購股權變動詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

39. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme

The Company adopted a share award scheme (the "Share Award Scheme") on 10 January 2013 ("Adoption Date") for a period of 10 years. The purpose and objective of the Share Award Scheme are to recognise the contributions by certain employees and persons of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has set up a Share Award Scheme Trust. Pursuant to the Share Award Scheme, new awarded shares may be allotted and issued to the independent trustee under general mandates granted or to be granted by the shareholders at general meetings of the Company from time to time and be held in trust for relevant participants until such shares are vested with the relevant participants in accordance with the provisions of the Share Award Scheme.

Subject to any early termination as may be determined by the Board of the Company, the Share Award Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date.

The maximum number of shares awarded under the Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the Adoption Date.

The maximum number of shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

As at 31 December 2022, the number of awarded shares available to grant under the Share Award Scheme was 44,311,770 (2021: 44,311,770). For the year ended 31 December 2022, no awarded shares were granted pursuant to the Share Award Scheme (2021: Nil).

The Share Award Scheme was expired subsequently on 9 January 2023.

39. 以股份支付之款項(續)

(b) 股份獎勵計劃

本公司於二零一三年一月十日(「採納日期」)採納股份獎勵計劃(「股份獎勵計劃」)，為期十年。股份獎勵計劃之目的及目標在表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。本公司已設立一個股份獎勵計劃信託。根據股份獎勵計劃，可根據股東於本公司之股東大會上已授出或不時授出之一般授權向獨立受託人配發及發行新獎勵股份，並以信託形式代有關參與者持有，直至有關股份根據股份獎勵計劃的條文歸屬於有關參與者為止。

在本公司董事會可決定提早終止的規限下，股份獎勵計劃將由採納日期起十年期間有效及生效。

根據股份獎勵計劃授出的股份最高數目不得超過於採納日期本公司已發行股本的5%。

根據股份獎勵計劃向一名經甄選人士可能授出的股份最高數目不得超過於採納日期本公司已發行股本的1%。

於二零二二年十二月三十一日，按股份獎勵計劃可授出之獎勵股份為44,311,770股股份(二零二一年：44,311,770股股份)。於截至二零二二年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份(二零二一年：無)。

股份獎勵計劃隨後於二零二三年一月九日失效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

40. 綜合現金流量表附註

(a) Cash flows from operating activities

(a) 經營業務之現金流量

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Profit from operations	經營溢利	79,176	153,886
Adjustments for:	已作出下列調整：		
Interest income	利息收入	(952)	(1,042)
Impairment losses for trade receivables/(reversals of impairment losses on trade receivables)	(貿易應收款項減值虧損)/貿易應收款項減值虧損回撥		
		52	(242)
Bad debts written off	壞賬撇銷	177	1,511
Allowance for inventories, net	存貨撥備淨值	5,134	14,313
Net loss on disposal of property, plant and equipment	出售物業、機器及設備之淨虧損	3,392	1,237
Property, plant and equipment written off	物業、機器及設備撇銷	666	1,178
Loss on deregistration of a subsidiary	註銷一間附屬公司的虧損	—	100
Loss on revaluation of land	土地價值重估虧損	10	708
Net fair value (gain)/loss on derivative financial instruments	衍生金融工具公平值淨(收益)/虧損	(2,355)	3,665
Amortisation of intangible assets	無形資產攤銷	453	25
Depreciation of property, plant and equipment	物業、機器及設備折舊	85,391	78,156
Depreciation on right-of-use assets	使用權資產折舊	19,805	16,704
Fair value losses of loan from non-controlling interests	非控股權益貸款公平值虧損	168	—
Share-based payments	以股份支付之款項	700	—
Gain on early termination of lease	提前終止租賃收益	(124)	—
Operating profit before movements in working capital	未計營運資金變動前的經營溢利	191,693	270,199
Increase in inventories	存貨增加	(9,793)	(39,042)
Decrease in right of return assets	退貨權資產減少	—	40
Increase in restricted bank balances	有限制銀行存款增加	(6)	(6)
Decrease/(increase) in trade and bills receivables	貿易及票據應收款項減少/(增加)	47,421	(55,401)
Decrease/(increase) in contract assets	合約資產減少/(增加)	2,712	(2,860)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	5,779	(826)
(Increase)/decrease in due from associates	應收聯營公司款項(增加)/減少	(490)	53
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加	(25,038)	15,853
Increase/(decrease) in contract liabilities	合約負債增加/(減少)	757	(6,244)
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)/增加	(11,103)	2,690
(Decrease)/increase in due to associates	應付聯營公司款項(減少)/增加	(43)	119
Increase in derivative financial instruments	衍生金融工具公平值增加	—	(1,579)
Cash generated from operations	經營所得現金	201,889	182,996
Income tax paid	已付所得稅	(32,959)	(7,665)
Interest paid on bank borrowings	已付銀行借款利息	(2,941)	(2,641)
Interest paid on lease liabilities	已付租賃負債利息	(1,059)	(618)
Net cash generated from operating activities	經營業務所得現金淨額	164,930	172,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary

On 10 December 2021, the Group (through Capital Link Holdings Limited ("CLHT"), a wholly owned subsidiary) acquired 70% of the registered capital of GPTL for a total consideration of HK\$7,700,000. GPTL was engaged in trading of building materials and engine motors during the year. The acquisition is for the purpose of matching the Group's strategies to broaden its product portfolio to engine motors.

The fair value of the identifiable assets and liabilities of GPTL acquired as at the date of acquisition are as follows:

40. 綜合現金流量表附註(續)

(b) 收購附屬公司

於二零二一年十二月十日，本集團（透過一間全資附屬公司嘉盈集團有限公司（「嘉盈集團」））收購綠圖交通註冊資本的70%，總代價為7,700,000港元。綠圖交通於年內從事建築材料及發動機貿易。收購目的乃為配合本集團將其產品組合擴展至發動機的策略。

所購綠圖交通的可識別資產及負債於收購日期的公平值如下：

		HK\$'000 千港元
Net assets acquired:	所購淨資產：	
Intangible assets	無形資產	3,860
Due from CLHT	應收嘉盈集團款項	10,500
Due from non-controlling interests	應收非控股權益款項	4,511
Other receivables	其他應收款項	13
Bank and cash balances	銀行及現金結餘	268
Tax payables	應付稅項	(3)
Loan from CLHT	來自嘉盈集團的貸款	(10,500)
Loan from non-controlling interest (note 32)	來自非控股權益的貸款 (附註32)	(803)
Deferred tax liabilities	遞延稅項負債	(637)
		7,209
Non-controlling interests	非控股權益	(2,163)
Goodwill (note 21)	商譽(附註21)	2,654
		7,700
Satisfied by:	以下列方式支付：	
Cash consideration paid	已付現金代價	7,700
Net cash outflow arising on acquisition:	收購時產生之淨現金流出：	
Cash consideration paid	已付現金代價	(7,700)
Cash and cash equivalents acquired	所購現金及等同現金項目	268
		(7,432)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of a subsidiary (Continued)

The fair value of the loan from non-controlling interests of approximately HK\$803,000 was estimated by applying the income approach. The fair value estimates are based on an assumed discount rate 20%.

Acquisition-related costs of approximately HK\$135,000 have been charged to general and administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2021.

The goodwill arising on the acquisition of GPTL is attributable to the anticipated future operating synergies from the combination.

GPTL contributed approximately HK\$Nil and HK\$208,000 to the Group's revenue and loss for the year between the date of acquisition and 31 December 2021.

If the acquisition had been completed on 1 January 2021, total Group revenue for the year ended 31 December 2021 would have been approximately HK\$1,715,725,000, and profit for the year ended 31 December 2021 would have been approximately HK\$127,823,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is intended to be a projection of future results.

40. 綜合現金流量表附註(續)

(b) 收購附屬公司(續)

來自非控股權益的貸款的公平值約803,000港元乃使用收入法估計。公平值估計乃基於假定貼現率20%計算。

收購相關成本約135,000港元已計入截至二零二一年十二月三十一日止年度的綜合損益表內的一般及行政開支中。

收購綠圖交通時產生之商譽歸屬於合併後的預期未來經營協同效應。

自收購日期起至二零二一年十二月三十一日，綠圖交通為本集團的年內收入及虧損分別貢獻約零港元及208,000港元。

倘收購已於二零二一年一月一日完成，本集團截至二零二一年十二月三十一日止年度的總收入將為約1,715,725,000港元，而截至二零二一年十二月三十一日止年度的溢利將為約127,823,000港元。備考資料僅供說明用途，未必為倘收購已於二零二一年一月一日完成時本集團實際將實現的收入及經營業績的指標，亦非對未來業績的預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Major non-cash transaction

Included in the additions of property, plant and equipment was an amount of approximately HK\$10,061,000 (2021: HK\$13,728,000) which was transferred from deposits paid for acquisition of property, plant and equipment.

Additions of right-of-use assets during the year of approximately HK\$18,334,000 (2021: HK\$4,636,000) were financed by lease liabilities.

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 綜合現金流量表附註(續)

(c) 主要非現金交易

計入添置物業、機器及設備為約10,061,000港元(二零二一年:13,728,000港元)，乃由預付購買物業、機器及設備的按金所轉入。

年內使用權資產增加約18,334,000港元(二零二一年:4,636,000港元)，由租賃負債撥付。

(d) 融資活動產生的負債對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

	1 January 2022	Addition of leases	Lease modification	Early termination	Cash Flows, net (Note)	Interest expenses	Exchange difference	Fair value change	31 December 2022
	二零二二年 一月一日	新增租賃	租賃修改	提前終止	淨現金流 (附註)	利息開支	匯兌差額	公平值變更	二零二二年 十二月 三十一日
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Bank borrowings (note 32) 銀行借款 (附註32)	143,358	-	-	-	(75,015)	2,941	(2,449)	-	68,835
Loan from non-controlling interests (note 32) 非控股權益的貸款 (附註32)	803	-	-	-	-	-	-	168	971
Lease liabilities (note 34) 租賃負債 (附註34)	14,476	18,334	9,027	(3,583)	(14,308)	1,059	(536)	-	24,469
	158,637	18,334	9,027	(3,583)	(89,323)	4,000	(2,985)	168	94,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

40. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Reconciliation of liabilities arising from financing activities (Continued)

	1 January 2021	Addition of leases	Lease modification	Early termination	Cash Flows, net (Note)	Interest expenses	Exchange difference	Fair value adjustment on business combination	31 December 2021
	二零二一年一月一日	新增租賃	租賃修改	提前終止	淨現金流 (附註)	利息開支	匯兌差額	業務合併的公平值調整	二零二一年十二月三十一日
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Bank borrowings (note 32) 銀行借款 (附註32)	153,458	—	—	—	(13,624)	2,641	883	—	143,358
Loan from non-controlling interests (note 32) 非控股權益的貸款 (附註32)	—	—	—	—	4,500	—	—	(3,697)	803
Lease liabilities (note 34) 租賃負債 (附註34)	18,078	4,636	894	—	(10,006)	618	256	—	14,476
	171,536	4,636	894	—	(19,130)	3,259	1,139	(3,697)	158,637

Note: Included in cash flows was interest paid which was included in cash flows from operating activities.

附註：計入現金流量包含計入經營活動現金流量的已付利息。

(e) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

(e) 租賃現金流量總額

計入現金流量表的租賃包括下列金額：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within operating cash flows 在經營現金流量之內		1,917	1,385
Within financing cash flows 在融資現金流量之內		13,249	9,388
		15,166	10,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

41. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of one to five years (2021: one to five years). The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2022, minimum lease payments receivable on leases are as follows:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within one year	一年內	236	122
In the second year	第二年	236	72
In the third year	第三年	236	—
In the fourth year	第四年	236	—
		944	194

Operating leases relate to factory owned by the Group leased to a retailer with lease terms of 5 years (2021: 5 years). The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group as lessee

The Group regularly entered into short-term leases for warehouses, staff quarters and factories. As at 31 December 2022, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20.

41. 經營租賃承擔

本集團作為出租人

本集團按經營租賃安排出租其物業，租期為一年至五年(二零二一年：一年至五年)。租賃提供一般以現行市場情況作定期租金調整之條款。

於二零二二年十二月三十一日，本集團應收最低租賃款項總額如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within one year	一年內	236	122
In the second year	第二年	236	72
In the third year	第三年	236	—
In the fourth year	第四年	236	—
		944	194

關於本集團擁有的工廠租賃予零售商之經營租賃，租賃期為五年(二零二一年：五年)。承租人無權在租賃期屆滿時購買該物業。

本集團作為承租人

本集團定期訂立倉庫、員工宿舍和工廠短期租賃。於二零二二年十二月三十一日，短期租賃投資組合為與附註20中披露的短期租賃支出相似的短期租賃投資組合。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

42. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Commitment in respect of acquisition of property, plant and equipment (note)	38,681	49,622

Note: The amount represents the unpaid contractual commitment for the acquisition of property, plant and equipment after netting off with the deposits paid for acquisition of property, plant and equipment included in the consolidated statement of financial position.

42. 資本承擔

於報告期間完結日，本集團的資本承擔如下：

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
收購物業、機器及設備承擔 (附註)	38,681	49,622

附註： 該款項為收購物業、機器及設備的未付合約承擔，並經扣除已計入綜合財務狀況表中就收購物業、機器及設備的已付按金。

43. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related party during the year:

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Rental income from an associate (note (i))	295	473
Purchase from an associate (note (i))	43	193
Purchase of properties from directors (note (ii))	7,534	—

Notes:

(i) The above transactions were entered with the related parties on terms mutually agreed by individual parties. In the opinion of the directors of the Group, these related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

43. 關聯方交易

(a) 除於綜合財務報表其他部份所披露的關聯人士交易及結餘外，年內本集團曾與關聯方進行以下交易：

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
來自聯營公司的租金收入 (附註(i))	295	473
向聯營公司購買 (附註(i))	43	193
向董事購買物業 (附註(ii))	7,534	—

附註：

(i) 上述交易均與關聯方按照各方互相協定的條款進行。本集團董事認為，該等關聯方交易乃根據一般商業條款於本集團日常業務的一般過程中進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

43. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes: (Continued)

- (ii) On 19 December 2022, an indirect wholly-owned subsidiary of the Company (the "Purchaser") entered into the sale and purchase agreement with vendors Mr. Lee ((being the chairman of the Board of directors, an executive director and controlling shareholder of the Company) and Ms. Chan (being the executive director of the Company) pursuant to which the Purchaser has agreed to acquire the entire issued share capital of Bestgrand Enterprises Limited ("Bestgrand") at a consideration of HK\$7,534,000 ("Acquisition"). Mr. Lee was the sole legal and beneficial owner of Bestgrand before the Acquisition. As at 19 December 2022, the net asset value of Bestgrand was HK\$7,534,000, representing the appraised value of the properties comprising of building of HK\$706,000 and right-of-use assets of HK\$6,828,000, respectively.

- (b) During the year, compensation paid by the Group to the key management personnel, which were the directors and chief executive officer of the Company, was disclosed in note 16 to the consolidated financial statements.

44. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

43. 關聯方交易(續)

(a) (續)

附註：(續)

- (ii) 於二零二二年十二月十九日，本公司之一家間接全資附屬公司(「買方」)與賣方李先生(即本公司董事會主席、執行董事兼控股股東)及賣方陳女士(即本公司執行董事)訂立買賣協議。據此，買方已同意收購百亨企業有限公司(「百亨」)的全部已發行股本，代價為7,534,000港元(「收購事項」)。李先生於收購事項前為百亨唯一法定及實益擁有人。於二零二二年十二月十九日，百亨的資產淨值為7,534,000港元，相當於物業的估計價值(其中分別包括706,000港元的樓宇及6,828,000港元的使用權資產)。

- (b) 年內，本集團已付主要管理人員(為本公司董事及行政總裁)酬金乃於綜合財務報表附註16中披露。

44. 比較數字

某些比較數字已重新分類以符合本年度的列報。會計項目的新分類被認為可以更適當地反映本集團的狀況。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 December 截至十二月三十一日止年度					
		2018	2019	2020	2021	2022	
		二零一八年	二零一九年	二零二零年	二零二一年	二零二二年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
RESULTS	業績						
Revenue	收入	1,852,329	1,554,364	1,469,237	1,714,549	1,504,439	
Profit before tax	除稅前溢利	125,907	101,331	154,050	150,572	73,953	
Income tax expense	所得稅開支	(12,505)	(14,569)	(31,295)	(22,835)	(5,095)	
Profit for the year	年內溢利	113,402	86,762	122,755	127,737	68,858	
Attributable to:	以下人士應佔權益：						
— Owners of the Company	— 本公司權益持有人	113,556	88,705	123,991	131,139	74,844	
— Non-controlling interests	— 非控股權益	(154)	(1,943)	(1,236)	(3,402)	(5,986)	
		113,402	86,762	122,755	127,737	68,858	
		As at 31 December 於十二月三十一日					
		2018	2019	2020	2021	2022	
		二零一八年	二零一九年	二零二零年	二零二一年	二零二二年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
ASSETS AND LIABILITIES	資產及負債						
Total assets	總資產	1,719,695	1,635,386	1,697,045	1,832,693	1,710,660	
Total liabilities	總負債	(761,835)	(627,431)	(517,737)	(538,291)	(420,384)	
Net assets	淨資產	957,860	1,007,955	1,179,308	1,294,402	1,290,276	



KaShui¹⁹⁸⁰

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