



CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED 中木國際控股有限公司

(Joint Provisional Liquidators appointed)
(已委任共同臨時清盤人)

(For restructuring purposes only)
(僅適用於公司重組)

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 1822)

ANNUAL REPORT
年報
2022



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Corporate Information

公司資料

DIRECTORS

Executive Director

Mr. Lyu NingJiang (*Chairman and Chief Executive Officer*)

Non-executive Director

Mr. Hu YongGang

Independent Non-executive Directors

Mr. Zhao Xianming

Mr. Chan Lik Shan

(appointed on 27 January 2023)

Mr. So Yin Wai

COMPANY SECRETARY

Mr. Lee Pak Chung

AUTHORISED REPRESENTATIVES

Mr. Lyu NingJiang

Mr. Lee Pak Chung

董事

執行董事

呂寧江先生 (*主席兼首席執行官*)

非執行董事

胡永剛先生

獨立非執行董事

趙憲明先生

陳力山先生

(於二零二三年一月二十七日獲委任)

蘇彥威先生

公司秘書

李柏聰先生

授權代表

呂寧江先生

李柏聰先生

Corporate Information 公司資料

AUDIT COMMITTEE

Mr. Zhao Xianming (*Chairman*)
Mr. Chan Lik Shan
(appointed on 27 January 2023)
Mr. So Yin Wai

NOMINATION COMMITTEE

Mr. Lyu NingJiang (*Chairman*)
Mr. Zhao Xianming
Mr. Chan Lik Shan
(appointed on 27 January 2023)
Mr. So Yin Wai

REMUNERATION COMMITTEE

Mr. Zhao Xianming (*Chairman*)
Mr. Chan Lik Shan
(appointed on 27 January 2023)
Mr. So Yin Wai

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

審核委員會

趙憲明先生 (*主席*)
陳力山先生
(於二零二三年一月二十七日獲委任)
蘇彥威先生

提名委員會

呂寧江先生 (*主席*)
趙憲明先生
陳力山先生
(於二零二三年一月二十七日獲委任)
蘇彥威先生

薪酬委員會

趙憲明先生 (*主席*)
陳力山先生
(於二零二三年一月二十七日獲委任)
蘇彥威先生

香港股份登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

Corporate Information 公司資料

WEBSITE

www.chinawoodint.com.hk

STOCK CODE

01822

LEGAL ADVISOR

(Hong Kong Law)
Michael Li & Co
19/F., Prosperity Tower,
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Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd. Hong Kong Branch

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
24/F., Siu On Centre
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Hong Kong

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1601, 16/F., Sun House
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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24 Shedden Road
George Town Grand Cayman KY1-1110
Cayman Islands

網址

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股份代號

01822

法律顧問

(香港法例)
李智聰律師事務所
香港
皇后大道中39號
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主要往來銀行

交通銀行股份有限公司，香港分行

核數師

長青(香港)會計師事務所有限公司
執業會計師
香港
灣仔駱克道188號
兆安中心24樓

註冊辦事處

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

總辦事處及香港主要營業地點

香港
干諾道中90號
大新行16樓1601室

主要股份過戶登記處

Suntera (Cayman) Limited
3rd Floor, Royal Bank House
24 Shedden Road
George Town Grand Cayman KY1-1110
Cayman Islands

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

To all shareholders,

In 2022 (the “Year”), the outbreak of the novel coronavirus (“COVID-19”) continued to rage around the world, with continued emergence of new variants during the Year, slowing economic growth of the PRC. At the same time, there has been slump in activities in the retail sector and property sector during the Year, driven by the resurgence of the COVID-19, tightening government policy and multiple lockdowns in the PRC. As a result, the business environment in which the Group operates remains to be challenging and tough during the Year.

Wood-related Business

During the Year, the Company has exerted considerable efforts in further developing its core wood-related business, including wood management, distribution and processing of wood and timber products by expanding its business to the downstream of the supply chain into antique-style wood furniture manufacturing, processing, and sales, for which the products are primarily made of red mahogany wood and yellow sandalwood.

It is the Group’s intention to venture into an eco-friendly industry for the benefit and well-being of society, all mankind, and their descendants. The Directors believe that by taking part in the development of an environment-focused wood industry, it will be meaningful and beneficial to the future of the Group and society as a whole.

With the continuous efforts of the Company and the valuable expertise and extensive business connections brought to the Group by Mr. Lyu, the revenue generated from the wood-related business has increased substantially from approximately HK\$104.4 million in 2021 to approximately HK\$133.0 million in the Year.

業務回顧

致全體股東：

於二零二二年（「年內」），新型冠狀病毒（「**新型冠狀病毒**」）的爆發繼續在全球肆虐，隨著年內不斷的新變體的出現，滯緩中國經濟增長。與此同時，由於新型冠狀病毒疫情捲土重來、於中國的緊縮型政府政策及多次封鎖，零售板塊及房地產板塊於年內下滑。因此，於年內，本集團運營的業務環境仍然充滿挑戰及頗為艱難。

木材相關業務

於年內，本公司付出相當大努力，透過將業務擴展至供應鏈下游進入仿古木傢俬（產品主要由紅桃木及黃檀木製成）的製造、加工及銷售，進一步開發其核心木材相關業務（包括木材管理、以及木材及木材產品的加工及分銷）。

本集團擬涉足環保產業，造福社會、全人類及其後代。董事會認為參與環保木材業的發展對日後本集團及整個社會是有意義及有益的。

鑒於本公司的不斷努力及呂先生為本集團帶來的寶貴專業知識及廣泛的業務關係，木材相關業務產生的收益由二零二一年的約104,400,000港元顯著增加至年內的約133,000,000港元。

Management Discussion and Analysis

管理層討論及分析

Processing and distribution of furniture wood

Since late 2020, the Group has established China Wood Green Resources (Shenzhen) Co., Limited* 中木綠色資源(深圳)有限公司 (“**CWGreen**”), a wholly-owned subsidiary of the Group, as the main operating company to develop the Group’s core wood-related business, which is principally engaged in the provision of comprehensive supply chain management services and the processing and distribution of a variety of furniture woods, which mainly comprise of red mahogany wood, sandalwood, rosewood, pine wood, and fir wood, sourced in the PRC and overseas.

The Group’s revenue generated from the processing and distribution of furniture wood for the Year amounted to approximately HK\$120.4 million (2021: approximately HK\$104.4 million).

Manufacturing and sales of antique-style wood furniture and other wooden products

In addition to the processing and distribution of furniture wood business, CWGreen has further tapped into the downstream sector of the wood-related business, being the manufacturing and sales of antique-style wood furniture and other wooden products in 2022. The antique-style wood furniture is mostly made of red mahogany wood as raw material, which is professionally designed by the in-house product design and development department of the Group. Such wood furniture is considered to be high-end with artistic value, which is primarily treated as decorative arts with practical functions. As such, both general consumers and art collectors in the market are attracted to the Group’s antique-style wood furniture. Besides, the Group also designs common indoor wood products made of less expensive wood materials, which offer affordable pricing to the general consumers and enable the Group to expand and diversify its customer base.

The Group’s revenue generated from the manufacturing and sales of antique-style wood furniture and other wooden products amounted to approximately HK\$12.6 million for the Year (2021: HK\$Nil).

傢俬木材加工及分銷

自二零二零年底以來，本集團成立全資附屬公司中木綠色資源(深圳)有限公司(「**中木綠色**」)，作為主要運營公司以發展本集團核心木材相關業務，其主要從事提供綜合供應鏈管理服務及各種傢俬木材(主要包括在中國及海外採購的紅桃木、檀香木、薔薇木、松木及冷杉木)的加工及分銷。

本集團於年內自傢俬木材加工及分銷產生的收益約120,400,000港元(二零二一年：約104,400,000港元)。

仿古木傢俬及其他木材產品的製造及銷售

除加工及分銷傢俬用木材業務外，中木綠色於二零二二年進一步踏入木材相關業務的下游行業，即仿古木傢俬及其他木材產品的製造及銷售。仿古木傢俬多以紅桃木為原材料並由本集團內部產品設計及開發部門專業設計。該木傢俬被認為是具有藝術價值的高端產品，主要用作具有實用價值的裝飾品。因此，本集團仿古木傢俬受到市面上的普通消費者及藝術品收藏家青睞。此外，本集團亦為普通消費者設計了性價比更高的大眾室內木材產品，令本集團擴大及多元化其客戶群。

本集團於年內自仿古木傢俬及其他木材產品的製造及銷售產生的收益約12,600,000港元(二零二一年：零港元)。

* For identification purposes only

Management Discussion and Analysis

管理層討論及分析

Car Rental Business

The Car Rental Business has been one of the core businesses of the Group since 2014. Beijing Tu An Car Rental Services Limited* (北京途安汽車租賃有限責任公司) (“**Beijing Tu An**”), an indirect wholly-owned subsidiary of the Company, has been responsible for operating the Group’s car rental services business in the PRC.

The normal rental terms of Beijing Tu An’s car fleet with its customers ranges from three months to two years or longer. Premium customers of Beijing Tu An would specify the brand and model of the rented car and Beijing Tu An would acquire the rented car according to premium customers’ requirements. By the end of the contractual term, Beijing Tu An will retain the right to dispose of the used car and keep the proceed, as income. The rental charged by Beijing Tu An to its customers is made with reference to current rental rates for each particular car models and adjusted according to the then prevailing market condition.

In 2021, Beijing Tu An has entered into a vehicles rental agreement in Beijing (the “**VRA**”) with 北京德潤豐汽車租賃有限公司 (“**Beijing DeRunFeng**”), a company founded and owned by the non-executive director of the Company, Mr. Hu YongGang, for the supply of its existing car fleet to Beijing Tu An to further develop its business. Under the VRA, Beijing Tu An has leased from Beijing DeRunFeng a total of sixteen (16) premium executive cars together with vehicle licenses for Beijing Tu An’s car rental business to let out to its customers.

For the Year, the car rental business segment of the Group recorded a revenue of approximately HK\$11.9 million (2021: approximately HK\$11.2 million).

汽車租賃業務

自二零一四年起，汽車租賃業務一直為本集團核心業務之一。本公司間接全資附屬公司北京途安汽車租賃有限責任公司（「**北京途安**」）負責在中國經營本集團的汽車租賃服務業務。

北京途安的車隊與其客戶的正常租期介乎三個月至兩年或更長。北京途安的高端客戶可指定租賃車輛的品牌及型號，而北京途安將根據高端客戶的要求購入該租賃車輛。於合約期結束，北京途安將保留處置二手車及將所得款項留存為收入的權利。北京途安向其客戶收取的租金乃經參考各特定車型的當前租金並根據當時的市況進行調整。

於二零二一年，北京途安在北京與北京德潤豐汽車租賃有限公司（「**北京德潤豐**」，由本公司非執行董事胡永剛先生創立及擁有的公司）訂立車輛租賃協議（「**車輛租賃協議**」），向北京途安供應其現有車隊以進一步發展其業務。根據車輛租賃協議，北京途安合共自北京德潤豐租賃十六(16)輛高級行政用車連同車輛牌照，以便北京途安進行汽車租賃業務，將該等車輛出租予其客戶。

於年內，本集團汽車租賃業務分部錄得約11,900,000港元（二零二一年：約11,200,000港元）之收益。

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Management Discussion and Analysis

管理層討論及分析

FUTURE OUTLOOK

Since 2020, the Group has been continuously developing its core wood-related business, which included the processing and distribution of furniture wood business, and manufacturing and sales of antique style wood furniture and other wooden products. The Directors believe that the Group has accumulated its experience and expertise in the wood-related business, and will continue to develop and expand its operations in the foreseeable future.

The Group plans to increase market penetration of its antique-style wood furniture and other wooden products by diversifying its sales and distribution channels.

The Directors also plan to deploy additional marketing and promotional expenses for the Group's products to further tap into and enhance brand awareness in various online platforms in the PRC.

The Group will continue to explore potential opportunities for strategic cooperation with market players such as China Construction Eighth Engineering Division Corp. Ltd.* (中建八局發展建設有限公司), which is an enterprise approved by the Ministry of Housing and Urban-Rural Development of the PRC as a qualified enterprise for new housing construction and Qingdao Hisense Real Estate Co. Ltd.* (青島海信房地產股份有限公司), one of the leading property developers originated in the Shandong province, in the mid-stream to downstream of the industry value chain, such as real estate developers, high-end furniture brand retailers, logistics management services providers, as well as management expertise to further expand the Group's wood-related business.

未來展望

本集團自二零二零年起一直在持續發展其核心木材相關業務(包括傢俬木材業務的加工及分銷,以及仿古木傢俬及其他木材產品的製造及銷售)。董事認為,本集團已在木材相關業務積累了經驗及專業知識,並將於可見將來繼續發展及擴大其營運。

本集團計劃透過多元化其銷售及分銷渠道增加仿古木傢俬及其他木材產品的市場滲透率。

董事亦計劃部署額外市場推廣及宣傳開支,以將本集團產品進一步推向中國多個線上平台及提高品牌認知度。

本集團將繼續探尋與行業供應鏈中游至下游的市場參與者(如中建八局發展建設有限公司(為一間獲中華人民共和國住房和城鄉建設部批准為新房建設合資格企業的企業)及青島海信房地產股份有限公司(山東省領先的房地產開發商之一))(如房地產開發商、高端傢俬品牌零售商、物流管理服務提供商以及管理專業人才)進行戰略合作的潛在機遇,以進一步擴大本集團的木材相關業務。

* For identification purposes only

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESTRUCTURING

Appointment of the Joint Provisional Liquidators for restructuring purpose in Cayman Islands

Having explored different options to restructure the debts of the Company, the Board decided to implement a management led restructuring under a court-supervised provisional liquidation regime pursuant to the laws of the Cayman Islands, commonly known as a “light touch” provisional liquidation, which provides a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of the Grand Court of the Cayman Islands (the “**Cayman Court**”) in the Cayman Islands.

Accordingly, in order to facilitate the Company’s financial restructuring, a winding up petition together with an application for the appointment (the “**JPL Application**”) of joint and several provisional liquidators (the “**JPLs**”) of the Company (for restructuring purposes) on a light touch approach for restructuring purposes was presented and filed with the Cayman Court by the Company.

The JPL Application was heard before the Cayman Court on 2 February 2021 (Cayman Islands time). The Cayman Court made the orders as sought by the Company under the JPL Application, inter alia, Osman Mohammed Arab and Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited, and Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd., were appointed as JPLs of the Company on a light touch approach for restructuring purpose. Please refer to the announcements of the Company dated 2 February 2021 and 5 February 2021 for details.

On 28 January 2022, the Company’s solicitors has taken out an ex parte originating summons with the High Court of the Hong Kong Special Administrative Region (the “**Hong Kong Court**”) for the hearing on 8 February 2022 of an application by the Company for an order to convene a meeting of the creditors (the “**Scheme Meeting**”) of the Company to consider and, if thought fit, approve, with or without modification, a scheme of arrangement (the “**Scheme**”) proposed by the Company, pursuant to section 670 of the Companies Ordinance (Cap. 622). By an order of the Hong Kong Court, the Scheme Meeting was to be convened on 11 March 2022.

財務重組

就重組於開曼群島委任共同臨時清盤人

經探討重組本公司債務的不同選擇，董事會決定根據開曼群島法律在法院監督的臨時清盤制度下實行由管理層主導的重組（俗稱「輕觸」方式臨時清盤），其提供法定延期償付，未經位於開曼群島的開曼群島大法院（「**開曼法院**」）許可，禁止對本公司開展或繼續進行任何訴訟。

因此，為促進本公司的財務重組，本公司向開曼法院提交清盤呈請連同委任本公司共同及個別臨時清盤人（「**共同臨時清盤人**」）（就重組目的）的申請（「**共同臨時清盤人申請**」），藉此以輕觸方式重組。

於二零二一年二月二日（開曼群島時間），共同臨時清盤人申請已於開曼法院進行聆訊。開曼法院已根據共同臨時清盤人申請作出本公司尋求的命令（其中包括）羅申美企業顧問有限公司的馬德民及黎穎麟以及R&H Restructuring (Cayman) Ltd.的Martin Nicholas John Trott 獲委任為本公司共同臨時清盤人，藉此以輕觸方式重組。有關詳情，請參閱本公司日期為二零二一年二月二日及二零二一年二月五日的公告。

於二零二二年一月二十八日，本公司律師在香港特別行政區高等法院（「**香港法院**」）取出單方原訴傳票，以便法院於二零二二年二月八日聆訊本公司根據第622章公司條例第670條提交的申請，即請求頒令召開本公司債權人會議（「**計劃會議**」），以考慮及酌情批准（不論有否修訂）本公司建議的安排計劃（「**計劃**」）。根據香港法院的傳令，計劃會議將於二零二二年三月十一日舉行。

Management Discussion and Analysis

管理層討論及分析

On 16 February 2022 (after trading hours), the Company, the JPLs, the Investor and Mr. Lyu have entered into the conditional Restructuring Agreement, pursuant to which the Company will carry out the Restructuring Transactions involving (i) the Capital Reorganisation; (ii) the Investor's Subscription; and (iii) the Scheme. Please refer to the announcement of the Company dated 10 March 2022 for details of the Restructuring Agreement and the Restructuring Transactions.

At the Scheme Meeting convened and held on 11 March 2022, the Scheme was approved by the requisite statutory majorities of the creditors. On 22 March 2022, the Company's solicitors received a letter from the Hong Kong Court informing that Mr. Justice Harris will make an order to sanction the Scheme without modification. The sealed sanction order was delivered to the Registrar of Companies in Hong Kong on 26 April 2022.

As announced in the announcement of the Company dated 10 March 2022 and the circular in relation to the Restructuring Transactions and the Whitewash Waiver dated 5 August 2022, the Funding Agreement dated 31 December 2020 was entered into between the Company as the borrower and the Investor as the lender to provide the funding for the Company to continue and further develop its business. On 17 October 2022, the Funding Agreement, the terms and funding already provided and to be provided thereunder, have been sanctioned by the Cayman Court.

All the proposed resolutions in relation to the Capital Reorganisation, the Investor's Subscription, the Scheme, and the Whitewash Waiver were duly passed by the Shareholders or the Independent Shareholders (as the case may be) at the extraordinary general meeting held on 30 August 2022, and the Executive Director of the Corporate Department of SFC has granted the Whitewash Waiver on 22 August 2022 subject to, among other matters, no acquisition or disposal of voting rights being made by the Investor and its concert parties between the date of the announcement of the Investor's Subscription and the completion of the Investor's Subscription. Please refer to the circular of the Company dated 5 August 2022 and the announcement of the Company dated 30 August 2022 for details.

The legal adviser of the Company as to Cayman Islands law is preparing the petition to be made to the Cayman Court for an order confirming the Capital Reorganisation.

於二零二二年二月十六日(交易時間後),本公司、共同臨時清盤人、投資者及呂先生訂立有條件重組協議,據此,本公司將進行重組交易,其中涉及(i)資本重組;(ii)投資者認購事項;及(iii)計劃。有關重組協議及重組交易的詳情,請參閱本公司日期為二零二二年三月十日的公告。

於二零二二年三月十一日召開及舉行的計劃會議上,計劃已獲法定所需之多數債權人的批准。於二零二二年三月二十二日,本公司律師收到香港法院信函,通知Justice Harris先生將作出批准計劃不施加修訂的命令。加蓋印章的認許令已於二零二二年四月二十六日交付予香港公司註冊處處長以作登記。

誠如本公司日期為二零二二年三月十日的公告及日期為二零二二年八月五日的通函(內容有關重組交易及清洗豁免)所公告,本公司作為借款人與投資者作為貸款人訂立日期為二零二零年十二月三十一日的融資協議,以為本公司繼續並進一步發展其業務提供資金。於二零二二年十月十七日,融資協議、已提供及將要提供的條款及資金已獲得開曼法院的認可。

所有有關資本重組、投資者認購事項、計劃及清洗豁免的提呈決議案已於二零二二年八月三十日舉行的股東特別大會上由股東或獨立股東(視情況而定)正式通過,而證監會企業融資部執行董事已於二零二二年八月二十二日授出清洗豁免,其中條件包括,於投資者認購事項公告日期至完成投資者認購事項期間,投資者及其一致行動人士不會收購或出售投票權。詳情請參閱本公司日期為二零二二年八月五日的通函及本公司日期為二零二二年八月三十日的公告。

本公司有關開曼群島法律的法律顧問正在準備向開曼法院提出呈請,以確認資本重組的命令。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Results of the Group

Revenue

During the year ended 31 December 2022, the Group recorded a revenue of approximately HK\$145.4 million, which represented an increase of approximately 25% as compared to the revenue of approximately HK\$116.1 million as recorded for the year ended 31 December 2021. The increase was mainly resulted from the increase in turnover on wood-related business from approximately HK\$104.4 million for the year ended 31 December 2021 to approximately HK\$133.0 million for the year ended 31 December 2022.

Cost of sales and services rendered

Cost of sales and services rendered of the Group grew by approximately 19% from approximately HK\$101.7 million for the year ended 31 December 2021 to approximately HK\$121.3 million for the year ended 31 December 2022. The increase was mainly attributable to the increase in sales volume of wood products goods during the Year.

Gross profit and margin

The Group recorded a gross profit of approximately HK\$24.1 million for the year ended 31 December 2022, representing an increase of approximately 67% as compared to the gross profit recorded in the prior year. The gross profit margin increased from 12.4% for the year ended 31 December 2021 to 16.6% for the year ended 31 December 2022.

財務回顧

集團業績

收益

截至二零二二年十二月三十一日止年度，本集團錄得收益約145,400,000港元，較截至二零二一年十二月三十一日止年度錄得的收益約116,100,000港元增加約25%。該增加主要由於木材相關業務的營業額由截至二零二一年十二月三十一日止年度的約104,400,000港元增加至截至二零二二年十二月三十一日止年度的約133,000,000港元。

銷售成本及提供的服務

本集團的銷售成本及提供的服務由截至二零二一年十二月三十一日止年度的約101,700,000港元增長約19%至截至二零二二年十二月三十一日止年度的約121,300,000港元。該增加主要由於年內木製品銷量有所增加。

毛利及毛利率

截至二零二二年十二月三十一日止年度，本集團錄得毛利約24,100,000港元，較往年錄得毛利上升約67%。毛利率由截至二零二一年十二月三十一日止年度的12.4%上升至截至二零二二年十二月三十一日止年度的16.6%。

Management Discussion and Analysis

管理層討論及分析

Other income, gains and (losses), net

Other income, gains and (losses), net of the Group improved, from net losses of approximately HK\$48.2 million for the year ended 31 December 2021 to net gain of approximately HK\$3.1 million for the year ended 31 December 2022. The difference was primarily due to the net effect of the (i) fair value gains on financial assets at fair value through profit or loss (“FVTPL”) of approximately HK\$1.0 million for the Year (2021: losses of approximately HK\$46.4 million); and (ii) loss on disposal of items of property, plant and equipment, net of approximately HK\$1.8 million for the Year (2021: approximately HK\$2.2 million).

Allowances for expected credit losses (“ECLs”) on trade, loan and other receivables, net

For the year ended 31 December 2022, the Group had recorded allowances for “expected credit losses” (“ECLs”) on trade, loan and other receivables of approximately HK\$35,578,000 (2021: HK\$2,850,000) in total which is mainly comprising of allowances for ECLs on trade receivables of approximately HK\$Nil (2021: HK\$1,020,000); and allowances for ECLs on other receivables of HK\$35,578,000 (2021: HK\$1,830,000).

To properly account for the risk adhered to those long outstanding trade, loan and other receivables as, the management of the Company has engaged an independent valuer to assess the risk of potential losses based on the management’s estimate of the lifetime ECLs, which are estimated by taking into account the credit loss experience, ageing of the trade receivables, debtors’ settlement records and financial status, expected timing and amount of realisation of outstanding balances and ongoing business relationship with debtors. The management also considered forward-looking information that may impact the debtors’ abilities to repay the outstanding balances in order to estimate the allowances for ECLs on trade receivables.

There has been no significant changes in inputs and assumption applied in 2022 as compared with those applied in 2021.

其他收入、收益及(虧損)淨額

本集團的其他收入、收益及(虧損)淨額由截至二零二一年十二月三十一日止年度的虧損淨額約48,200,000港元改善至截至二零二二年十二月三十一日止年度的收益淨額約3,100,000港元。該差額主要由於下列各項之淨影響所致：(i)年內按公平值計入損益(「按公平值計入損益」)的金融資產公平值收益約1,000,000港元(二零二一年：虧損約46,400,000港元)；及(ii)年內出售物業、廠房及設備項目的虧損淨額約1,800,000港元(二零二一年：約2,200,000港元)。

應收賬款、貸款及其他應收款項淨額的預期信貸虧損(「預期信貸虧損」)撥備

截至二零二二年十二月三十一日止年度，本集團錄得應收賬款、貸款及其他應收款項「預期信貸虧損」(「預期信貸虧損」)撥備合共約35,578,000港元(二零二一年：2,850,000港元)，其主要由應收賬款預期信貸虧損撥備約零港元(二零二一年：1,020,000港元)及其他應收款項預期信貸虧損撥備35,578,000港元(二零二一年：1,830,000港元)組成。

為妥善核算該等長期未償還應收賬款、貸款及其他應收款項所伴隨的風險，本公司管理層已委聘獨立估值師基於管理層對全期預期信貸虧損的估計，評估潛在虧損的風險，有關估計乃經計及信貸虧損經驗、應收賬款賬齡、債務人的償還記錄及財務狀況、未償還結餘的預期變現時間及金額以及與債務人的持續業務關係而作出。管理層亦考慮可能影響債務人償還未償還結餘的能力的前瞻性資料，以估計應收賬款預期信貸虧損撥備。

二零二二年所應用之輸入數據及假設相較於二零二一年所應用者並無重大變動。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses of the Group increased from approximately HK\$0.4 million during the year ended 31 December 2021 to approximately HK\$1.0 million for the year ended 31 December 2022. The increase was mainly due to increase in selling and distribution staff costs incurred in facilitating business operations in the PRC and the marketing and promotional expenses incurred in online platforms.

Administrative expenses

Administrative expenses of the Group increased by approximately 42% from approximately HK\$15.8 million for the year ended 31 December 2021 to approximately HK\$22.4 million for the year ended 31 December 2022. The increase was mainly due to professional costs incurred in respect of Scheme and application for resumption.

Finance costs

Finance costs decreased from approximately HK\$117.7 million for the year ended 31 December 2021 to approximately HK\$113.7 million for the year ended 31 December 2022.

Income tax expense

The Group recorded an income tax expense of approximately HK\$3.9 million for the year ended 31 December 2022 (2021: approximately HK\$0.2 million), mainly on operating profits of the Group's wood products business in the PRC.

銷售及分銷費用

本集團的銷售及分銷費用由截至二零二一年十二月三十一日止年度的約400,000港元增加至截至二零二二年十二月三十一日止年度的約1,000,000港元。該增加主要由於促進中國的業務營運產生的銷售及分銷員工成本及於網上平台產生的市場推廣及宣傳費用增加。

行政費用

本集團的行政費用由截至二零二一年十二月三十一日止年度的約15,800,000港元增加約42%至截至二零二二年十二月三十一日止年度的約22,400,000港元。該增加主要由於就計劃及申請復牌產生的專業費用。

融資成本

融資成本由截至二零二一年十二月三十一日止年度的約117,700,000港元減少至截至二零二二年十二月三十一日止年度的約113,700,000港元。

所得稅開支

截至二零二二年十二月三十一日止年度，本集團錄得所得稅開支約3,900,000港元（二零二一年：約200,000港元），主要與本集團於中國木製品業務的經營溢利有關。

Management Discussion and Analysis

管理層討論及分析

Significant Investments Held

During the years ended 31 December 2022 and 2021, the Group had the following significant investments held with a value of 5 per cent. or more of the Group's total assets which were classified as financial assets at FVTPL:

持有的重大投資

截至二零二二年及二零二一年十二月三十一日止年度，本集團持有以下佔本集團資產總值5%或以上且分類為按公平值計入損益的金融資產的重大投資：

Name of the investments	投資名稱	Investment costs	Fair value as at 31 December	Number of shares of investments held as at 31 December	Percentage of investments held as at 31 December	Performance/ Change in fair value for the year ended 31 December	Size as compared to the Group's total assets as at 31 December	Total amount of dividends received for the year ended 31 December
Zhongxin (Heilongjiang) Internet Microfinance Co., Ltd.*	中新(黑龍江)互聯網小額貸款有限公司	111,750	-	N/A [#] 不適用 [#]	2	-	0	-
Zuoshishi Technology Service (Beijing) Company Limited*	做實事科技服務(北京)有限公司	67,050	11,225	N/A** 不適用**	11	180	6	-
Spring Power Holdings Limited	Spring Power Holdings Limited	23,474	1,030	498	3	(719)	1	-

Name of the investments	投資名稱	Investment costs	Fair value as at 31 December	Number of shares of investments held as at 31 December	Percentage of investments held as at 31 December	Performance/ Change in fair value for the year ended 31 December	Size as compared to the Group's total assets as at 31 December	Total amount of dividends received for the year ended 31 December
Zhongxin (Heilongjiang) Internet Microfinance Co., Ltd.*	中新(黑龍江)互聯網小額貸款有限公司	111,750	-	N/A [#] 不適用 [#]	2	(4,744)	0	-
Zuoshishi Technology Service (Beijing) Company Limited*	做實事科技服務(北京)有限公司	67,050	11,045	N/A** 不適用**	11	(32,221)	5	-
Spring Power Holdings Limited	Spring Power Holdings Limited	23,474	1,749	498	3	(8,873)	1	-

[#] represented by RMB100,000,000 out of total registered capital of RMB5,272,000,000.

[#] 代表全部註冊資本人民幣5,272,000,000元中的人民幣100,000,000元。

^{**} represented by RMB1,029,963 out of total registered capital of RMB9,363,296.

^{**} 代表全部註冊資本人民幣9,363,296元中的人民幣1,029,963元。

* For identification purposes only.

Management Discussion and Analysis

管理層討論及分析

Description of the investments

Zhongxin (Heilongjiang) Internet Microfinance Co., Ltd.* is an unlisted company established in the PRC which principally engaged in internet microfinance business. The industry of this company continued to be under stringent government reformation policies in China in recent years. In light of the deteriorating financial performance and the uncertainty in the debt collection rate, the valuation of this investment remained at HK\$Nil.

Zuoshishi Technology Service (Beijing) Company Limited* is an unlisted company established in the PRC which principally engaged in the provision of innovation service for start-up technology companies and related investment activities. The capital market in China has experienced high volatility during the year as being affected by the global COVID-19 pandemic and similar fluctuations appeared in the capital market in US and Europe. GDP growth in China was significantly slowed down in years 2021 and 2022 which has hindered the future outlook of the business sector and affected the result of the valuation conducted by independent valuer.

Spring Power Holdings Limited is an unlisted company established in BVI that controls a group of companies principally engaged in development and manufacturing of human like robots. The financial performance of this company has stabilized but still fell short of original projection and lowered the expectation to its future profitability and consequently affected the valuation conducted by independent valuer.

Share Consolidation

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 23 June 2020, the Company implemented the share consolidation of every twenty shares into one consolidated share (the “**Share Consolidation**”). The Share Consolidation was effected on 26 June 2020.

投資說明

中新(黑龍江)互聯網小額貸款有限公司為一間於中國成立的非上市公司，主要從事互聯網小額信貸業務。該公司所在行業近年來持續受限於中國政府嚴格的整改政策。由於財務表現惡化及收債率的不確定性，致使該投資價值維持於零港元。

做實事科技服務(北京)有限公司為一間於中國成立的非上市公司，主要從事為初創科技公司提供創新服務及相關投資服務。受全球新型冠狀病毒疫情影響，年內中國資本市場面臨較大波動，同時美國及歐洲資本市場也出現類似波動。中國國內生產總值的增幅於二零二一年及二零二二年大幅放緩，這阻礙了商業領域的未來前景，亦對獨立估值師進行的估值結果造成了影響。

Spring Power Holdings Limited為一間於英屬處女群島成立的非上市公司，旗下控制一組主要從事開發及生產智慧機器人的公司。該公司的財務表現保持穩定，但仍達不到原始預測，以致降低其未來盈利能力的預期，因此影響到獨立估值師進行的估值。

股份合併

根據於本公司於二零二零年六月二十三日舉行的股東週年大會上通過的普通決議案，本公司將每二十股股份合併為一股合併股份（「**股份合併**」）。股份合併於二零二零年六月二十六日生效。

* For identification purposes only

Management Discussion and Analysis

管理層討論及分析

Liquidity and Financial Position

流動資金及財務狀況

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Current assets	流動資產	136,060	162,596
Current liabilities	流動負債	1,592,572	1,487,240
Current ratio	流動比率	0.09	0.11

At 31 December 2022, cash and cash equivalents of the Group amounted to approximately HK\$4.1 million (2021: approximately HK\$2.5 million). As at 31 December 2022, the Group had interest-bearing bank and other borrowings amounted approximately HK\$846.9 million (2021: approximately HK\$798.0 million).

於二零二二年十二月三十一日，本集團的現金及現金等價物約為4,100,000港元（二零二一年：約2,500,000港元）。於二零二二年十二月三十一日，本集團的計息銀行及其他借貸約為846,900,000港元（二零二一年：約798,000,000港元）。

On the basis of the considerations as disclosed in the note 2 of the consolidated financial statements of the Group for the year ended 31 December 2022, the Board is confident that the Group will have sufficient financial resources to meet its debt repayment and finance needs for its operations for the foreseeable future.

根據本集團截至二零二二年十二月三十一日止年度的綜合財務報表附註2所披露考慮因素，董事會深信本集團於可見將來有充裕財務資源應付其債務償還及其業務的融資需要。

Gearing Ratio

資產負債比率

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Total bank and other borrowings	銀行及其他借貸總額	846,873	797,978
Total assets	資產總值	196,155	230,825
Gearing ratio	資產負債比率	431.74%	345.71%

The increase in the gearing ratio was mainly due to the increase in borrowings as a result of increased activities for the year.

資產負債比率增加乃主要由於年內業務活動增加導致借貸增加所致。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2022, the maturity profile of the bank and other borrowings of the Group falling due within one year amounted to approximately HK\$846.9 million (2021: approximately HK\$798.0 million), of which bank and other borrowings of approximately HK\$55.7 million (2021: approximately HK\$59.2 million) were denominated in Renminbi.

Capital Structure

The capital of the Company comprises only ordinary shares. As at 31 December 2022, the total number of the ordinary shares of the Company was 342,572,857 (2021: 342,572,857) (with an aggregate nominal value of approximately HK\$68.5 million (2021: approximately HK\$68.5 million)).

Charges on the Group's Assets

At 31 December 2022, certain of the Group's other borrowings were secured by the Group's trade receivables of gross amount approximately HK\$600.6 million (2021: approximately HK\$600.6 million).

Foreign Currency Exposure

The foreign currency exposure of the Group primarily arises from revenue or income generated, cost and expenses incurred and certain bank and other borrowings denominated in currencies other than the functional currency of the Group's operating units. For the Group's operating units that have United States dollar and Renminbi as their functional currencies, their foreign currency transactions and the units' monetary assets and liabilities denominated in foreign currencies that were translated at the functional currency rates of exchange ruling at 31 December 2022 were mainly denominated in Hong Kong dollars. The Group expected that the exposure to exchange rates fluctuation was not significant and therefore had not engaged in any hedging activities.

於二零二二年十二月三十一日，本集團於一年內到期的銀行及其他借貸約為846,900,000港元（二零二一年：約798,000,000港元），其中銀行及其他借貸約55,700,000港元（二零二一年：約59,200,000港元）以人民幣計值。

資本架構

本公司的資本僅由普通股組成。於二零二二年十二月三十一日，本公司普通股總數為342,572,857股（二零二一年：342,572,857股）（面值總額約為68,500,000港元（二零二一年：約68,500,000港元））。

本集團資產抵押

於二零二二年十二月三十一日，本集團總額約600,600,000港元（二零二一年：約600,600,000港元）的應收賬款已作為本集團若干其他借貸的抵押。

外匯風險

本集團的外匯風險主要來自所得收益或收入、所產生成本及開支以及以本集團營運單位功能貨幣以外的貨幣列值的若干銀行及其他借貸。就本集團以美元及人民幣作為功能貨幣的營運單位而言，其外幣交易及有關單位以外幣（按功能貨幣於二零二二年十二月三十一日的現行匯率換算為外幣）列值的貨幣資產和負債主要以港元列值。本集團預期匯率波動風險並不重大，故並無進行任何對沖活動。

Management Discussion and Analysis

管理層討論及分析

Contingent Liabilities

On 21 April 2020, a writ of summons was issued by an independent third party in Beijing, China as plaintiff against a wholly owned subsidiary of the Group namely (北京宜乘企業管理有限公司) as defendant (the “**Action**”). The plaintiff claimed for the repayment of principal and the accrued interests of a loan purportedly owed by the defendant to the plaintiff in the total amount of approximately RMB59.5 million since 2014 (the “**Purported Loan**”). The defendant has denied the existence of the Purported Loan and has requested forensic checks to be conducted to the loan agreement produced by the Plaintiff to the People’s Court in Chaoyang District, Beijing (the “**Beijing Court**”). The Company has engaged a competent legal advisor to act for its interests in respect of the Action.

In January 2022, the Group received a judgement (the “**Judgement**”) from the Beijing Court and ordered that the defendant be required to pay a sum of approximately RMB37.0 million plus damages of RMB7.5 million for breach of contract. Immediately after the Judgement, the Group has made an appeal to the Beijing No. 3 Intermediate People’s Court (北京市第三中級人民法院) against the Judgement. In April 2022, the Beijing No. 3 Intermediate People’s Court dismissed the Group’s appeal against the Judgement. The Group has taken steps to apply for retrial of the case.

A provision for claim in the amount of RMB44.5 million (equivalent to approximately HK\$54,490,000) was made during the year ended 31 December 2021.

Save as disclosed above, as at 31 December 2022, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the directors of the Company to be pending or threatened by or against any member of the Group.

Capital Commitments

As at the end of the reporting period, the Group had outstanding capital commitments amounted to approximately HK\$33.8 million (2021: approximately HK\$36.7 million).

或然負債

於二零二零年四月二十一日，於中國北京的一名獨立第三方（作為原告）對本集團全資附屬公司北京宜乘企業管理有限公司（作為被告）發出傳訊令狀（「**訴訟**」）。原告要求被告償還被告指稱自二零一四年起結欠原告合共約人民幣59,500,000元的貸款本金及應計利息（「**指稱貸款**」）。被告否認存在指稱貸款，並要求北京朝陽區人民法院（「**北京法院**」）對原告所出示的貸款協議進行法證核實。本公司已就訴訟委聘合資格法律顧問以為其利益行事。

於二零二二年一月，本集團接獲北京法院的判決（「**判決**」），並頒令被告須支付金額約人民幣37,000,000元加上違約產生的損害賠償人民幣7,500,000元。緊隨判決後，本集團已就判決向北京市第三中級人民法院提出上訴。於二零二二年四月，北京市第三中級人民法院駁回了本集團對該判決的上訴。本集團已採取措施申請重審該案件。

索賠金額人民幣44,500,000元（相當於約54,490,000港元）已於截至二零二一年十二月三十一日止年度計提撥備。

除上文所披露者外，於二零二二年十二月三十一日，本集團成員公司概無涉及任何將對本公司營運產生重大或不利影響之訴訟、仲裁或索賠，且就本公司董事所知，本集團任何成員公司亦無任何尚未了結或面臨之將對本公司營運產生重大或不利影響之訴訟、仲裁或索賠。

資本承擔

於報告期末，本集團的未償付資本承擔約為33,800,000港元（二零二一年：約36,700,000港元）。

Management Discussion and Analysis

管理層討論及分析

DIVIDEND

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

EMPLOYEES AND EMOLUMENT POLICY

At 31 December 2022, the Group employed a total of 64 (2021: 16) employees. Total costs including the emoluments of the directors of the Company, amounted to approximately HK\$6.9 million for the year (2021: approximately HK\$4.3 million). The emolument policy of the Group is determined with reference to the performance, qualifications and experience of individual employees (including Directors), as well as the results of the Group and the market conditions. The Group provides discretionary bonus, medical insurance, provident fund, education subsidy and training to its employees.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES OR ASSOCIATED COMPANIES

Save as disclosed in this report, the Group had no material acquisition or disposal of subsidiaries or associates during the year ended 31 December 2022. As at 31 December 2022, the Group had no specific plan for major investment or acquisition for major capital assets or other business. However, the Group will continue to identify new opportunities for business development.

SUSPENSION OF TRADING OF THE SHARES

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has been suspended with effect from 9:00 a.m. on 22 October 2021 and will remain suspended until further notice.

The Board has appointed a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as the financial adviser to the Company on matters relating to the resumption of trading in the shares of the Company on the Stock Exchange. The Company has submitted a resumption plan to the Stock Exchange on 16 March 2023 to address the Resumption Guidance. The Company is working closely with its professional advisers and taking appropriate steps to fulfill the conditions in the Resumption Guidance as stated in the Company's announcement dated 25 October 2021 and will update the shareholders and potential investors of the Company on, among others, the progress as and when appropriate.

股息

董事會不建議就截至二零二二年十二月三十一日止年度派付任何股息(二零二一年：無)。

僱員及薪酬政策

於二零二二年十二月三十一日，本集團僱用合共64名(二零二一年：16名)僱員。年內，成本總額(包括本公司董事酬金)約為6,900,000港元(二零二一年：約4,300,000港元)。本集團的薪酬政策參照個別僱員(包括董事)的表現、資歷及經驗、本集團業績及市況釐定。本集團向其僱員提供酌情花紅、醫療保險、公積金供款、教育津貼及培訓。

重大收購及出售附屬公司或聯營公司

除本報告所披露者外，本集團於截至二零二二年十二月三十一日止年度並無重大收購或出售附屬公司或聯營公司。於二零二二年十二月三十一日，本集團並無有關重大資本資產或其他業務之具體重大投資或收購計劃。然而，本集團將繼續物色新業務發展機會。

暫停股份買賣

應本公司要求，本公司股份已自二零二一年十月二十二日上午九時正起於香港聯合交易所有限公司(「聯交所」)暫停買賣，並將繼續暫停直至進一步通知止。

董事會已委任一間可從事香港法例第571章證券及期貨條例項下第6類(就機構融資提供意見)受規管活動的持牌法團為本公司有關本公司股份於聯交所復牌相關事宜的財務顧問。本公司已於二零二三年三月十六日向聯交所提交復牌計劃以應對復牌指引。本公司正與專業顧問密切合作，亦正採取適當措施，以履行本公司於二零二一年十月二十五日發佈的公告中所述的復牌指引所載條件，並將於適當時候向本公司股東及潛在投資者更新(其中包括)相關進展。

Management Discussion and Analysis

管理層討論及分析

REMOVAL OF AUDIT QUALIFICATION

In view of the circumstances disclosed in the “Basis for Disclaimer of Opinion” above, the Company, after discussing with the Company’s auditors, understands that the “Disclaimer of Opinion” in relation to the Group’s going concern, based on the current conditions and circumstances, will be removed in the Company’s consolidated financial statements for the year ending 31 December 2023 should the Group succeed in completing the Restructuring.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the disclosure in note 1 to the consolidated financial statements, in respect of (i) the appointment of the joint provisional liquidators for restructuring purposes only; (ii) restructuring; and (iii) suspension of trading in the shares of the Company. Further announcement(s) will be made by the Company to update the shareholders and investors of the Company in relation to any developments of the aforementioned matters.

COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform with current year’s presentation. The changes mainly included separate disclosure of items under “deferred tax assets” and “deferred tax liabilities”.

移除審計保留意見

鑒於上文「不發表意見之基礎」所披露的情況，本公司經與本公司核數師討論後了解到，倘本集團成功完成重組，則基於當前條件及情況，有關本集團持續經營的「不發表意見」將自本公司截至二零二三年十二月三十一日止年度之綜合財務報表中移除。

報告期後事項

茲提述綜合財務報表附註1所作披露，內容有關(i)僅就重組目的委任共同臨時清盤人；(ii)重組；及(iii)暫停本公司股份買賣。本公司將另行刊發公告以向本公司股東及投資者提供有關上述事項的任何進展。

比較數字

若干比較數字已予重述以與本年度的呈列保持一致。該等變動主要包括「遞延稅項資產」及「遞延稅項負債」下項目的單獨披露。

Biographical Details of Directors

董事的詳細履歷

DIRECTORS

Executive Directors

Mr. Lyu NingJiang, aged 63, was appointed as the Chairman of the Board and an executive Director on 3 December 2020. He has received education in mainland China with a forestry major. He had worked with various forestry-related corporations in mainland China with extensive experience in the wood business. Mr. Lyu has over 15 years of experience in senior corporate management. Mr. Lyu was the chairman and chief executive of China Wood Group Company Limited* (中國木材(集團)有限公司) during the period from 1998 to 2013. Mr. Lyu was redesignated as the senior consultant of China Wood Group Company Limited* (中國木材(集團)有限公司) from 2013 to 2018.

Non-executive Director

Mr. Hu YongGang, aged 56, was appointed as a non-executive Director on 3 December 2020. He has received education in mainland China with an international trade major. Mr. Hu has over twenty years of extensive experience in the automobile business in mainland China and he operates automobile dealers, 4S spareparts service shops and car rental business for almost 17 years. Mr. Hu is the founder owner of BeiJing DeRunFeng Car Rental Company Limited* (北京德潤豐汽車租賃有限公司) since 2012.

Independent Non-Executive Directors

Mr. Zhao Xianming, aged 46, was appointed as an independent non-executive Director on 16 July 2014. He assumed various positions such as the supervisor of the legal and auditorial center of Fanhua Construction Group Limited* (泛華建設集團有限公司), the general legal counsel, the vice-president and the board secretary of China Agritech Inc. (a company listed on the NASDAQ Stock Market). He graduated from China Foreign Affairs University with a master degree of International Law and is a certified enterprise risk manager.

董事

執行董事

呂寧江先生，63歲，於二零二零年十二月三日獲委任為董事會主席兼執行董事。彼曾於中國內地接受林業專業教育。彼曾就職於中國內地的多家林業相關公司，在木材業務方面擁有豐富經驗。呂先生擁有逾15年的企業高管經驗。於一九九八年至二零一三年期間，呂先生為中國木材(集團)有限公司主席兼總裁。於二零一三年至二零一八年，呂先生獲調任為中國木材(集團)有限公司的高級顧問。

非執行董事

胡永剛先生，56歲，於二零二零年十二月三日獲委任為非執行董事。彼曾於中國內地接受國際貿易專業教育。胡先生於中國內地的汽車業務方面擁有逾20年的豐富經驗，且彼經營汽車經銷商、4S汽車配件服務店及汽車租賃業務近17年。胡先生自二零一二年起為北京德潤豐汽車租賃有限公司的創始人。

獨立非執行董事

趙憲明先生，46歲，於二零一四年七月十六日獲委任為獨立非執行董事。彼擔任泛華建設集團有限公司之法務審計中心總監、China Agritech Inc. (一間於納斯達克證券市場上市之公司)之總法律顧問、副總裁及董事會秘書等多個職務。彼畢業於外交學院，獲頒國際法碩士學位，並為企業風險管理師。

* For identification purposes only

Biographical Details of Directors 董事的詳細履歷

Mr. Chan Lik Shan, aged 52, was appointed as an independent non-executive Director on 27 January 2023. He holds a Bachelor's Degree in Business Administration from The Chinese University of Hong Kong, a Master's Degree in Business Administration from Hong Kong Baptist University, a Master's Degree in Law from The Renmin University of China, and a Postgraduate Diploma in Professional Accountancy from The Chinese University of Hong Kong. Mr. Chan has over 20 years of working experience with multinational and sizeable companies including The Kowloon Motor Bus Co. (1933) Limited, Xinhua Finance Limited, Cheeminmet Finance Limited, Aureos Capital Limited, Global Group International Holdings Limited, and China Youth Galaxy Capital Holdings Limited, in private equity investment, mergers and acquisitions, corporate finance, the capital market in Hong Kong, and post-deal investment management.

Mr. So Yin Wai, aged 60, was appointed as an independent non-executive Director on 23 December 2021. Mr. So graduated from the Hong Kong Polytechnic University in 1986 and he has been in the accounting profession for more than 30 years. He is a fellow member of the Association of Chartered Certified Accountants of United Kingdom and the Hong Kong Institute of Certified Public Accountants. He has previously worked for international public accounting firms and been involved in the audit of a number of international and local engagements and listed companies. He is currently the sole practitioner of his own firm "Alex So & Co. (Certified Public Accountants)". Apart from his auditing experiences, Mr. So also specializes in company secretarial work, tax planning and management consultancy matters. Mr. So is the chairman of "New SOHO New Life Association" and the former chairman of "Chinese Business Association". He is also the honorary auditor of a number of voluntary organizations, including "Hong Kong Parkinson's Disease Foundation" and "HK Po Yin Association for the Development of Education".

陳力山先生，52歲，於二零二三年一月二十七日獲委任為獨立非執行董事。陳先生持有香港中文大學工商管理學士、香港浸會大學工商管理碩士、中國人民大學法學碩士及香港中文大學專業會計深造課程文憑。陳先生擁有超過20年於跨國公司及大企業包括九龍巴士(一九三三)有限公司、新華財經有限公司、企榮財務有限公司、歐瑞斯資本有限公司、高寶集團國際控股有限公司及中青銀河資本控股有限公司等在私募股權投資、收購合併、企業財務、香港資本市場工作及專案投資後管理方面的經驗。

蘇彥威先生，60歲，於二零二一年十二月二十三日獲委任為獨立非執行董事。蘇先生於一九八六年在香港理工大學畢業，彼從事專業會計超過30年。彼為英國特許公認會計師公會及香港會計師公會資深會員。彼曾於數家國際會計師事務所工作，並曾參與多家國際及本地企業及上市公司之審計工作。彼現時為其所持有之「蘇彥威會計師行」的獨資執業者。除審計外，蘇先生亦專責公司秘書、稅務規劃及管理諮詢事務。蘇先生為「新甦豪新生活協會」主席及「華商經貿協進會」前主席。彼為多個志願團體之榮譽核數師，包括「香港柏金遜症基金會」及「香港普賢教育促進會」。

Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report for the year ended 31 December 2022. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the importance of good corporate governance practices and procedures and regards a pre-eminent board of directors, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Company endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards. The Company has adopted the Code Provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Board reviews at least annually the corporate governance practices of the Company to ensure its continuous compliance with the Code, and make appropriate changes if considered necessary. The Company was in compliance with the applicable code provisions in the Code (the “Code Provision”) for the year ended 31 December 2022. The following sections set out the principles in the Code as they have been applied by the Company, including any deviations therefrom, for the year under review.

BOARD

The Company is governed by the Board, which is responsible for overseeing the overall strategy and development of the Company, as well as monitoring the internal control policies and evaluating the financial performance of the Group. The Board sets the overall strategies and directions for the Group with a view to developing its business and enhancing the shareholders’ value.

As at the date of this annual report, the Board comprises one executive Directors, one non-executive Director and three independent non-executive Directors.

The Board is characterised by significant diversity and has a balance of skills and experience appropriate for the requirements of the business of the Company. The Directors’ biographical information is set out in the section headed “Biographical Details of Directors” of this annual report.

董事會欣然呈列截至二零二二年十二月三十一日止年度的企業管治報告。本報告側重於本公司的主要企業管治常規。

企業管治常規

本公司深明良好企業管治常規及程序的重要性，確信傑出的董事會、良好的內部監控、向全體股東負責乃企業管治原則的核心要素。本公司致力確保其業務遵守有關規則及規例，以及符合適用守則及標準。本公司採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「守則」）的守則條文。

董事會每年至少檢討本公司的企業管治常規一次，以確保本公司一直遵守守則並於彼等認為需要時作出適當更改。本公司於截至二零二二年十二月三十一日止年度內一直遵守守則的適用守則條文（「守則條文」）。以下各節載述本公司於回顧年度應用守則的原則，包括任何偏離情況。

董事會

本公司由董事會管治，董事會須負責監督本公司的整體策略和發展，以及監察內部監控政策及評估本集團的財務表現。董事會制定本集團的整體策略及方針，以發展業務及提高股東價值。

於本年報日期，董事會由一名執行董事、一名非執行董事及三名獨立非執行董事組成。

董事會具顯著多元化特色，於本公司業務所需適當技巧及經驗方面亦取得平衡。董事的履歷載列於本年報「董事的詳細履歷」一節。

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Lyu NingJiang, being the chairman of the Company (the “**Chairman**”) is responsible for the overall strategic planning and management of the Group. Code Provision C.2.1 requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lyu, being the Chairman, has also been appointed as the chief executive officer of the Group (the “**Chief Executive Officer**”) who will keep provided strong and consistent leadership to achieve strategic business growth of the Group to enable a better execution of long-term strategies. The Board believes that the roles of both chairman and chief executive officer vested in the same individual would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. All the Board members will be ensured to keep abreast of adequate, complete and reliable information by Mr. Lyu on issues to be discussed at Board meetings. Moreover, the independent non-executive Directors (the “**INEDs**”) provide independent and professional opinion on issues addressed at Board meetings and therefore, the Board believes that there is a balance of power and authority governed by the current Board structure with more than half of them being the INEDs and does not intend to make significant change in the composition of the Board. The Board will continue to review the Board composition from time to time and shall make necessary changes when appropriate in a timely manner accordingly and inform the Company’s shareholders.

主席及首席執行官

本公司主席（「**主席**」）呂寧江先生負責本集團的整體策略規劃及管理。守則條文第C.2.1條規定主席及首席執行官的角色應有所區分，且不應由同一人士擔任。主席呂先生亦獲委任為本集團首席執行官（「**首席執行官**」），彼將保持強勁及貫徹一致的領導，從而達成本集團的策略性業務增長，令長期策略得以更有效執行。董事會認為，主席及首席執行官的職務由同一人士擔任將使本公司於制定業務策略及實施業務計劃時實現更高回應性、效率及效益。呂先生將確保全體董事會成員就將於董事會會議上討論的事宜及時了解充足、完整及可靠的資料。此外，獨立非執行董事（「**獨立非執行董事**」）就於董事會會議上提及的事宜提供獨立且專業的意見，因此，董事會相信，現時董事會架構中超過一半成員為獨立非執行董事足以制衡權力，故無意對董事會成員組成作出重大變動。董事會將繼續不時檢討董事會成員組成，於適當時候及時相應作出所需變動，並知會本公司股東。

Corporate Governance Report

企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the period from 26 May 2022 to 31 May 2022 and the period from 1 November 2022 to 31 December 2022, the Company failed to meet the following requirements of the Listing Rules as the resolution to re-elect Mr. An Dong as an INED was not passed at the annual general meeting held on 26 May 2022; and as a result of the resignation of Ms. Zhao Xiao Lian on 1 November 2022 respectively:

1. the board of directors must include at least three independent non-executive directors, under Rule 3.10(1) of the Listing Rules; and
2. the audit committee comprising non-executive directors only and with a minimum of three members under Rule 3.21 of the Listing Rules.

Pursuant to Rule 3.10A of the Listing Rules, the number of independent non-executive directors of the Company shall represent not less than one-third of the Board throughout the Year.

On 27 January 2023, Mr. Chan Lik Shan was appointed as an INED and there has been a sufficient number of INEDs. The Company has thereafter complied with the above requirements of the Listing Rules.

The Company has received from each of its INEDs an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Company considers that all of the INEDs are independent.

獨立非執行董事

於自二零二二年五月二十六日起至二零二二年五月三十一日止期間及自二零二二年十一月一日起至二零二二年十二月三十一日止期間，由於重選安東先生為獨立非執行董事的決議案於二零二二年五月二十六日舉行的股東週年大會上未獲得通過；及趙小蓮女士於二零二二年十一月一日辭任，故本公司未能符合上市規則之以下規定：

1. 上市規則第3.10(1)條項下之規定，董事會必須包括至少三名獨立非執行董事；及
2. 上市規則第3.21條項下之規定，審核委員會須僅由非執行董事組成及至少擁有一名成員。

根據上市規則第3.10A條，於整個年內，本公司獨立非執行董事的人數須佔董事會人數不少於三分之一。

於二零二三年一月二十七日，陳力山先生獲委任為獨立非執行董事，獨立非執行董事人數屬充足。其後本公司已符合上市規則上述規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性年度確認書，且本公司認為全體獨立非執行董事均屬獨立人士。

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During the Year, the attendance of each Director is set out below: 年內，各董事的出席情況如下：

Director	董事	Meeting attended/ meetings entitled to attend 實際出席次數/ 有權出席次數
Executive Directors		
Mr. Lyu NingJiang (Chairman and Chief Executive Officer)	執行董事 呂寧江先生 (主席兼首席執行官)	11/11
Non-executive Directors		
Mr. Hu Yong Gang	非執行董事 胡永剛先生	11/11
Independent Non-executive Directors		
Mr. Zhao Xianming	獨立非執行董事 趙憲明先生	11/11
Mr. An Dong (ceased on 26 May 2022)	安東先生 (於二零二二年五月二十六日離任)	4/4
Ms. Zhao Xiao Lian (appointed on 1 June 2022 and resigned on 1 November 2022)	趙小蓮女士 (於二零二二年六月一日獲委任 並於二零二二年十一月一日辭任)	4/4
Mr. Chan Lik Shan (appointed on 27 January 2023)	陳力山先生 (於二零二三年一月二十七日獲委任)	N/A
Mr. So Yin Wai	蘇彥威先生	不適用 11/11

All the INEDs were appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings in accordance with the Articles of Association of the Company.

所有獨立非執行董事均有訂明具體任期，惟須依照本公司組織章程細則於股東週年大會輪值退任及重選。

COMMITTEES

As part of the corporate governance practices, the Board has established the remuneration committee, nomination committee, and audit committee. All of the committees are mainly composed of INEDs with terms of reference in accordance with the principles set out in the Code.

委員會

在企業管治常規中，董事會已成立薪酬委員會、提名委員會及審核委員會。所有委員會均主要由獨立非執行董事組成，並已按照守則所載的原則備有書面職權範圍。

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REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) on 27 November 2009 with written terms of reference. As at the date of this annual report, the Remuneration Committee comprises all of the INEDs, namely Mr. Zhao Xianming, Mr. Chan Lik Shan and Mr. So Yin Wai, and is chaired by Mr. Zhao Xianming.

The primary duties of the Remuneration Committee are formulating remuneration policies, determining the specific remuneration packages of executive Directors and making recommendations to the Board on the remuneration of Directors. During the Year, the Remuneration Committee reviewed and made recommendations on the remuneration packages of the existing Directors.

Details of the remuneration paid to members of the senior management of the Group (including the Directors) by band for the Year are set out below:

薪酬委員會

本公司於二零零九年十一月二十七日成立備有書面職權範圍的薪酬委員會（「**薪酬委員會**」）。於本年報日期，薪酬委員會的成員包括所有獨立非執行董事，即趙憲明先生、陳力山先生及蘇彥威先生。趙憲明先生為該委員會的主席。

薪酬委員會的主要職務為制訂薪酬政策、釐定執行董事的具體薪酬待遇，以及向董事會提出有關董事薪酬的建議。年內，薪酬委員會曾檢討現有董事的薪酬待遇並提出建議。

本年度已付本集團高級管理層成員（包括董事）之薪酬範圍如下：

Remuneration band	薪酬範圍	Number of senior management (including the Directors) 高級管理層 (包括董事) 之人數
Below HK\$1,000,000	低於1,000,000港元	15
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1

During the Year, one Remuneration Committee meeting was held and the attendance of each member is set out below:

年內，薪酬委員會舉行了一次會議，下文載列各成員的出席情況：

Committee Member	委員	Attendance 出席情況
Mr. Zhao Xianming	趙憲明先生	1/1
Mr. An Dong (ceased on 26 May 2022)	安東先生 (於二零二二年五月二十六日離任)	1/1
Ms. Zhao Xiao Lian (appointed on 1 June 2022 and resigned on 1 November 2022)	趙小蓮女士 (於二零二二年六月一日獲委任並於二零二二年十一月一日辭任)	N/A 不適用
Mr. Chan Lik Shan (appointed on 27 January 2023)	陳力山先生 (於二零二三年一月二十七日獲委任)	N/A 不適用
Mr. So Yin Wai	蘇彥威先生	1/1

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NOMINATION COMMITTEE

The Company established a nomination committee (the “**Nomination Committee**”) on 27 November 2009 with written terms of reference. As at the date of this annual report, the Nomination Committee comprises one executive Director and three INEDs, namely Mr. Lyu NingJiang, Mr. Zhao Xianming, Mr. Chan Lik Shan and Mr. So Yin Wai, and is chaired by Mr. Lyu NingJiang.

The primary duties of the Nomination Committee are reviewing the structure, size and composition of the Board, formulating relevant procedures for nomination of directors, identifying qualified individuals to become members of the Board and making recommendation to the Board on the appointment or re-appointment of directors. During the Year, the Nomination Committee reviewed the composition of the Board and made recommendations to the Board.

Board Diversity Policy

The Company aims to build and maintain a Board with a diversity of Directors, including but not limited to gender, age, cultural and educational background, or professional experience. The Board has adopted a policy which sets out the approach to achieve and maintain diversity on the Board (the “**Board Diversity Policy**”).

The Nomination Committee will discuss and agree annually measurable objectives for implementing diversity on the Board and recommend them to the Board for adoption. The Board understands a single gender board will not be considered to have achieved diversity. The Board has looked forward to the potential candidates and will appoint a director of a different gender no later than 31 December 2024. For the detailed gender ratio in the workforce (including senior management) for the Year, please refer to the separate environmental, social, and governance report of the Company.

提名委員會

本公司於二零零九年十一月二十七日成立備有書面職權範圍的提名委員會（「**提名委員會**」）。於本年報日期，提名委員會的成員包括一名執行董事及三名獨立非執行董事，即呂寧江先生、趙憲明先生、陳力山先生及蘇彥威先生。呂寧江先生為該委員會的主席。

提名委員會的主要職務為檢討董事會的架構、大小和組成、制定提名董事的相關程序、物色合資格人士擔任董事會成員，以及向董事會提出有關任免董事的建議。年內，提名委員會曾檢討董事會的組成及向董事會提出建議。

董事會多元化政策

本公司矢志建立及維持董事會董事多元化，包括但不限於性別、年齡、文化及教育背景或專業經驗。董事會已採納政策，以載列實現並維持董事會多元化的方法（「**董事會多元化政策**」）。

提名委員會將每年討論並協定關於實施董事會多元化的可計量目標，並向董事會提出意見以供採納。董事會了解到單一性別董事會將不會被視為已實現多元化。董事會已尋求潛在候選人並將於不遲於二零二四年十二月三十一日委任一名不同性別的董事。有關本年內僱員（包括高級管理層）性別比例詳情，請參閱本公司獨立的環境、社會及管治報告。

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Director Nomination Policy

The Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- Character and integrity;
- Personal attributes including professional qualifications, skills, knowledge, experience and expertise that are relevant to the Company's business and corporate strategy, and the ability to provide insights and practical wisdom based on those attributes;
- Willingness to devote adequate time to discharge duties as a Board member, other directorships, memberships of various committees and significant commitments;
- For independent non-executive directors to be appointed in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with senior management of the Company;
- Board Diversity Policy and any measurable objectives adopted by the Committee for achieving diversity on the Board; and
- Any other perspectives appropriate to the Company's business.

During the Year, one Nomination Committee meeting was held and the attendance of each member is set out below:

董事提名政策

評估及甄選候選人擔任董事職務時委員會應考慮(其中包括)以下標準:

- 品格及誠信;
- 個人特性,包括與本公司業務及企業戰略相關的專業資質、技術、知識、經驗及專長,以及基於該等特性帶來遠見及實踐智慧的能力;
- 付出足夠時間履行作為董事會成員、其他董事職務、各委員會成員的職責及作出巨大貢獻的意願;
- 就根據上市規則獲委任的獨立非執行董事,及參考上市規則所載獨立性指引確認候選人是否被視為獨立;
- 與其他董事會成員形成良好工作關係並促進董事會與本公司高級管理層的工作關係的能力;
- 董事會多元化政策及委員會為實現董事會多元化採納的任何可計量目標;及
- 適用本公司業務的任何其他潛在適用方面。

年內,曾召開一次提名委員會會議,各成員出席情況載列如下:

Committee Member	委員	Attendance 出席情況
Mr. Lyu NingJiang	呂寧江先生	1/1
Mr. Zhao Xianming	趙憲明先生	1/1
Mr. An Dong (ceased on 26 May 2022)	安東先生(於二零二二年五月二十六日離任)	1/1
Ms. Zhao Xiao Lian (appointed on 1 June 2022 and resigned on 1 November 2022)	趙小蓮女士(於二零二二年六月一日獲委任並於二零二二年十一月一日辭任)	N/A 不適用
Mr. Chan Lik Shan (appointed on 27 January 2023)	陳力山先生(於二零二三年一月二十七日獲委任)	N/A 不適用
Mr. So Yin Wai	蘇彥威先生	1/1

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AUDIT COMMITTEE

As at the date of this annual report, the audit committee of the Company (the “**Audit Committee**”) comprises all three INEDs, namely Mr. Zhao Xianming (chairman), Mr. Chan Lik Shan and Mr. So Yin Wai. The primary duties of the Audit Committee are to supervise the internal control policies, the financial reporting systems and procedures of the Company, to review the financial statements and reports of the Group, and to review the terms of engagement and scope of audit work of the external auditor. The audited financial statements of the Group for the year ended 31 December 2022 have been reviewed by the Audit Committee.

The Audit Committee has met the external auditor of the Company, McMillan Woods (Hong Kong) CPA Limited, and reviewed the Group’s results for the year ended 31 December 2022.

During the Year, the Audit Committee reviewed the risk management and internal control systems, as well as the interim and annual results of the Group, which, in the opinion of the Audit Committee, were prepared in compliance with the applicable accounting standards and the Listing Rules.

During the Year, two Audit Committee meetings were held and the attendance of each member is set out below:

審核委員會

於本年報日期，本公司審核委員會（「**審核委員會**」）包括所有三名獨立非執行董事，即趙憲明先生（主席）、陳力山先生及蘇彥威先生。審核委員會的主要職務為監督本公司的內部監控政策、財務申報系統和程序，審閱本集團的財務報表和報告，以及檢討外聘核數師的委聘條款和審核工作的範圍。審核委員會已審閱本集團截至二零二二年十二月三十一日止年度的經審核財務報表。

審核委員會曾與本公司之外聘核數師長青（香港）會計師事務所有限公司會面，亦曾審閱本集團截至二零二二年十二月三十一日止年度之業績。

年內，審核委員會審閱本集團的風險管理及內部監控系統，以及中期及全年業績。審核委員會認為，該等業績乃按照適用會計準則及上市規則而編製。

年內，審核委員會舉行了兩次會議，下文載列各成員的出席情況：

Committee Member	委員	Attendance 出席情況
Mr. Zhao Xianming	趙憲明先生	2/2
Mr. An Dong (ceased on 26 May 2022)	安東先生 (於二零二二年五月二十六日離任)	1/1
Ms. Zhao Xiao Lian (appointed on 1 June 2022 and resigned on 1 November 2022)	趙小蓮女士 (於二零二二年六月一日獲委任並於二零二二年十一月一日辭任)	1/1
Mr. Chan Lik Shan (appointed on 27 January 2023)	陳力山先生 (於二零二三年一月二十七日獲委任)	N/A 不適用
Mr. So Yin Wai	蘇彥威先生	2/2

Corporate Governance Function

The Board does not have a corporate governance committee. The functions that would be carried out by a corporate governance committee are performed by the Board as a whole and are as follows:

- to develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board;

企業管治職能

董事會並無設立企業管治委員會，企業管治委員會應承擔的職能由董事會全體共同承擔，載列如下：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提供推薦意見；

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|---|----------------------------------|
| 2. to review and monitor the training and continuous professional development of Directors and senior management; | 2. 檢討及監察董事及高級管理人員的培訓及持續專業發展； |
| 3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; | 3. 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； |
| 4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and | 4. 制定、檢討及監察員工及董事的操守準則及合規手冊(如有)；及 |
| 5. to review the Company's compliance with the Code and disclosure in the Corporate Governance Report. | 5. 檢討本公司遵守守則的情況及在企業管治報告內的披露。 |

The corporate governance policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the Code Provisions and reviews its corporate governance policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

During the Year, members of the Board have reviewed and discussed, among other things, the Company's policies and practices on corporate governance at regular board meetings. They have also reviewed and monitored the training and continuous professional development of directors, and the Company's policies and practices on compliance with legal and regulatory requirements as well as its disclosure in the Corporate Governance Report. The Board has reviewed the code of conduct applicable to employees and directors setting out the standards of behavior that the Company expects from them and the guidelines on how they should handle different situations in business dealings with the Group.

制定企業管治政策的重點在於董事會的質素，有效的內部監控，嚴格的披露常規及對本公司全體股東的透明度及責任。董事會致力遵守守則條文並定期檢討其企業管治政策以維持高標準的商業道德及企業管治，以及確保本公司的營運全面遵守適用的法律及條例。

年內，董事會成員已於定期董事會會議檢討及討論(其中包括)本公司的企業管治政策及常規。彼等亦已檢討及監察董事的培訓及持續專業發展，及本公司在遵守法律及監管規定方面的政策及常規，以及其於企業管治報告中的披露。董事會已檢討適用於員工及董事的行為守則，當中列明本公司對彼等所期望的行為標準並就處理本集團業務交易的各種情況作出指引。

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COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”). The Company periodically issues notices to the Directors reminding them of the general prohibition on dealing in the Company’s listed securities during the blackout periods before the publication of announcements of results. The Company has confirmed, having made specific enquiry of the Directors, all the Directors have complied with the Model Code throughout the period under review.

DIRECTORS’ RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the accounts of the Company. Save as disclosed on note 2 of the notes to the consolidated financial statements of this annual report, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company’s ability to continue as a going concern.

BOARD INDEPENDENCE

The Group has mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board, encouraging all directors including independent non-executive directors to express their views in an open manner during the full meetings of committee meetings of the Board. While all independent non-executive directors are also members of the board committees to enable various and independent views on the Company’s matters. In addition, all Directors, including INEDs, are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the company secretary of the Company and, where necessary, independent advice from external professional advisers at the Company’s expense. The Board considered the said mechanisms have been operating effectively.

遵守上市規則附錄十所載的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）。本公司定期向董事發出通知，提醒彼等於刊發業績公佈前的禁制期內全面禁止買賣本公司的上市證券。經向董事作出特定查詢後，本公司確認全體董事已於回顧期間遵守標準守則。

董事就財務報表的責任

董事確認彼等監督本公司賬目的編製的責任。除本年報綜合財務報表附註附註2所披露者外，董事並無察覺關於可能對本公司持續經營能力存在重大疑問的事件或狀況的任何重大不確定性。

董事會獨立性

本集團設有機制，以確保董事會可獲得獨立意見及投放資源，且董事會將每年對有關機制進行檢討，鼓勵全體董事（包括獨立非執行董事）於董事會全體委員會會議上公開發表意見。所有獨立非執行董事亦為董事委員會成員，以就本公司事宜發表不同及獨立意見。此外，全體董事（包括獨立非執行董事）均有權就將於董事會會議上談論的事宜向管理層尋求進一步資料及文件。彼等亦可向本公司公司秘書尋求協助及在必要時，向外部專業顧問尋求獨立意見，費用由本公司承擔。董事會認為，上述機制一直處於有效運作。

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AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's consolidated financial statements for the year ended 31 December 2022 is set out in the section "Independent Auditor's Report" of this annual report.

The Group's external auditor provided the following services to the Group for the year ended 31 December 2022:

核數師酬金

本公司外聘核數師有關彼等對本公司截至二零二二年十二月三十一日止年度綜合財務報表的申報責任的聲明，載於本年報「獨立核數師報告」一節。

本集團的外聘核數師於截至二零二二年十二月三十一日止年度為本集團提供下列服務：

		HK\$'000 千港元
Audit services	核數服務	1,050
Non-audit services*	非核數服務*	210

* The non-audit services mainly comprised review of financial information, tax services and financial due diligence services.

* 非核數服務主要包括審閱財務資料，稅務服務及財務盡職調查服務。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is its duty to monitor the risk management and internal control systems of the Group on an ongoing basis and review their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the Year, the Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

風險管理及內部監控

董事會明白其職責為持續監察本集團的風險管理及內部監控系統並檢討其效能。有關系統旨在管理而非排除未能達到業務目標之風險，且僅能為防止重大錯誤陳述或損失提供合理而非絕對之保證。

年內，董事會通過審核委員會檢討本集團風險管理及內部監控系統的設計及執行效能，涵蓋所有重大監控措施（包括財務、營運及合規監控），確保本集團會計、內部審核及財務報告職能的資源、員工資歷、培訓計劃及預算充足。就此而言，審核委員會向董事會匯報任何重大事項。

Corporate Governance Report

企業管治報告

During the Year, the Group appointed an independent third party, Insightnetic Consultancy Limited (“ICL”) to:

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- independently perform internal control review and assess effectiveness of the Group’s risk management and internal control systems.

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by ICL to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of ICL as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

Our Enterprise Risk Management Framework

The Group established its enterprise risk management framework in 2017. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

年內，本集團已委任一名獨立第三方博奕顧問有限公司（「博奕顧問有限公司」）以：

- 透過進行一系列的工作坊及訪問，協助識別及評估本集團的風險；及
- 獨立進行內部監控檢討及評估本集團的風險管理及內部監控系統之效能。

博奕顧問有限公司已向審核委員會及董事會匯報獨立檢討及評估結果。此外，董事會已採納博奕顧問有限公司就提升本集團風險管理及內部監控系統及減低本集團風險所建議的內部監控及風險管理改善措施。根據博奕顧問有限公司之評估結果及推薦建議以及審核委員會之意見，董事會認為內部監控及風險管理系統屬有效及充分。

企業風險管理架構

本集團於二零一七年設立其企業風險管理架構。董事會全盤負責維持完善及有效的內部監控，而管理層則負責設計及執行內部監控系統，以管理本集團面對的所有類別的風險。

透過風險識別及評估程序，風險得以識別、評估、訂定優先次序及分配處理方法。風險管理架構遵從COSO企業風險管理—整合架構，讓董事會及管理層可有效管理本集團的風險。董事會通過負責監督風險管理及內部審核職能的審核委員會定期收取報告。

Corporate Governance Report

企業管治報告

Our Risk Control Mechanism

The Group adopts a “three lines of defence” corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance and compliance team and independent internal audit outsourced to and conducted by ICL. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management’s action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their areas of responsibility so that they can take follow-up actions in an efficient manner.

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meetings are held to update the progress of risk monitoring efforts. Management is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Group has established internal control procedures for the handling and dissemination of inside information in order to comply with Chapter 13 of the Listing Rules as well as Part XIVA of the Securities and Futures Ordinance. The internal control mechanism includes information flow and reporting processes, confidentiality arrangements, disclosure procedures, and staff training arrangements, etc.

The Company will continue to engage external independent professionals to review the Group’s system of internal controls and risk management annually and further enhance the Group’s internal control and risk management systems as appropriate.

風險監控機制

本集團採納「三道防線」的企業管治架構，由營運管理層進行營運管理及監控，並由財務及合規團隊進行風險管理監控，以及外判予博奕顧問有限公司並由其進行獨立內部審核。本集團保存一份風險登記冊，以記錄本集團所有已識別主要風險。該風險登記冊為董事會、審核委員會及管理層提供其主要風險概況及管理層為減低相關風險所採取的行動的紀錄。各項風險最少每年按其發生的可能性及對本集團的影響予以評估。風險登記冊乃由管理層（作為風險承擔者）最少每年於進行年度風險評估後更新新增風險及／或撤除現有風險（倘適用）。該檢討程序可確保本集團積極管理其面對的風險，令所有風險承擔者可參閱該風險登記冊，並注意彼等職責範疇的風險及保持警覺，從而有效地採取跟進措施。

管理層負責持續進行風險管理活動。風險管理架構的效能將最少每年予以評估，而管理層會議亦將定期舉行以更新風險監控成果的最新進展。管理層致力確保風險管理成為日常業務營運過程的一部分，以有效保持風險管理及企業目標一致。

本集團已就處理及發佈內幕消息制定內部監控程序，以遵守上市規則第13章及證券及期貨條例第XIVA部。內部監控機制包括消息流向與申報流程、保密安排、披露程序及員工培訓安排等。

本公司將繼續委聘外部獨立專家每年檢討本集團的內部監控及風險管理，並於適當時候進一步提升本集團的內部監控及風險管理系統。

Corporate Governance Report

企業管治報告

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting ("EGM")

Pursuant to the Articles of Association of the Company, any one or more members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and the meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (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 will be reimbursed to the requisitionist(s) by the Company.

Communication with Shareholders and Procedures for Putting forward Proposals at a General Meeting

All published information, including all the statutory announcements and press releases, is promptly posted on the Group's website at www.chinawoodint.com.hk. Shareholders can also send enquiries to the Board or the Company Secretary, and/or proposals to be put forward at shareholders' meeting for shareholders' consideration by email at cs@chinawoodint.com.hk or directly by raising questions at the annual general meeting of the Company.

目前，本集團並無內部審核職能。董事已檢討內部審核職能的需要，並認為就本集團的規模、性質及業務的複雜程度而言，委任外部獨立專家履行本集團所需的內部審核職能更合符成本效益。然而，董事將至少每年持續檢討內部審核職能的需要。

股東權利

股東召開股東特別大會（「股東特別大會」）的程序

根據本公司的組織章程細則，任何一名或多名本公司股東，於提出要求當日持有本公司附有可於股東大會上投票權利不少於十分之一的實繳股本，有權隨時向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理該要求內註明的任何事務。該大會須於提出要求後兩(2)個月內舉行。倘董事會未能於收到要求後二十一(21)日內召開該大會，提出要求人士可按相同方式舉行股東特別大會，而因董事會未能召開大會以致提出要求人士產生的一切合理開支，將由本公司償付予提出要求人士。

與股東的溝通及於股東大會上提呈建議的程序

所有刊載資料（包括所有法定公告及新聞稿）均會迅速在本集團網站 www.chinawoodint.com.hk 發佈。股東亦可通過發送郵件至 cs@chinawoodint.com.hk 向董事會或公司秘書查詢及／或發送將於股東大會上提呈以供股東考慮的建議，或於本公司的股東週年大會上直接提問。

Corporate Governance Report

企業管治報告

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

The Company updates its shareholders on its latest business developments and financial performance through its annual and interim reports, announcements and circulars. The corporate website of the Company (www.chinawoodint.com.hk) has provided an effective communication platform to the public and the shareholders.

CONSTITUTIONAL DOCUMENTS

During the Year, there were no changes to the Company's constitutional documents.

COMPANY SECRETARY

The company secretary of the Company has duly complied with the relevant training requirement under the Listing Rules.

投資者關係

本公司相信，維持高透明度是提升投資者關係的關鍵，並致力保持向其股東及投資大眾公開及適時披露公司資料的政策。

本公司透過其年度及中期報告、公告及通函向其股東更新其最新業務發展和財務表現。本公司的公司網站 (www.chinawoodint.com.hk) 已為公眾人士及股東提供一個有效的溝通平台。

憲章文件

於年內，本公司之憲章文件並無更改。

公司秘書

本公司之公司秘書已妥為遵守根據上市規則有關培訓之規定。

Report of the Directors

董事會報告

The directors of the Company (the “**Directors**” or the “**Board**”) hereby present their report and the audited financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 38 of the notes to the consolidated financial statements in this annual report.

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group’s future business development are provided in the Management Discussion and Analysis on pages 5 to 20 of this annual report. Description of the financial risk management objectives and policies of the Group can be found in note 6 of the notes to the consolidated financial statements in this annual report.

RESULTS AND DIVIDENDS

The Group’s loss for the year ended 31 December 2022 and the Group’s financial position at that date are set out in the consolidated financial statements on pages 54 to 194.

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

DIVIDEND POLICY

The Company has a specified dividend policy (“**Dividend Policy**”), under which the Board shall also take into account, inter alia, the operating results, cash flow, financial condition and capital requirements of the Group and the interests of the shareholders of the Company as a whole when proposing any dividend payout. The Company’s distribution of dividends shall also be subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company as well as all applicable laws, rules and regulations.

The Dividend Policy allows the Board to declare special dividends from time to time in addition to the interim and/or annual dividends. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

本公司董事（「**董事**」或「**董事會**」）謹此提呈彼等的報告及截至二零二二年十二月三十一日止年度的經審核財務報表。

主要業務

本公司的主要業務為投資控股。其主要附屬公司的詳細主要業務載於本年報綜合財務報表附註附註38。

業務回顧

本集團於年內的業務回顧及就本集團未來業務發展的討論於本年報第5至20頁的管理層討論及分析中提供。有關本集團財務風險管理目標及政策的描述載於本年報綜合財務報表附註附註6。

業績及股息

本集團截至二零二二年十二月三十一日止年度的虧損及本集團於該日的財務狀況載於第54至194頁的綜合財務報表。

董事會不建議就截至二零二二年十二月三十一日止年度派付任何股息（二零二一年：無）。

股息政策

本公司有既定股息政策（「**股息政策**」），董事會在考慮派發任何股息時，會考慮（其中包括）本集團的經營業績、現金流量、財務狀況、資本需求以及本公司股東的整體利益。本公司派發股息亦受開曼群島公司法及本公司組織章程細則以及任何適用法律、法規及規則的規限。

股息政策容許董事會可以在中期及／或全年股息外不時宣派特別股息。任何既定期間概無保證宣派任何特定金額的股息。

Report of the Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirm that the Company has maintained during the year under review the amount of public float as required under the the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

SHARE CAPITAL, SHARE OPTIONS, WARRANTS AND CONVERTIBLE BONDS

Details of movements in the Company’s share capital and convertible bonds during the year are set out in notes 36 and 33 of the notes to the consolidated financial statements of this annual report, respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 195 to 196. This summary does not form part of the audited financial statements.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

The Company’s distributable reserves comprise the share premium, other reserves and accumulated losses. As at 31 December 2022, the Company had no distributable reserves (2021: HK\$Nil).

足夠公眾持股量

基於本公司可公開獲得的資料，據董事所知，董事確認本公司於回顧年度維持香港聯合交易所有限公司證券上市規則（「上市規則」）所規定公眾持股量。

股本、購股權、認股權證及可換股債券

年內，本公司股本及可換股債券的變動詳情分別載於本年報綜合財務報表附註附註36及33。

購買、出售或贖回本公司的上市證券

年內，本公司及其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

財務資料摘要

本集團過去五個財政年度的已刊發業績、資產及負債摘要（摘錄自經審核財務報表）載於第195至196頁。該摘要並不構成經審核財務報表的一部分。

優先購買權

本公司的組織章程細則或開曼群島法例並無載有優先購買權的條文，規定本公司須按比例向現有股東提呈發售新股份。

可供分派儲備

本公司的可供分派儲備包括股份溢價，其他儲備及累計虧損。於二零二二年十二月三十一日，本公司並無可供分派儲備（二零二一年：零港元）。

Report of the Directors 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for 47.7% of the total sales for the year and sales to the largest customer included therein amounted to 16.3%. Purchases from the Group's five largest suppliers accounted for 47.6% of the total purchases for the year and purchases from the largest supplier included therein amounted to 16.3%.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interests in the Group's five largest customers and suppliers.

DIRECTORS

The Directors during the Year and up to the date of this annual report were:

Executive Directors ("ED(s)")

Mr. Lyu NingJiang

Non-executive Directors ("NED(s)")

Mr. Hu Yong Gang

Independent Non-executive Directors ("INED(s)")

Mr. Zhao Xianming

Mr. An Dong (ceased on 26 May 2022)

Ms. Zhao Xiao Lian (appointed on 1 June 2022
and resigned on 1 November 2022)

Mr. Chan Lik Shan

(appointed on 27 January 2023)

Mr. So Yin Wai

In accordance with Articles 83(3) and 84(1) of the Articles of Association of the Company (the "**Articles of Association**"), Mr. Lyu NingJiang, Mr. Hu Yong Gang and Mr. Chan Lik Shan shall retire at the forthcoming annual general meeting (the "**AGM**") and, being eligible, would offer themselves for re-election.

CONFIRMATION OF INDEPENDENCE

The Company has received an annual confirmation of independence from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. The Company considers the INEDs to be independent as at the date of this annual report.

主要客戶及供應商

年內，本集團五大客戶的銷售額佔本年度總銷售額的47.7%，其中最大客戶的銷售額佔16.3%。本集團五大供應商的採購額佔本年度總採購額的47.6%，其中最大供應商的採購額佔16.3%。

董事或其任何聯繫人士或任何股東（就董事所悉擁有本公司已發行股本逾5%者）概無於本集團五大客戶及供應商中擁有任何實益權益。

董事

年內及直至本年報日期為止的董事為：

執行董事（「執行董事」）

呂寧江先生

非執行董事（「非執行董事」）

胡永剛先生

獨立非執行董事（「獨立非執行董事」）

趙憲明先生

安東先生（於二零二二年五月二十六日離任）

趙小蓮女士（於二零二二年六月一日獲委任
並於二零二二年十一月一日辭任）

陳力山先生

（於二零二三年一月二十七日獲委任）

蘇彥威先生

根據本公司的組織章程細則（「**組織章程細則**」）第83(3)條及第84(1)條，呂寧江先生、胡永剛先生及陳力山先生應於即將舉行的股東週年大會（「**股東週年大會**」）上退任，並符合資格且願意重選連任。

獨立性的確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性年度確認書。本公司認為於本年報日期，獨立非執行董事均屬獨立。

Report of the Directors

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Group are set out on pages 21 to 22 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year and up to the date of this annual report, no Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules.

EMOLUMENT POLICY

The emolument policy of the Group is determined with reference to the performance, qualifications and experience of individual employees (including Directors), as well as the results of the Group and the market conditions. The Group provides discretionary bonus, medical insurance, provident fund, education subsidy and training to its employees. The Company has adopted a share option scheme as an incentive to eligible participants, details of which are set out below in the section "Share Option Scheme".

董事及高級管理層的詳細履歷

董事及本集團高級管理層的詳細履歷載於本年報第21至22頁。

董事的服務合約

概無董事與本公司訂立不可於一年內由本公司免付賠償(法定賠償除外)而終止的服務合約。

重大合約

除本年報所披露者外，於年內或年結日，本公司或任何其附屬公司概無訂立任何涉及對本集團業務有重大關係而董事直接或間接在其中擁有重大權益的重要合約。

董事於競爭業務之權益

於年內及截至本年報日期為止，按上市規則之定義，概無董事被視作於直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有權益。

薪酬政策

本集團的薪酬政策參照個別僱員(包括董事)的表現、資歷及經驗、本集團業績及市況釐定。本集團向其僱員提供酌情花紅、醫療保險、公積金供款、教育津貼及培訓。本公司已採納購股權計劃作為對合資格參與者的鼓勵。其詳情載於下文「購股權計劃」一節。

Report of the Directors

董事會報告

Details of the emoluments of the Directors and five highest paid individuals are set out in note 13 and 14 of the notes to the consolidated financial statements, respectively.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2022, none of the Directors or chief executives of the Company or their respective associates had registered any short positions in the share capital of the Company and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules adopted by the Company.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2022, so far as is known to the Directors, the following persons (other than the Directors of the Company) had interests or short positions in the shares or underlying shares of the Company, being 5% or more of the total issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

董事及五名最高薪酬人士的薪酬詳情，分別載於綜合財務報表附註內的附註13及14。

董事於本公司股份、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，本公司董事或主要行政人員或彼等各自的聯繫人士概無於本公司股本及本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的相關股份或債券中擁有任何已登記淡倉而須根據證券及期貨條例第352條記錄於登記冊內，或已根據本公司所採納的上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）另行知會本公司及香港聯合交易所有限公司（「聯交所」）。

主要股東及其他人士於本公司股份、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，據董事所知，下列人士（本公司董事除外）於本公司股份或相關股份中擁有的權益或淡倉（佔本公司已發行股本總額5%或以上）已記錄於本公司須根據證券及期貨條例第336條存置的登記冊內：

Report of the Directors

董事會報告

Long position in the shares:

股份的好倉：

Name of substantial shareholders	Capacity/Nature of interest	Number of Shares interested	Percentage of the Company's issued share capital (note 3)
主要股東名稱	身份／權益性質	擁有權益的股份數目	佔本公司已發行股本的百分比 (附註3)
Sino Merchant Car Rental Limited (note 1) 華商租車有限公司(附註1)	Beneficial owner 實益擁有人	174,961,694	51.07%
Dundee Greentech Limited (note 2) Dundee Greentech Limited(附註2)	Beneficial owner 實益擁有人	39,475,000	11.52%
China Orient Asset Management Corporation 中國東方資產管理公司	Person having a security interest in shares 於股份擁有證券權益之人士	113,073,694	33.01%

notes:

附註：

- These 174,961,694 (as consolidated under the Share Consolidation) shares are registered in the name of Sino Merchant Car Rental Limited (a company incorporated in the British Virgin Islands) ("Sino Merchant"), the entire issued share capital of which is owned as to 60% by Ms. Deng Shufen and 40% by Ms. Liu Jianguan. Ms. Deng Shufen and Ms. Liu Jianguan are deemed to be interested in all the shares and underlying shares in which Sino Merchant is interested by virtue of the SFO. As Mr. Dai Yumin is the spouse of Ms. Deng Shufen, he is deemed to be interested in the shares and the underlying shares which Ms. Deng Shufen is deemed to be interested in for the purpose of the SFO.
- These 39,475,000 (as consolidated under the Share Consolidation) shares are registered in the name of Dundee Greentech Limited (a company incorporated in the British Virgin Islands), the entire issued share capital of which is held by Mr. Liu Hailong.
- The percentage of shareholding is calculated based on the issued share capital of the Company as consolidated under Share Consolidation comprising 342,572,857 shares as at 31 December 2022.

- 此等174,961,694股股份(根據股份合併而合併)乃以華商租車有限公司(一間於英屬維爾京群島註冊成立的公司,「華商租車」)之名義登記,其全部已發行股本由鄧淑芬女士擁有60%及劉江媛女士擁有40%。就證券及期貨條例而言,鄧淑芬女士及劉江媛女士被視為於華商租車擁有權益之所有股份及相關股份中擁有權益。由於戴昱敏先生為鄧淑芬女士之配偶,故就證券及期貨條例而言,彼被視為於鄧淑芬女士被視為擁有權益之股份及相關股份中擁有權益。
- 此等39,475,000股股份(根據股份合併而合併)乃以Dundee Greentech Limited(一間於英屬維爾京群島註冊成立的公司)之名義登記,其全部已發行股本由劉海龍先生持有。
- 持股百分比乃按於二零二二年十二月三十一日根據股份合併而合併之本公司已發行股本(包括342,572,857股股份)之基準計算得出。

Save as disclosed above, as at 31 December 2022, no person (other than the Directors whose interests are set out in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" above) had registered an interest or a short position in the Shares or underlying shares of the Company that was required to be recorded in the register of the Company pursuant to section 336 of the SFO.

除上文所披露者外,於二零二二年十二月三十一日,概無人士(其權益載於上文「董事於本公司股份、相關股份及債券的權益及淡倉」一節的董事除外)於本公司的股份或相關股份中擁有已登記的權益或淡倉而須根據證券及期貨條例第336條記錄於本公司的登記冊內。

Report of the Directors

董事會報告

SHARE OPTION SCHEME

The existing share option scheme was adopted on 3 June 2016 (the “**Share Option Scheme**”) by the shareholders. The purpose of the Share Option Scheme is providing incentives and rewards to eligible participants who contribute to the success of the Group. The Share Option Scheme was adopted for a period of 10 years commencing from 3 June 2016 and will remain in force until 2 June 2026.

Eligible participant under the Share Option Scheme includes any full-time or part-time employees, executives (including executive, non-executive and independent non-executive Directors) of the Company or any of its subsidiaries, any suppliers of goods or services, any customers, any person or entity that provides research, development or other technological support, any shareholder of any member of the Group, any adviser or consultant to any area of business or business development of any member of the Group and any other groups, or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The subscription price shall be determined by the Board but shall not be less than the highest of (i) the closing price of Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of the offer for grant which must be a business day; (ii) the average closing price of Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of the Shares.

Upon acceptance of the options, the grantee shall pay HK\$1 to the Company as nominal consideration for the grant. The acceptance of an offer of the grant of the option must be made within 21 days from the date of offer for grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. Unless otherwise determined by the Board and stated in the offer for the grant to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised and no performance target which needs to be achieved by a grantee before the options can be exercised.

購股權計劃

現有購股權計劃乃由股東於二零一六年六月三日採納（「**購股權計劃**」）。購股權計劃旨在對本集團成功作出貢獻的合資格參與者給予獎勵及報酬。購股權計劃的年期自二零一六年六月三日起為期10年，並維持有效直至二零二六年六月二日。

購股權計劃項下的合資格參與者包括本公司或其任何附屬公司的任何全職或兼職僱員、行政人員（包括執行、非執行及獨立非執行董事）、任何商品或服務供應商、任何客戶、任何提供研發或其他技術支持的人士或實體、本集團任何成員公司的任何股東、本集團任何成員公司的任何業務範圍或業務發展的任任何顧問或諮詢人，以及任何以合營公司、業務聯盟或其他業務安排的方式貢獻或可能貢獻本集團發展及增長的其他組別或類別參與者。

認購價將由董事會釐定，惟將不少於以下的最高者：(i)於提呈授出要約日期（必須為營業日）聯交所發出的每日報價表所載的股份收市價；(ii)於緊接提呈授出要約日期前五個營業日聯交所發出的每日報價表所載的股份平均收市價；及(iii)股份的面值。

承授人接納購股權時須就授出向本公司支付1港元的名義代價，而授出購股權的要約必須於提呈授出要約日期起計21日內予以接納。購股權可根據購股權計劃的條款於董事會釐定及通知的期間內隨時予以行使，該期間不得超過自授出日期起計十年，並受限於提早終止條款。除董事會另行釐定及於致承授人的要約中有訂明者外，購股權計劃項下概無就購股權可予行使前持有購股權訂有最短期限，且可行使購股權前承授人無需達致任何表現目標。

Report of the Directors

董事會報告

Based on 6,481,375,000 shares in issue as at the date of adoption of the Share Option Scheme, the maximum number of shares to be issued upon the exercise of options that may be granted under the Share Option Scheme are 648,137,500 shares, being 10% of the shares in issue as at the date of adoption. After the share consolidation being effective on 26 June 2020, the total number of shares available for issue under the Share Option Scheme is 32,406,875 shares, representing 9.5% of the total number of Shares in issue as at 31 December 2022. The maximum entitlement of each participant shall not in any 12-month period exceed 1% of the Company's issued share capital from time to time.

For the year ended 31 December 2022, no option was granted under the Share Option Scheme. In addition, there was no outstanding share option under the Share Option Scheme as at 31 December 2022 and 31 December 2021.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There has been no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisting during or at the end of the Year.

根據於採納購股權計劃日期已發行的6,481,375,000股股份，行使根據購股權計劃可授出的購股權時將予發行的最高股份數目為648,137,500股股份，即於採納日期時已發行股份的10%。於二零二一年六月二十六日股份合併生效後，購股權計劃項下可予發行的股份總數為32,406,875股，佔於二零二二年十二月三十一日已發行股份總數的9.5%。每名參與人士於任何十二個月期間的最高配額不得超過本公司不時已發行股本的1%。

截至二零二二年十二月三十一日止年度，概無根據購股權計劃授出購股權。此外，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，購股權計劃項下並無尚未行使的購股權。

購買股份或債券的安排

年內概無向任何董事或彼等各自的配偶或未成年子女授出透過收購本公司股份或債券而獲取利益的權利，彼等亦無行使任何該等權利；本公司或任何其附屬公司亦非任何讓董事獲取任何其他法人團體該等權利之安排的訂約方。

董事於交易、安排或合約中的權益

本公司、其控股公司、或其任何附屬公司或同系附屬公司概無訂立本公司董事或與董事有關連的實體於其中擁有或曾擁有重大權益（無論直接或間接），並於年內或年末仍然生效的重大交易、安排或合約。

Report of the Directors

董事會報告

PERMITTED INDEMNITY

Pursuant to the Company's Articles of Association, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

EQUITY-LINKED AGREEMENTS

Other than the convertible bonds and the share option scheme of the Company, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2022 is disclosed in note 43 of the notes to the consolidated financial statements.

None of the "Related Party Transactions" as disclosed in note 43 of the notes to the consolidated financial statements for the Year constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Other than the events set out on note 45 of the notes to the consolidated financial statements of this annual report, the Group has no significant events after the reporting period.

ENVIRONMENTAL SOCIETY AND CORPORATE RESPONSIBILITY

The environmental, social and governance report prepared with the assistance of a professional third party for year 2022 will be published separately in compliance with the requirement of the Listing Rules.

獲准許彌償

根據本公司組織章程細則，受限於適用法律及法規，每名董事須有權就其於執行職務或與此有關的情況而可能產生或持續出現的一切或任何行動、成本、費用、虧損、損害及支出自本公司資產及溢利中獲得彌償及擔保。

股票掛鈎協議

除本公司可換股債券及購股權計劃外，概無股票掛鈎協議將或可能導致本公司發行股份或規定本公司須訂立任何將或可能導致本公司發行股份的協議由本公司於年內訂立或於年末仍然生效。

關連方交易

本集團於截至二零二二年十二月三十一日止年度訂立的重大關連方交易於綜合財務報表附註附註43披露。

年內綜合財務報表附註附註43所披露之「關連方交易」並未構成上市規則項下之須予披露非豁免關連交易或非豁免持續關連交易。

報告期後事項

除載於本年報綜合財務報表附註附註45之事項外，本集團於報告期後並無發生重大事項。

環境、社會及企業責任

二零二二年環境、社會及管治報告由專業第三方協助編製，將根據上市規則規定獨立刊發。

Report of the Directors

董事會報告

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

The Company encourages its employees to understand, comply with and keep themselves abreast of the laws, rules and regulations applicable to their positions and the operation of the businesses of the Group as any violation could jeopardize the integrity of the Group. The Company has employed suitable personnel and engaged professional advisers as and when appropriate to provide legal advice on the applicability, existence or interpretation of any laws, rules and regulations. The Board is not aware of any violation of the applicable laws, rules and regulations that had a significant impact on the business and/or operation of the Group during the year ended 31 December 2022.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success lies also on the support from key stakeholders, including but not limited employees, customers, bankers, service providers and shareholders.

Employees

The Group treasures our employees as the most important and valuable assets of the Group. The objective of the Group's human resources management is to reward and recognise our employees by providing a competitive remuneration package, appropriate incentives, and opportunities within the Group for career advancement.

Customers

The Group is committed to provide excellent services to our customers with a view to maintaining steady business and asset growth as well as long term profitability.

Bankers

To order to ensure adequate market penetration and access, the Group has maintained excellent relationship with our bankers and has been soliciting funds from our bankers as and when necessary.

遵守法律、規則及法規

由於任何違規將損害本集團之誠信，本公司鼓勵其員工理解、遵守及了解與其職位及本集團業務營運相關之法律、規則及法規之最新情況。本公司已委任合適人選並委聘專業顧問適時提供任何法律、規則及法規之適用性、存在或詮釋。董事會並不知悉截至二零二二年十二月三十一日止年度之任何違反適用法律、規則及法規對本集團之業務及／或營運有重大影響。

與主要利益相關者之關係

本集團之成功亦有賴於主要利益相關者之支持，包括但不僅限於僱員、客戶、往來銀行、服務供應商及股東。

僱員

本集團珍視我們的僱員，視彼等為本集團最重要的寶貴資產。本集團人力資源管理之目標為透過提供具競爭力之薪酬待遇、適當之獎勵及本集團內職位晉升之機會以給予我們的僱員獎賞及認可。

客戶

本集團致力於向我們的客戶提供卓越服務，以期維持穩定的業務及資產增長以及長期的盈利能力。

往來銀行

為確保充分滲透及進入市場，本集團與我們的往來銀行維持良好的關係，並於必要時自我們的往來銀行籌集資金。

Report of the Directors

董事會報告

Auditor

The Group's consolidated financial statements for the year ended 31 December 2022 had been audited by McMillan Woods (Hong Kong) CPA Limited, who will retire and being eligible, offer themselves for reappointment as auditor at the Company's forthcoming annual general meeting.

INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

As disclosed in sections headed "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" in the independent auditor's report contained on pages 49 to 53 of the Annual Report, the auditor of the Company (the "**Auditor**") did not express an audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2022 because of the significance of the matters described in the section "Basis for Disclaimer of Opinion".

The Board's Response to the Disclaimer Opinion

The conditions together with other considerations forming the opinion of the Board to prepare the consolidated financial statements of the Group on the going concern basis is being described in note 2 of the notes to the consolidated financial statements in a section headed "Going Concern Assumption".

On behalf of the board of directors of China Wood International Holding Co., Limited 中木國際控股有限公司

(Joint Provisional Liquidators appointed)

(For restructuring purposes only)

Lyu NingJiang

Chairman and Executive Director

Hong Kong, 28 March 2023

核數師

本集團截至二零二二年十二月三十一日止年度的綜合財務報表已由長青(香港)會計師事務所有限公司審核。彼等將退任並合資格且願意於本公司應屆股東週年大會上應聘連任為核數師。

本公司截至二零二二年十二月三十一日止年度的綜合財務報表所載獨立核數師報告

誠如年報第49至53頁所載獨立核數師報告「不發表意見」及「不發表意見之基礎」各節所披露，由於「不發表意見之基礎」一節所述事項之重要性，本公司核數師(「**核數師**»)對本集團截至二零二二年十二月三十一日止年度的綜合財務報表不發表審核意見。

董事會對不發表意見的回應

有關條件及構成董事會根據持續經營基準編製本集團綜合財務報表意見的其他考慮因素，載於綜合財務報表附註中附註2的「持續經營假設」一節。

代表董事會

China Wood International Holding Co., Limited 中木國際控股有限公司

(已委任共同臨時清盤人)

(僅適用於公司重組)

主席及執行董事

呂寧江

香港，二零二三年三月二十八日

Independent Auditor's Report 獨立核數師報告



To the shareholders of China Wood International Holding Co., Limited

(Joint provisional liquidators appointed for restructuring purposes only)
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Wood International Holding Co., Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 54 to 194, which comprise the consolidated statement of financial position as at 31 December 2022, and the 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.

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

長青

致中木國際控股有限公司全體股東

(僅就公司重組目的委任的共同臨時清盤人)
(於開曼群島註冊成立的有限公司)

不發表意見

吾等已獲委聘審核載於第54至194頁中木國際控股有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)的綜合財務報表,包括於二零二二年十二月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

吾等對 貴集團的綜合財務報表不發表意見。由於本報告中不發表意見之基礎一節所述事項之重要性,吾等未能取得足夠適當之審核憑證,以作為吾等就該等綜合財務報表發表審核意見之依據。在所有其他方面,我們認為該等綜合財務報表已按照香港公司條例的披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to going concern

As disclosed in note 2 to the consolidated financial statements, the Group incurred a loss of HK\$150,402,000 for the year ended 31 December 2022 and as at 31 December 2022, the Group had net current liabilities and net liabilities of HK\$1,456,512,000 and HK\$1,402,852,000 respectively. The bank and other borrowings, and provision of claims of the Group amounted to HK\$846,873,000 and HK\$287,924,000, respectively, as of 31 December 2022. Furthermore, the Group recorded net operating cash outflow for five consecutive years with the Group's total cash and bank balances remaining at a low level of HK\$4,060,000 as of 31 December 2022.

As of 31 December 2022 and up to the approval date on these consolidated financial statements, the Group had the following major outstanding claims recorded by the Group ("**Claims**"):

- (i) Other borrowings amounted to approximately HK\$784,786,000 in default (the "**Defaulted Borrowings**");
- (ii) Bank borrowings amounted to approximately HK\$14,101,000 in default and demanded by a bank for repayment (the "**Demanded Bank Loan**");
- (iii) Borrowing of approximately HK\$11,371,000 in default and under a court order to repay the principal together with penalty and accrued interest thereon (the "**Claimed Loan**");
- (iv) Provision for claims of HK\$200,000,000 in respect of claims by liquidators of a fund being wound up (the "**Claim Provision**"); and
- (v) Liquidated claims of approximately HK\$87,924,000 in relation to three litigations against the Group in prior years in which the Group was ordered by various court orders to settle during the years ended 31 December 2020, 2021, and 2022 (the "**Legal Provision**").

不發表意見之基礎

有關持續經營的重大不確定性

誠如綜合財務報表附註2所披露，截至二零二二年十二月三十一日止年度，貴集團產生虧損150,402,000港元，而於二零二二年十二月三十一日，貴集團的流動負債淨額及負債淨額分別為1,456,512,000港元及1,402,852,000港元。於二零二二年十二月三十一日，貴集團的銀行及其他借貸以及索賠撥備分別為846,873,000港元及287,924,000港元。此外，貴集團連續五年錄得經營現金淨流出，而於二零二二年十二月三十一日，貴集團的現金及銀行結餘總額處於較低水平，為4,060,000港元。

截至二零二二年十二月三十一日及直至該等綜合財務報表批准日期，貴集團有以下重大未償還申索 ("**申索**")：

- (i) 已違約之其他借貸約784,786,000港元 ("**違約借貸**")；
- (ii) 已違約並接獲銀行要求還款之銀行借貸約14,101,000港元 ("**要求銀行貸款**")；
- (iii) 已違約並接獲法院頒令要求償還本金連同罰金及應計利息之借貸約11,371,000港元 ("**索賠借貸**")；
- (iv) 有關獲清盤基金之清盤人所提出索賠之索賠撥備200,000,000港元 ("**索賠撥備**")；及
- (v) 截至二零二零年、二零二一年及二零二二年十二月三十一日止年度，貴集團就過往年度針對貴集團的三個訴訟獲多個法院頒令要求清償之違約賠償金約87,924,000港元 ("**法律撥備**")。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (continued)

Material uncertainties relating to going concern (continued)

As of the date of approval on these consolidated financial statements, the Group did not settle the amounts of the Defaulted Borrowings, the Demanded Bank Loan, the Claimed Loan, the Claim Provision and the Legal Provision. The Defaulted Borrowings, the Demanded Bank Loan, the Claimed Loan and the Claim Provision will be dealt with by the restructuring that includes capital reorganisation, the investor's subscription, the scheme of arrangement with creditors, and the whitewash waiver as disclosed in note 1 to the consolidated financial statements. The Legal Provision will be settled by internal financial resources generated from the Group's future operations.

The aforementioned conditions indicate the existence of material uncertainties which cast significant doubt regarding the Group's ability to continue as a going concern. Given these circumstances, the management of the Company has given careful consideration to the restructuring plans, future liquidity and performance of the Group, and the available sources of financing to determine whether the Group will have sufficient financial resources to continue as a going concern. To mitigate the Group's liquidity pressure and improve its cashflows, management has implemented or will adopt certain plans and measures, including ongoing negotiation and implementation of the restructuring plans, as well as the following:

- (i) the Group will complete the pending conditions of capital reorganization;
- (ii) the Group will fulfill the conditions precedent to the investor's subscription;
- (iii) the Group will fulfill the conditions precedent to the scheme of arrangement with creditors to become effective;
- (iv) the Company will fulfill all resumption guidance and resume trading of its shares on the Stock Exchange and the Stock Exchange will grant the listing approval of any issuance of new securities by the Company; and
- (v) the Group will continue to take proactive measures to improve operating cash flows by controlling administrative costs and containing capital expenditure.

不發表意見之基礎 (續)

有關持續經營的重大不確定性 (續)

截至批准該等綜合財務報表日期，貴集團並未結算違約借貸、要求銀行貸款、索賠借貸、索賠撥備及法律撥備金額。違約借貸、要求銀行貸款、索賠借貸及索賠撥備將通過重組（包括綜合財務報表附註1所披露資本重組、投資者認購事項、債權人安排計劃及清洗豁免）處理。法律撥備將通過貴集團未來營運所產生的內部財務資源結算。

上述情況顯示存在重大不確定性，對貴集團持續經營的能力產生重大疑慮。鑒於該等情況，貴公司管理層已仔細考慮重組計劃、貴集團未來的流動資金及表現以及可用的資金來源，以確定貴集團是否有足夠的財務資源繼續可持續經營。為緩解貴集團的流動資金壓力及改善其現金流，管理層已實施或將採取若干計劃及措施，包括正在進行的談判及實施重組計劃，以及下列措施：

- (i) 貴集團將完成資本重組的未決條件；
- (ii) 貴集團將履行投資者認購事項的先決條件；
- (iii) 貴集團將履行債權人安排計劃生效的先決條件；
- (iv) 貴公司將履行所有復牌指引並恢復其股份於聯交所交易且聯交所將授出上市批准以批准貴公司發行任何新證券；及
- (v) 貴集團將繼續採取積極措施，通過控制行政成本及控制資本開支改善營運現金流。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (continued)

Material uncertainties relating to going concern (continued)
The consolidated financial statements have been prepared on going concern basis, the validity of which depends on the successful realization of these plans and measures, which are subject to multiple uncertainties. As a results of above multiple uncertainties, the potential interactions of these uncertainties, and the possible cumulative effect thereof, we are unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group fail to achieve the abovementioned restructuring, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

不發表意見之基礎 (續)

有關持續經營的重大不確定性 (續)
綜合財務報表乃按持續經營基準編製，其有效性取決於該等計劃及措施的成功實施，而該等計劃及措施受諸多不確定因素的影響。由於上述多種不確定因素、該等不確定因素的潛在相互影響及其潛在累積影響，吾等無法對按持續經營基準編製是否屬恰當提供意見。

倘 貴集團無法實現上述重組，其可能無法繼續持續經營，則須作出調整以將 貴集團資產的賬目值撇減至其可收回金額，就可能產生的其他負債作出撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映在該等綜合財務報表中。

董事及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（「香港會計師公會」）頒佈的香港財務報告準則及香港公司條例的披露要求，編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此以外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

審核委員會協助董事履行監督 貴集團的財務報告流程的責任。

Independent Auditor's Report 獨立核數師報告

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants

Yeung Man Sun
Audit Engagement Director
Practising Certificate Number — P07606
24/F, Siu On Centre,
188 Lockhart Road,
Wanchai, Hong Kong

28 March 2023

核數師就審核綜合財務報表須承擔 的責任

吾等的責任是遵循香港會計師公會頒佈的香港核數準則對 貴集團的綜合財務報表執行審核工作並發表核數師報告。然而，由於本報告中不發表意見之基礎一節所述之事項，吾等未能取得足夠適當之審核憑證，以作為吾等就該等綜合財務報表發表審核意見之依據。

根據香港會計師公會的專業會計師道德守則（「守則」），吾等獨立於 貴集團，並已根據守則履行吾等的其他道德責任。

長青(香港)會計師事務所有限公司
執業會計師

楊万銀
審核項目董事
執業證書編號—P07606
香港灣仔
駱克道188號
兆安中心24樓

二零二三年三月二十八日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收入表

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

		<i>note</i> <i>附註</i>	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue	收益	9	145,378	116,067
Cost of sales and services rendered	銷售成本及提供的服務		(121,266)	(101,651)
Gross profit	毛利		24,112	14,416
Other income, gains and (losses), net	其他收入、收益及 (虧損) 淨額	10	3,139	(48,192)
Allowances for expected credit losses ("ECLs") on trade, loan and other receivables, net	應收賬款、貸款及 其他應收款項預期信貸 虧損(「預期信貸虧損」) 撥備淨額		(35,578)	(2,850)
Provision for financial guarantee	財務擔保撥備		(1,000)	(2,000)
Selling and distribution expenses	銷售及分銷開支		(981)	(386)
Administrative expenses	行政費用		(22,443)	(15,762)
Other expenses	其他開支		-	(101,823)
Loss from operations	經營所得虧損		(32,751)	(156,597)
Finance costs	融資成本	11	(113,738)	(117,730)
Loss before tax	除稅前虧損	12	(146,489)	(274,327)
Income tax expense	所得稅開支	15	(3,913)	(233)
Loss for the year	年內虧損		(150,402)	(274,560)
Other comprehensive income, net of tax	其他全面收入，扣除稅項			
Items that may be subsequently reclassified to profit or loss	其後可能重新分類至 損益的項目			
Exchange difference arising on translation of foreign operations	換算境外業務的匯兌差額		11,369	(2,760)
Other comprehensive income for the year, net of tax	年內其他全面收入， 扣除稅項		11,369	(2,760)
Total comprehensive income for the year	年內全面收入總額		(139,033)	(277,320)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收入表

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

		<i>note</i> 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Loss for the year attributable to:	以下各方應佔年內虧損：			
Owners of the Company	本公司擁有人		(150,133)	(274,550)
Non-controlling interests	非控股權益		(269)	(10)
			(150,402)	(274,560)
Total comprehensive income for the year attributable to:	以下各方應佔年內全面收入總額：			
Owners of the Company	本公司擁有人		(138,035)	(277,210)
Non-controlling interests	非控股權益		(998)	(110)
			(139,033)	(277,320)
Loss per share	每股虧損			
Basic (HK dollar)	基本 (港元)	17	(0.44)	(0.80)
Diluted (HK dollar)	攤薄 (港元)		N/A不適用	N/A不適用

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2022
於二零二二年十二月三十一日

		<i>note</i> <i>附註</i>	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			
Property, plant and equipment	物業、廠房及設備	18	19,121	22,994
Right-of-use assets	使用權資產	19	505	1,907
Goodwill	商譽	20	–	–
Intangible assets	無形資產	21	22,434	24,351
Interest in an associate	於一間聯營公司的權益	22	–	–
Deferred tax assets	遞延稅項資產	35	5,780	6,183
Financial assets at fair value through profit or loss (“FVTPL”)	按公平值計入損益 (「按公平值計入損益」) 的金融資產	23	12,255	12,794
			60,095	68,229
Current assets	流動資產			
Inventories	存貨	24	14,887	70,457
Trade receivables	應收賬款	25	68,591	33,200
Loan receivable	應收貸款	26	–	–
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項	27	48,463	56,400
Restricted bank balances	受限制銀行結餘	28	59	–
Cash and bank balances	現金及銀行結餘	28	4,060	2,539
			136,060	162,596

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2022
於二零二二年十二月三十一日

		<i>note</i>	2022	2021
		<i>附註</i>	二零二二年	二零二一年
			HK\$'000	HK\$'000
			千港元	千港元
Current liabilities	流動負債			
Trade payables	應付賬款	29	57,621	96,675
Other payables and accruals	其他應付款項及應計款項	30	647,535	556,225
Bank and other borrowings	銀行及其他借貸	31	846,873	797,978
Lease liabilities	租賃負債	32	785	1,362
Financial guarantee	財務擔保	34	36,000	35,000
Tax payable	應付稅項		3,758	–
			1,592,572	1,487,240
Net current liabilities	流動負債淨額		(1,456,512)	(1,324,644)
Total assets less current liabilities	總資產減流動負債		(1,396,417)	(1,256,415)
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	32	209	1,028
Deferred tax liabilities	遞延稅項負債	35	6,226	6,376
			6,435	7,404
NET LIABILITIES	負債淨額		(1,402,852)	(1,263,819)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2022
於二零二二年十二月三十一日

		<i>note</i> <i>附註</i>	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	36	68,515	68,515
Reserves	儲備		(1,462,535)	(1,324,500)
			(1,394,020)	(1,255,985)
Non-controlling interests	非控股權益		(8,832)	(7,834)
CAPITAL DEFICIENCY	資本虧絀		(1,402,852)	(1,263,819)

Approved by the Board of Directors on 28 March 2023 and signed on its behalf by:

已由董事會於二零二三年三月二十八日批准，並由下列董事代為簽署：

Lyu NingJiang

呂寧江

Chairman and Executive Director
主席兼執行董事

Hu YongGang

胡永剛

Non-executive Director
非執行董事

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 本公司擁有人應佔							
		Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	股本儲備	匯兌儲備	累計虧損	總計	非控股權益	權益總額
		(note 37(a))	(note 37(a))	(note 37(b))	(note 37(c))				
		(附註37(a))	(附註37(a))	(附註37(b))	(附註37(c))				
		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
At 1 January 2021	於二零二一年一月一日	68,515	1,059,713	14,593	(8,021)	(2,113,575)	(978,775)	(7,724)	(986,499)
Loss for the year	年內虧損	-	-	-	-	(274,550)	(274,550)	(10)	(274,560)
Other comprehensive income	其他全面收入	-	-	-	(2,660)	-	(2,660)	(100)	(2,760)
Total comprehensive income for the year	年內全面收入總額	-	-	-	(2,660)	(274,550)	(277,210)	(110)	(277,320)
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	68,515	1,059,713	14,593	(10,681)	(2,388,125)	(1,255,985)	(7,834)	(1,263,819)
Loss for the year	年內虧損	-	-	-	-	(150,133)	(150,133)	(269)	(150,402)
Other comprehensive income	其他全面收入	-	-	-	12,098	-	12,098	(729)	11,369
Total comprehensive income for the year	年內全面收入總額	-	-	-	12,098	(150,133)	(138,035)	(998)	(139,033)
At 31 December 2022	於二零二二年十二月三十一日	68,515	1,059,713	14,593	1,417	(2,538,258)	(1,394,020)	(8,832)	(1,402,852)

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

	<i>note</i> 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	除稅前虧損	(146,489)	(274,327)
Adjustments for:	經以下各項調整：		
Finance costs	融資成本	113,738	117,730
Interest income	利息收入	(19)	(324)
Depreciation on property, plant and equipment	物業、廠房及設備折舊	8,901	5,464
Depreciation on right-of-use assets	使用權資產折舊	939	1,168
Write-off of items of property, plant and equipment	物業、廠房及設備項目撇銷	-	35
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備的虧損淨額	1,822	2,177
Loss/(gain) on termination of leases	終止租賃的虧損／(收益)	23	(4)
Impairment of right-of-use assets	使用權資產減值	-	244
Provision for financial guarantee	財務擔保撥備	1,000	2,000
Provision for claims	索賠計提撥備	-	93,949
Allowances for ECLs on trade and other receivables, net	應收賬款及其他應收款項預期信貸虧損撥備淨額	35,578	2,850
Fair value (gains)/losses on financial assets at FVTPL	按公平值計入損益的金融資產公平值(收益)／虧損	(975)	46,362
Impairment of intangible assets	無形資產減值	-	7,462

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

	<i>note</i> 附註	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Operating profit before working capital changes	營運資金變動前的經營溢利	14,518	4,786
Decrease/(increase) in inventories	存貨減少／(增加)	55,570	(63,960)
Increase in trade receivables	應收賬款增加	(35,391)	(33,039)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(27,633)	(15,198)
(Decrease)/increase in trade payables	應付賬款(減少)／增加	(39,054)	93,003
(Decrease)/increase in other payables and accruals	其他應付款項及應計款項(減少)／增加	(6,154)	18,528
Cash (used in)/generated from operations	經營活動(所用)／所得現金	(38,144)	4,120
Bank interest paid and bank charges	已付銀行利息及銀行手續費	(418)	(75)
Interest element of lease rental paid	已付租賃租金的利息部分	(136)	(226)
Income taxes paid	已付所得稅	(225)	(217)
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額	(38,923)	3,602
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(11,036)	(18,173)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	2,402	533
Proceeds from disposal of financial assets at FVTPL	出售按公平值計入損益的金融資產所得款項	-	5,000
(Increase)/decrease in restricted bank balances	受限制銀行結餘(增加)／減少	(59)	1,467
Interest received	已收利息	19	324
Net cash used in investing activities	投資活動所用現金淨額	(8,674)	(10,849)

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

		<i>note</i> <i>附註</i>	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Raising of new bank and other borrowings	籌措新銀行及其他借貸		97,648	5,531
Repayment of bank and other borrowings	償還銀行及其他借貸		(43,996)	–
Capital element of lease rental paid	已付租賃租金的資本部分		(916)	(1,737)
Net cash generated from financing activities	融資活動所得現金淨額		52,736	3,794
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額		5,139	(3,453)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物		2,539	3,332
Effect of foreign exchange rate changes	外匯利率變動的影響		(3,618)	2,660
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及現金等價物		4,060	2,539
ANALYSIS OF CASH AND CASH EQUIVALENTS	現金及現金等價物分析			
Cash and bank balances	現金及銀行結餘	28	4,060	2,539

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. CORPORATE INFORMATION

(i) General information

China Wood International Holding Co., Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. During the reporting period, the Company’s principal place of business in Hong Kong is located at 1601, 16/F, Sun House, 90 Connaught Road Central, 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 and the Group is principally engaged in (i) wood-related business, including the processing and distribution of furniture wood, and the manufacturing and sales of antique-style wood furniture and other wooden products; and (ii) car rental business in the PRC.

As at 31 December 2022, the directors of the Company are of the opinion that Sino Merchant Car Rental Limited (“**Sino Merchant**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate and ultimate holding company of the Company; Ms. Deng Shufen and Ms. Liu Jiangyuan, the shareholders of Sino Merchant, are the ultimate controlling parties of the Company.

(ii) Appointment of the joint provisional liquidators for restructuring purposes only

Having explored different options to restructure the debts of the Company, the Board decided to implement a management led restructuring under a court-supervised provisional liquidation regime pursuant to the laws of the Cayman Islands, commonly known as a “light touch” provisional liquidation, which provides a statutory moratorium prohibiting the commencement or continuance of any proceedings against the Company without the leave of the Grand Court of the Cayman Islands (the “**Cayman Court**”) in the Cayman Islands.

1. 公司資料

(i) 一般資料

中木國際控股有限公司（「**本公司**」）是一間於開曼群島註冊成立的有限公司。本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。於報告期間，本公司在香港的主要營業地點位於香港干諾道中90號大新行16樓1601室。本公司股份於香港聯合交易所有限公司（「**聯交所**」）主板上市。

本公司為一間投資控股公司及本集團主要於中國從事(i)木材相關業務，包括傢俬木材的加工及分銷以及仿古木傢俬及其他木材產品的製造及銷售；及(ii)汽車租賃業務。

於二零二二年十二月三十一日，本公司董事認為華商租車有限公司（「**華商租車**」，一間於英屬維爾京群島（「**英屬維爾京群島**」）註冊成立的公司）為本公司直接及最終控股公司；華商租車股東鄧淑芬女士及劉江媛女士為本公司最終控制方。

(ii) 僅就公司重組目的委任共同臨時清盤人

經探討重組本公司債務的不同選擇，董事會決定根據開曼群島法律在法院監督的臨時清盤制度下實行由管理層主導的重組（俗稱「**輕觸**」方式臨時清盤），其提供法定延期償付，未經位於開曼群島的開曼群島大法院（「**開曼法院**」）許可，禁止對本公司開展或繼續進行任何訴訟。

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. CORPORATE INFORMATION (continued)

(ii) Appointment of the joint provisional liquidators for restructuring purposes only (continued)

To facilitate the Company's financial restructuring, on 2 February 2021, Osman Mohammed Arab and Lai Wing Lun at RSM Corporate Advisory (Hong Kong) Limited, and Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd., were appointed as joint provisional liquidators ("**JPLs**") of the Company (for restructuring purposes) on a light touch basis for restructuring purposes was presented and filed with the Cayman Court by the Company.

The application for the appointment of JPLs (the "**JPL Application**") was heard before the Cayman Court on 2 February 2021 (Cayman Islands time). The Cayman Court made the orders as sought by the Company under the JPL Application, inter alia, Osman Mohammed Arab and Lai Wing Lun of RSM Corporate Advisory (Hong Kong) Limited, and Martin Nicholas John Trott of R&H Restructuring (Cayman) Ltd., were appointed as JPLs of the Company on a light touch basis for restructuring purposes. Please refer to the announcements of the Company dated 2 February 2021 and 5 February 2021 for details.

(iii) Restructuring

On 28 January 2022, the Company's solicitors has taken out an ex parte originating summons with the High Court of the Hong Kong Special Administrative Region (the "**Hong Kong Court**") for the hearing on 8 February 2022 of an application by the Company for an order to convene a meeting of the creditors (the "**Scheme Meeting**") of the Company to consider and, if thought fit, approve, with or without modification, a scheme of arrangement (the "**Scheme**") proposed by the Company, pursuant to section 670 of the Companies Ordinance (Cap. 622). By an order of the Hong Kong Court, the Scheme Meeting was convened on 11 March 2022.

1. 公司資料 (續)

(ii) 僅就公司重組目的委任共同臨時清盤人 (續)

為促進本公司的財務重組，於二零二一年二月二日，本公司向開曼法院提交委任羅申美企業顧問有限公司的馬德民及黎穎麟以及R&H Restructuring (Cayman) Ltd.的Martin Nicholas John Trott為本公司共同臨時清盤人（「**共同臨時清盤人**」）（就重組目的）的申請，藉此以輕觸方式重組。

於二零二一年二月二日（開曼群島時間），委任共同臨時清盤人的申請（「**共同臨時清盤人申請**」）已於開曼法院進行聆訊。開曼法院已根據共同臨時清盤人申請作出本公司尋求的命令（其中包括）羅申美企業顧問有限公司的馬德民及黎穎麟以及R&H Restructuring (Cayman) Ltd.的Martin Nicholas John Trott獲委任為本公司共同臨時清盤人，藉此以輕觸方式重組。有關詳情，請參閱本公司日期為二零二一年二月二日及二零二一年二月五日的公告。

(iii) 重組

於二零二二年一月二十八日，本公司律師在香港特別行政區高等法院（「**香港法院**」）取出單方原訴傳票，以便法院於二零二二年二月八日聆訊本公司根據第622章公司條例第670條提交的申請，即請求頒令召開本公司債權人會議（「**計劃會議**」），以考慮及酌情批准（不論有否修訂）本公司建議的安排計劃（「**計劃**」）。根據香港法院的傳令，計劃會議已於二零二二年三月十一日舉行。

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. CORPORATE INFORMATION (continued)

(iii) Restructuring (continued)

On 16 February 2022 (after trading hours), the Company, the JPLs, the investor and Mr. Lyu NingJiang, the executive director, chairman and chief executive officer of the Company, have entered into the conditional restructuring agreement, pursuant to which the Company will carry out the Restructuring Transactions involving (i) the Capital Reorganisation; (ii) the Investor's Subscription; and (iii) the Scheme. Please refer to the announcement of the Company dated 10 March 2022 for details of the Restructuring Agreement and the Restructuring Transactions.

At the Scheme Meeting convened and held on 11 March 2022, the Scheme was approved by the requisite statutory majorities of the creditors. On 22 March 2022, the Company's solicitors received a letter from the Hong Kong Court informing that Mr. Justice Harris will make an order to sanction the Scheme without modification. The sealed sanction order was delivered to the Registrar of Companies in Hong Kong for registration on 26 April 2022.

As announced in the announcement of the Company dated 10 March 2022 and the circular in relation to the Restructuring Transactions and the Whitewash Waiver dated 5 August 2022, the Funding Agreement dated 31 December 2020 was entered into between the Company as the borrower and the investor as the lender to provide the funding for the Company to continue and further develop its business. On 17 October 2022, the Funding Agreement, the terms and funding already provided and to be provided thereunder, have been sanctioned by the Cayman Court.

All the proposed resolutions in relation to the Capital Reorganisation, the Investor's Subscription, the Scheme, and the Whitewash Waiver were duly passed by the Shareholders or the Independent Shareholders (as the case may be) at the extraordinary general meeting held on 30 August 2022, and the Executive Director of the Corporate Finance Department of Securities and Futures Commission has granted the Whitewash Waiver on 22 August 2022 subject to, among other matters, no acquisition or disposal of voting rights being made by the investor and its concert parties between the date of the announcement of the Investor's Subscription and the completion of the Investor's Subscription. Please refer to the circular of the Company dated 5 August 2022 and the announcement of the Company dated 30 August 2022 for details.

1. 公司資料 (續)

(iii) 重組 (續)

於二零二二年二月十六日(交易時間後)，本公司、共同臨時清盤人、投資者及呂寧江先生(本公司執行董事、主席兼首席執行官)訂立有條件重組協議，據此，本公司將進行涉及(i)資本重組；(ii)投資者認購事項；及(iii)計劃的重組交易。有關重組協議及重組交易的詳情，請參閱本公司日期為二零二二年三月十日的公告。

於二零二二年三月十一日召開及舉行的計劃會議上，計劃已獲法定所需之多數債權人的批准。於二零二二年三月二十二日，本公司律師收到香港法院信函，通知Justice Harris先生將作出批准計劃不施加修訂的命令。加蓋印章的認許令已於二零二二年四月二十六日交付予香港公司註冊處處長以作登記。

誠如本公司日期為二零二二年三月十日的公告及日期為二零二二年八月五日的通函(內容有關重組交易及清洗豁免)所公佈，本公司作為借款人與投資者作為貸款人訂立日期為二零二零年十二月三十一日的融資協議，以為本公司繼續並進一步發展其業務提供資金。於二零二二年十月十七日，融資協議、已提供及將要提供的條款及資金已獲得開曼法院的認可。

所有有關資本重組、投資者認購事項、計劃及清洗豁免的提呈決議案均已於二零二二年八月三十日舉行的股東特別大會上由股東或獨立股東(視情況而定)正式通過，而證券及期貨事務監察委員會企業融資部執行董事已於二零二二年八月二十二日授出清洗豁免，其中條件包括，於投資者認購事項公告日期至完成投資者認購事項期間，投資者及其一致行動人士不會收購或出售投票權。詳情請參閱本公司日期為二零二二年八月五日的通函及本公司日期為二零二二年八月三十日的公告。

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. CORPORATE INFORMATION (continued)

(iii) Restructuring (continued)

The legal adviser of the Company as to Cayman Islands law is preparing the petition to be made to the Cayman Court for an order confirming the Capital Reorganisation.

The Capital Reorganisation, the Investor's Subscription, and the Scheme are conditional upon the satisfaction of the conditions set out in the paragraphs headed "Conditions for Capital Reorganisation", "Conditions of the Investor's Subscription" and "Conditions precedent to the Scheme" in the circular of the Company dated 5 August 2022. Please refer to the circular of the Company dated 5 August 2022 for details.

(iv) Suspension of trading of the shares

The Board has appointed a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as the financial adviser to the Company on matters relating to the resumption of trading in the shares of the Company on the Stock Exchange. The Company is working closely with its professional advisers and taking appropriate steps to fulfill the conditions in the Resumption Guidance as stated in the Company's announcement dated 25 October 2021 and will update the shareholders and potential investors of the Company on, among others, the progress as and when appropriate.

1. 公司資料 (續)

(iii) 重組 (續)

本公司有關開曼群島法律的法律顧問正在準備向開曼法院提出呈請，要求頒令確認資本重組。

資本重組、投資者認購事項及計劃須待本公司日期為二零二二年八月五日的通函「資本重組的條件」、「投資者認購事項的條件」就「計劃的先決條件」各段所載的條件獲達成後方可進行。詳情請參閱本公司日期為二零二二年八月五日的通函。

(iv) 暫停股份買賣

董事會已委任一間可從事香港法例第571章證券及期貨條例項下第6類(就機構融資提供意見)受規管活動的持牌法團為本公司有關本公司股份於聯交所復牌相關事宜的財務顧問。本公司正與專業顧問密切合作，亦正採取適當措施，以履行本公司於二零二一年十月二十五日發佈的公告中所述的復牌指引所載條件，並將於適當時候向本公司股東及潛在投資者更新(其中包括)相關進展。

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

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 (the “**Listing Rules**”) on the Stock Exchange and with the disclosure requirements of the Hong Kong 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.

Going concern assumption

The Group incurred a loss of HK\$150,402,000 for the year ended 31 December 2022 and as at 31 December 2022, the Group had net current liabilities and net liabilities of HK\$1,456,512,000 and HK\$1,402,852,000 respectively. The bank and other borrowings, and provision of claims of the Group amounted to HK\$846,873,000 and HK\$287,924,000, respectively, as of 31 December 2022. Furthermore, the Group recorded net operating cash outflow for the year ended 31 December 2022 with the Group's total cash and bank balances remaining at a low level of HK\$4,060,000 as of 31 December 2022.

2. 編製基準

該等綜合財務報表乃根據香港會計師公會（「**香港會計師公會**」）頒佈的所有適用香港財務報告準則（「**香港財務報告準則**」）而編製。香港財務報告準則包括香港財務報告準則（「**香港財務報告準則**」）、香港會計準則（「**香港會計準則**」）及詮釋。該等綜合財務報表亦遵守聯交所證券上市規則（「**上市規則**」）的適用披露條文及香港公司條例（第622章）的披露要求。本集團所採納的重大會計政策披露於下文。

香港會計師公會已頒佈若干於本集團當前會計期間首次生效或可供提前採納的新訂及經修訂香港財務報告準則。於當前及過往會計期間，由於首次應用該等與本集團有關的新訂及經修訂所引致的任何會計政策變動已反映於該等綜合財務報表中，其資料載於附註3。

持續經營假設

截至二零二二年十二月三十一日止年度，本集團產生虧損150,402,000港元，而於二零二二年十二月三十一日，本集團的流動負債淨額及負債淨額分別為1,456,512,000港元及1,402,852,000港元。於二零二二年十二月三十一日，本集團的銀行及其他借貸以及索賠撥備分別為846,873,000港元及287,924,000港元。此外，本集團於截至二零二二年十二月三十一日止年度錄得經營現金淨流出，而於二零二二年十二月三十一日，本集團的現金及銀行結餘總額處於較低水平，為4,060,000港元。

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

2. BASIS OF PREPARATION (continued)

Going concern assumption (continued)

As of 31 December 2022 and up to the approval date on these consolidated financial statements, the Group had the following major outstanding claims recorded by the Group (“**Claims**”):

- (i) Other borrowings amounted to approximately HK\$784,786,000 in default (the “**Defaulted Borrowings**”);
- (ii) Bank borrowings amounted to approximately HK\$14,101,000 in default and demanded by a bank or repayment (the “**Demanded Bank Loan**”);
- (iii) Borrowing of approximately HK\$11,371,000 in default and under a court order to repay the principal together with penalty and accrued interest thereon (the “**Claimed Loan**”);
- (iv) Provision for claims of HK\$200,000,000 in respect of claims by liquidators of a fund being wound up (the “**Claim Provision**”); and
- (v) Liquidated claims of approximately HK\$87,924,000 in relation to three litigations against the Group in prior years in which the Group was ordered by various court orders to settle during the years ended 31 December 2020, 2021, and 2022 (the “**Legal Provision**”).

As of the date of approval on these consolidated financial statements, the Group did not settle the amounts of the Defaulted Borrowings, the Demanded Bank Loan, the Claimed Loan, the Claim Provision and the Legal Provision. The Defaulted Borrowings, the Demanded Bank Loan, the Claimed Loan and the Claim Provision will be dealt with by the Restructuring that includes Capital Reorganisation, the Investor’s Subscription, the Scheme, and the Whitewash Waiver as disclosed in note 1 to the consolidated financial statements. The Legal Provision will be settled by internal financial resources generated from the Group’s future operations.

2. 編製基準 (續)

持續經營假設 (續)

於二零二二年十二月三十一日及直至該等綜合財務報表批准日期，本集團有以下重大未償還申索（「**申索**」）：

- (i) 已違約之其他借貸約784,786,000港元（「**違約借貸**」）；
- (ii) 已違約並接獲銀行要求還款之銀行借貸約14,101,000港元（「**要求銀行貸款**」）；
- (iii) 已違約並接獲法院頒令要求償還本金連同罰金及應計利息之借貸約11,371,000港元（「**索賠借貸**」）；
- (iv) 有關獲清盤基金之清盤人所提出索賠之索賠撥備200,000,000港元（「**索賠撥備**」）；及
- (v) 截至二零二零年、二零二一年及二零二二年十二月三十一日止年度，本集團就過往年度針對本集團的三個訴訟獲多個法院頒令要求清償之違約賠償金約87,924,000港元（「**法律撥備**」）。

截至批准該等綜合財務報表日期，本集團並未結算違約借貸、要求銀行貸款、索賠借貸、索賠撥備及法律撥備金額。違約借貸、要求銀行貸款、索賠借貸及索賠撥備將通過重組（包括綜合財務報表附註1所披露資本重組、投資者認購事項、計劃及清洗豁免）處理。法律撥備將通過本集團未來營運所產生的內部財務資源結算。

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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

2. BASIS OF PREPARATION (continued)

Going concern assumption (continued)

The aforementioned conditions indicate the existence of material uncertainties which cast significant doubts regarding the Group's ability to continue as a going concern. Given these circumstances, the management of the Company has given careful consideration to the restructuring plans, future liquidity and performance of the Group, and the available sources of financing to determine whether the Group will have sufficient financial resources to continue as a going concern. To mitigate the Group's liquidity pressure and improve its cashflows, management has implemented or will adopt certain plans and measures, including ongoing negotiation and implementation of the restructuring plans, as well as the following:

- (i) the Group will complete the pending conditions of Capital Reorganisation;
- (ii) the Group will fulfill the conditions precedent to the Investor's Subscription;
- (iii) the Group will fulfill the conditions precedent to the Scheme to become effective;
- (iv) the Company will fulfill all resumption guidance and resume trading of its shares on the Stock Exchange and the Stock Exchange will grant the listing approval of any issuance of new securities by the Company; and
- (v) the Group will continue to take proactive measures to improve operating cash flow by controlling administrative costs and containing capital expenditure.

Management has prepared cash flow projections that cover a period of not less than twelve months from 31 December 2022. The directors are of the opinion that, after considering the abovementioned restructuring plans, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2022. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. 編製基準 (續)

持續經營假設 (續)

上述情況顯示存在重大不確定性，對本集團持續經營的能力產生重大疑慮。鑒於該等情況，本公司管理層已仔細考慮重組計劃、本集團未來的流動資金及表現以及可用的資金來源，以確定本集團是否有足夠的財務資源繼續可持續經營。為緩解本集團的流動資金壓力及改善其現金流，管理層已實施或將採取若干計劃及措施，包括正在進行的談判及實施重組計劃，以及下列措施：

- (i) 本集團將完成資本重組的未決條件；
- (ii) 本集團將履行投資者認購事項的先決條件；
- (iii) 本集團將履行計劃生效的先決條件；
- (iv) 本公司將履行所有復牌指引並恢復其股份於聯交所交易且聯交所將授出上市批准以批准本公司發行任何新證券；及
- (v) 本集團將繼續採取積極措施，通過控制行政成本及控制資本開支改善營運現金流。

管理層已編製涵蓋自二零二二年十二月三十一日起計不少於十二個月的現金流量預測。經考慮上述重組計劃後，董事認為，本集團將有足夠的營運資金為其經營提供資金，並於二零二二年十二月三十一日起的十二個月內履行其到期的財務義務。因此，董事信納，按持續經營基準編製綜合財務報表乃屬恰當。

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綜合財務報表附註

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截至二零二二年十二月三十一日止年度

2. BASIS OF PREPARATION (continued)

Going concern assumption (continued)

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRSs

(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
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018-2020
Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combinations

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amendments.

2. 編製基準 (續)

持續經營假設 (續)

倘本集團未能繼續持續經營，則須對綜合財務報表作出調整，將資產價值撇減至其可收回金額，就可能產生的其他負債作出撥備，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未反映在綜合財務報表中。

3. 採納新訂及經修訂的香港財務報告準則

(a) 採納新訂及經修訂的香港財務報告準則

本集團於編製綜合財務報表時，已首次應用於二零二二年一月一日或之後開始的年度期間強制生效的由香港會計師公會頒佈的下列香港財務報告準則修訂：

香港會計準則 第16號修訂	物業、廠房及設備：擬定 用途前之所得款項
香港會計準則 第37號修訂	有償合約－履行合約之 成本
香港財務報告 準則第3號 修訂	概念框架之提述
香港財務報告準 則第16號修訂	二零二一年六月三十日 之後的新型冠狀病毒 相關租金寬減
年度改進項目	香港財務報告準則二零 一八年至二零二零年 之年度改進
會計指引 第5號修訂	共同控制下合併的合併 會計法

本集團並無因採納上述修訂而更改其會計政策或進行追溯調整。

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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

3. ADOPTION OF NEW AND REVISED HKFRSs (continued)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new standards, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning on 1 January 2022. These new standards, amendments to standards and interpretation include the following which may be relevant to the Group.

3. 採納新訂及經修訂的香港財務報告準則 (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用已頒佈但尚未於二零二二年一月一日開始的財政年度生效的新訂及經修訂準則及詮釋。該等新訂及經修訂準則及詮釋包括以下可能與本集團相關的準則。

**Effective for accounting periods beginning on or after
於以下日期或之後開始的會計期間生效**

Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current 香港會計準則第1號修訂—負債分類為流動或非流動	1 January 2024 二零二四年一月一日
Amendments to HKAS 1 – Non-current Liabilities with Covenants 香港會計準則第1號修訂—附帶契諾的非流動負債	1 January 2024 二零二四年一月一日
Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies 香港會計準則第1號及香港財務報告準則實務公告第2號修訂—會計政策的披露	1 January 2023 二零二三年一月一日
Amendments to HKAS 8 – Definition of Accounting Estimates 香港會計準則第8號修訂—會計估計的定義	1 January 2023 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 香港會計準則第12號修訂—與單一交易產生的資產及負債有關的遞延稅項	1 January 2023 二零二三年一月一日
Amendments to HKFRS 16 – Lease Liability in a Sales and Leaseback 香港財務報告準則第16號修訂—售後租回的租賃負債	1 January 2024 二零二四年一月一日
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 香港財務報告準則第10號及香港會計準則第28號修訂—投資者與其聯營公司或合營公司之間之資產出售或投入	To be determined 待定
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 香港詮釋第5號 (二零二零年) 財務報表之呈列—借款人對載有按要要求償還條文之定期貸款之分類	1 January 2024 二零二四年一月一日

The Group is in the process of making an assessment of what the impact of these amendments and new standards 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.

本集團正在評估該等修訂及新訂準則預期將於首次應用期間產生的影響。迄今結論為採納該等準則不大可能對綜合財務報表造成重大影響。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies, such as 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 the 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

除會計政策另有所述者外，該等綜合財務報表乃根據歷史成本慣例編製，如若干以公平值計量的金融工具。

編製符合香港財務報告準則的綜合財務報表須使用若干關鍵會計估計。這亦須管理層在應用本集團會計政策的過程中行使其判斷。涉及較高程度判斷或複雜程度的範疇或有關假設及估計對綜合財務報表而言屬重大的範疇於附註5披露。

於編製綜合財務報表時應用的主要會計政策載列如下。

(a) 綜合入賬

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編製的財務報表。附屬公司為本集團擁有控制權的實體。當本集團因其參與實體業務而承擔可變回報風險或有權享有可變回報，且有能力透過其對該實體的權力影響該等回報時，則本集團控制該實體。當本集團擁有令其目前有能力指導相關活動（即對實體回報造成重大影響的活動）的現有權利時，則本集團對該實體擁有權力。

於評估控制權時，本集團會考慮其潛在投票權及其他各方持有的潛在投票權。僅當持有人有實際能力行使該權利時方予考慮潛在投票權。

附屬公司自控制權轉移至本集團當日起綜合入賬。該等附屬公司自控制權終止當日起終止綜合入賬。

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For the year ended 31 December 2022
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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 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) 綜合入賬 (續)

導致失去控制權的出售一間附屬公司收益或虧損指(i)銷售代價公平值加於該附屬公司保留的任何投資公平值與(ii)本公司分佔該附屬公司資產淨值加有關該附屬公司的任何餘下商譽及任何累計外幣換算儲備之間的差額。

集團內公司間交易、結餘及未變現溢利予以對銷。除非交易提供已轉讓資產減值的憑證，否則未變現虧損亦予以對銷。附屬公司的會計政策於必要時已作更改，以確保與本集團採納的政策一致。

非控股權益指本公司不直接或間接應佔的附屬公司權益。非控股權益乃於綜合財務狀況表及綜合權益變動表的權益內呈列。非控股權益乃於綜合損益及其他全面收入表內呈列為年內損益及全面收入總額於非控股股東與本公司擁有人之間的分配。

損益及其他全面收入各組成部分乃歸屬於本公司擁有人及非控股股東，即使此舉引致非控股權益出現虧絀結餘。

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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.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, 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) 綜合入賬 (續)

本公司於附屬公司之擁有權權益出現不會導致失去控制權的變動列賬為股權交易(即以擁有人身份與擁有人進行之交易)。控股權益及非控股權益之賬面值將作調整以反映其於附屬公司之相對權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者之間任何差額直接於權益確認,並由本公司擁有人分佔。

(b) 獨立財務報表

於本公司之財務狀況表內,除非投資分類為持作出售(或計入分類為持作出售之出售組別),否則於附屬公司的投資乃按成本減減值虧損列賬。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收或應收股利基準入賬。

當從此等附屬公司收到的股利超過宣派股利期內該公司的總綜合收益,或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司資產淨值(包括商譽)的賬面值時,則必須對附屬公司的投資作減值測試。

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

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) 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 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.

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.

4. 主要會計政策 (續)

(c) 業務合併及商譽

採用收購法將業務合併中所收購的一間附屬公司列賬。業務合併中所轉讓代價乃按於收購日期所交出資產、所發行股本工具、所產生負債及任何或然代價的公平值計量。收購相關成本於有關成本產生及享有服務期間確認為開支。於收購中附屬公司的可識別資產及負債，均按其於收購日期的公平值計量。

所轉讓代價總額超出本集團應佔附屬公司可識別資產及負債的公平淨值的份額列作商譽。本集團應佔可識別資產及負債的公平淨值超出所轉讓代價總額的差額於綜合損益內確認為本集團應佔議價收購收益。

於分階段進行的業務合併中，先前所持附屬公司的股權按其於收購日期的公平值重新計量，由此產生的收益或虧損於綜合損益內確認。於業務合併中，公平值將計入所轉讓代價總額以計算商譽。

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

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Business combination and goodwill (continued)

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)

(c) 業務合併及商譽 (續)

於附屬公司的非控股權益初步按於收購日期非控股股東應佔附屬公司可識別資產及負債的公平淨值比例計量。

於初步確認後，商譽按成本減累計減值虧損計量。就減值測試而言，業務合併所獲商譽會分配至預期將受益於合併協同效應的各現金產生單位（「現金產生單位」）或現金產生單位組別。商譽所分配的各單位或單位組別指本集團就內部管理目的而監察商譽的最低層次。須就商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。包含商譽的現金產生單位賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

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綜合財務報表附註

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截至二零二二年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) 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. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. 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)

(d) 聯營公司

聯營公司為本集團擁有重大影響力的實體。重大影響力為參與實體財務及經營政策決定的權力，惟並非對該等政策的控制權或共同控制權。於評估本集團是否擁有重大影響力時會考慮現時可予行使或可予轉換的潛在投票權（包括其他實體持有的潛在投票權）的存在及影響。於評估潛在投票權是否產生重大影響力時，持有人行使或轉換該權利的意圖及財務能力不予考慮。

於一間聯營公司的投資按權益法於綜合財務報表內入賬，並初步按成本確認。所收購聯營公司的可識別資產及負債按其於收購日期的公平值計量。投資成本超出本集團分佔該聯營公司可識別資產及負債公平淨值的部分列賬為商譽。倘有客觀證據顯示投資出現減值，則商譽計入投資賬面值，並於各報告期末連同投資進行減值測試。本集團分佔可識別資產及負債公平淨值超出收購成本的任何部分於綜合損益內確認。

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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

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) 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.

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.

4. 主要會計政策 (續)

(d) 聯營公司 (續)

本集團會評估是否存在客觀證據證明於一間聯營公司的權益將會減值。倘存在任何客觀證據，該項投資之全部賬面值（包括商譽）會根據香港會計準則第36號以單一資產之方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本之較高者）與賬面值。任何已確認減值虧損均不會分配至任何構成投資部分賬面值的資產（包括商譽）。該減值虧損的任何撥回根據香港會計準則第36號確認，惟受隨後增加的可收回投資金額規限。

本集團分佔聯營公司收購後溢利或虧損及其他全面收入於綜合損益及其他全面收入表內確認。倘本集團分佔聯營公司虧損相等於或超出其於聯營公司的權益（包括任何實質上構成本集團於聯營公司投資淨額一部分的長期權益），則本集團不會確認進一步虧損，除非其已產生責任或代表聯營公司作出付款則另作別論。倘聯營公司其後錄得溢利，則本集團僅於其分佔溢利相等於分佔未確認虧損後方會恢復確認其分佔的該等溢利。

導致失去重大影響力的出售一間聯營公司收益或虧損指(i)銷售代價公平值加於該聯營公司保留的任何投資公平值與(ii)本集團於該聯營公司的全部賬面值（包括商譽）及任何有關累計外幣換算儲備之間的差額。倘於一間聯營公司的投資成為於一間合營公司的投資，則本集團繼續應用權益法及不會重新計量保留權益。

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綜合財務報表附註

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截至二零二二年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Associates (continued)

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.

(e) 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.

(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.

4. 主要會計政策 (續)

(d) 聯營公司 (續)

本集團與其聯營公司之間交易的未變現溢利以本集團於該聯營公司的權益為限予以對銷。除非交易提供已轉讓資產減值的憑證，否則未變現虧損亦予以對銷。聯營公司的會計政策於必要時已作更改，以確保與本集團採納的政策一致。

(e) 外幣換算

(i) *功能及呈列貨幣*

計入本集團各實體財務報表的項目均使用實體經營所在主要經濟環境的貨幣（「**功能貨幣**」）計量。綜合財務報表以港元（「**港元**」，為本公司功能及呈列貨幣）呈列。

(ii) *各實體財務報表的交易及結餘*

以外幣計值的交易於初步確認時使用交易日期的現行匯率換算為功能貨幣。以外幣計值的貨幣資產及負債於各報告期末按匯率換算。因該換算政策而產生的收益及虧損於損益內確認。

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綜合財務報表附註

For the year ended 31 December 2022
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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances in each entity's financial statements (continued)

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.

(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;

4. 主要會計政策 (續)

(e) 外幣換算 (續)

(ii) 各實體財務報表的交易及結餘 (續)

以外幣按歷史成本計量的非貨幣資產及負債使用交易日的匯率換算。交易日為本公司初步確認有關非貨幣資產或負債之日期。按公平值計量以外匯計值的非貨幣項目乃使用釐定公平值當日的匯率換算。

倘非貨幣項目的收益或虧損於其他全面收入內確認，則該收益或虧損的任何匯兌組成部分於其他全面收入內確認。倘非貨幣項目的收益或虧損於損益內確認，則該收益或虧損的任何匯兌組成部分於損益內確認。

(iii) 綜合賬目的換算

功能貨幣有別於本公司呈列貨幣的所有海外業務（當中沒有嚴重通貨膨脹經濟體的貨幣）的業績及財務狀況均按以下方式換算為本公司的呈列貨幣：

- 於各財務狀況表呈列的資產及負債按該財務狀況表日期的收市匯率換算；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Foreign currency translation (continued)

(iii) Translation on consolidation (continued)

- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

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 exchange fluctuation 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.

4. 主要會計政策 (續)

(e) 外幣換算 (續)

(iii) 綜合賬目的換算 (續)

- 收入及開支按該期間的平均匯率換算 (除非該平均匯率並非交易日期的現行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
- 所有因此產生的匯兌差額均於其他全面收入內確認, 並於外匯波動儲備內累計。

於綜合賬目時, 換算構成境外實體投資淨額一部分的貨幣項目產生的匯兌差額均於其他全面收入內確認, 並於外匯波動儲備內累計。當出售境外業務時, 有關匯兌差額將作為出售收益或虧損的一部分重新分類至綜合損益。

收購境外實體產生的商譽及公平值調整被視為境外實體的資產及負債, 並按收市匯率換算。

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綜合財務報表附註

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截至二零二二年十二月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Property, plant and equipment

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.

Depreciation is calculated at the rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Furniture, fixtures and office equipment	10% to 33.33%
Leasehold improvements	Over the shorter of the term of the lease or 25%
Motor vehicles	20% to 25%

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.

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)

(f) 物業、廠房及設備

物業、廠房及設備於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

其後成本僅於與該項目有關的未來經濟利益將有可能流入本集團，且該項目的成本能夠可靠計量時，方計入資產賬面值或確認為獨立資產(如適用)。所有其他維修及保養於其產生期間在損益內確認。

折舊以足以撇銷其成本減其剩餘價值的比率於估計可使用年期以直線法計算。主要年率如下：

傢俬、裝置及辦公室設備	10%至33.33%
租賃物業裝修	租賃期內或25%，以較短者為準
汽車	20%至25%

剩餘價值、可使用年期及折舊法於各報告期末予以審閱及調整(如適用，而任何估計變動的影響則按前瞻基準入賬)。

出售物業、廠房及設備收益或虧損為出售所得款項淨額與相關資產賬面值之間的差額，並於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) 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.

The Group as a lessee

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

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. 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.

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

4. 主要會計政策 (續)

(g) 租賃

於合約開始時，本集團會評估該合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。倘客戶有權指示已識別資產的使用及從該使用中獲得絕大部分經濟利益，則表示擁有控制權。

本集團作為承租人

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則除外。當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租賃資本化。與該等尚未資本化的租賃有關的租賃付款於租賃期內按系統化基準確認為開支。

倘租賃已資本化，則租賃負債初步於租賃期內按應付租賃付款的現值確認，並使用租賃中隱含的利率進行貼現，或倘該利率無法輕易釐定，則使用相關增量借貸利率。根據可合理確定之延續選擇權而支付之租賃付款亦納入租賃負債之計量中。於初步確認後，租賃負債以攤銷成本計量且利息支出使用實際利率法計算。

為確定增量借款利率，本集團：

- 倘可能，可將承租人收到的最近第三方融資作為確定該單項租賃利率的起點，並在收到第三方融資後進行調整，以反映融資情況的變化

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leases (continued)

The Group as a lessee (continued)

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Beijing Tu An Car Rental Services Limited, which does not have recent third-party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security

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

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 lease term.

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.

4. 主要會計政策 (續)

(g) 租賃 (續)

本集團作為承租人 (續)

- 在北京途安汽車租賃有限責任公司無最近第三方融資的情況下，採用以無風險利率作為起點的累加法，並根據北京途安汽車租賃有限責任公司所持租賃的信貸風險，調整該利率，及
- 根據租賃的條款、國家、貨幣及社會狀況等進行適當的調整

於租賃資本化時確認的使用權資產初步按成本計量，當中包括租賃負債的初步金額加任何於開始日期或之前作出的租賃付款及所產生的任何初步直接成本。在適用的情況下，使用權資產成本亦包括拆卸及移除相關資產或將相關資產或相關資產所在地復原的成本估計，按其現值貼現並扣減任何已收租賃優惠。使用權資產其後按成本減累計折舊及減值虧損列賬。

本集團合理確定於租賃期結束時獲得相關租賃資產擁有權的使用權資產自開始日期起至可使用年期結束止計提折舊。否則，使用權資產於其估計可使用年期及租賃期兩者中的較短者按直線法計提折舊。

已付可退回租賃按金根據香港財務報告準則第9號入賬及初步按公平值計量。首次確認時對公平值作出的調整被視為額外租賃付款且計入使用權資產成本。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leases (continued)

The Group as a lessee (continued)

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

The 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.

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.

4. 主要會計政策 (續)

(g) 租賃 (續)

本集團作為承租人 (續)

倘未來租賃付款因指數或利率變動而出現變動，或本集團剩餘價值擔保項下預期應付的金額估計出現變動，或因重新評估本集團是否將合理確定行使購買、延長或終止選擇權而產生變動，則重新計量租賃負債。倘租賃負債以此方式重新計量，則對使用權資產的賬面值作出相應調整，或倘使用權資產的賬面值已調減至零，則於損益內列賬。

當租賃範疇發生變化或租賃合同原先並無規定的租賃代價發生變化（「租賃修改」），且未作為單獨的租賃入賬時，則亦要對租賃負債進行重新計量。在該等情況，租賃負債根據經修訂的租賃付款和租賃期限，使用經修訂的貼現率在修改生效日重新計量。唯一的例外是因新型冠狀病毒疫情而直接產生的任何租金減免，且符合香港財務報告準則第16號第46B段所載的條件。在該等情況下，本集團已利用實際權宜方法不對租金寬減是否為租賃修改進行評估，並於觸發租金寬減的事件或條件發生期間的損益內將對價變動確認為負租賃付款。

本集團作為出租人

倘本集團作為出租人，其於租賃開始時釐定各租賃是否為融資租賃或經營租賃。倘將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，租賃分類為融資租賃。倘不屬該情況，則租賃分類為經營租賃。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Intangible assets (other than goodwill)

The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Vehicle rental business licence and licence plates are accounted for as intangible assets with indefinite useful lives and are not amortised. They are stated at cost less any impairment losses.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(j) Contract liabilities

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.

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)

(h) 無形資產 (商譽除外)

於業務合併中收購無形資產的成本乃於收購日期的公平值。無形資產的可使用年期乃評估為具特定年期或無特定年期。無特定可使用年期的無形資產每年個別或按現金產生單位級別進行減值測試。該等無形資產不予攤銷。無特定年期的無形資產的可使用年期每年進行檢討，以釐定無特定年期的評估是否仍然適當。如不適當，則按預期基準將可使用年期的評估由無特定年期變更為具特定年期而入賬。

汽車租用業務牌照及車牌乃作為無特定可使用年期的無形資產入賬及不予攤銷。該等無形資產按成本減任何減值虧損列賬。

(i) 存貨

存貨按成本及可變現淨值兩者中的較低者入賬。成本按先進先出基準釐定。可變現淨值乃於日常業務過程中的估計售價減作出銷售所需的估計成本。

(j) 合約負債

當客戶在本集團確認相關收入之前支付代價時，則合約負債被確認。倘本集團在本集團確認相關收入之前擁有無條件收取代價的權利，則合約負債亦被確認。於該等情況下，相應的應收款項亦將確認。

倘合約包含重大融資成份，則合約結餘包括根據實際利率法計算的應計利息。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group's entity becomes a party to the contractual provisions of the instrument.

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 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.

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.

4. 主要會計政策 (續)

(k) 確認及終止確認金融工具

倘本集團實體成為工具合約條文的訂約方，則金融資產及金融負債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於初步確認時加至或扣自金融資產或金融負債的公平值(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即時於損益內確認。

本集團僅於來自資產的現金流量合約權利屆滿，或於其將金融資產及資產擁有權的絕大部分風險及回報轉移至另一實體時，方會終止確認金融資產。倘本集團並無轉移或保留擁有權的絕大部分風險及回報，且繼續控制已轉讓資產，則本集團就其或須支付的金額確認其於資產及相關負債中的保留權益。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，則本集團繼續確認金融資產並確認已收所得款項的抵押借貸。

於僅於本集團的責任遭解除、註銷或屆滿時，本集團方會終止確認金融負債。已終止確認金融負債的賬面值與已付及應付代價(包括任何已轉讓非現金資產或已承擔負債)之間的差額於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(k) Recognition and derecognition of financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(l) 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.

4. 主要會計政策 (續)

(k) 確認及終止確認金融工具 (續)

倘有法定可強制執行權利抵銷已確認金額，且有意按淨額基準結算或同時變現資產及結算負債，則金融資產及負債互相抵銷，而有關淨額則於綜合財務狀況表內呈報。法定可強制執行權利不得依賴未來事件而定，且必須於正常業務過程中及在公司或對手方違約、無法償債或破產的情況下強制執行。

(l) 金融資產

所有常規買賣的金融資產按交易日基準確認及終止確認。常規買賣指須於市場法規或慣例設定的時間框架內交付資產的金融資產買賣。所有已確認金融資產其後整體按攤銷成本或公平值計量，惟視乎金融資產的分類而定。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(l) Financial assets (continued)

Debt investments

Debt investments held by the Group are classified under: amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

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 fair value through other comprehensive income ("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. It is 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.

(m) 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.

4. 主要會計政策 (續)

(l) 金融資產 (續)

債務投資

本集團持有的債務投資分類為：按攤銷成本，倘投資持作收取合約現金流量（僅為本金及利息付款）。投資所得利息收入使用實際利率法計算。

股權投資

於股本證券的投資分類為按公平值計入損益，除非股權投資並非持作交易用途，且本集團於初步確認投資時選擇將投資指定為按公平值計入其他全面收入（「按公平值計入其他全面收入」）（不可劃轉），致使公平值其後變動於其他全面收入內確認。該等選擇按個別工具基準作出，惟僅當發行人認為投資符合權益定義的情況下方可作出。倘作出有關選擇，則於其他全面收入內累計的金額仍將保留於公平值儲備（不可劃轉），直至出售投資為止。於出售時，於公平值儲備（不可劃轉）內累計的金額轉入保留盈利，且不會轉入損益。股本證券投資所得股息（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入）於損益內確認為其他收入。

(m) 應收賬款及其他應收款項

於本集團擁有無條件權利收取代價時確認應收款項。倘該代價付款到期前僅須待時間推移，則收取代價的權利為無條件。倘於本集團擁有無條件權利收取代價前已確認收益，則該金額呈列為合約資產。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Trade and other receivables (continued)

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 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.

(n) Cash and cash equivalents

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

(o) 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)

(m) 應收賬款及其他應收款項 (續)

於按公平值確認應收款項時，除非其包含重大融資成份，否則初步會按無條件代價金額確認。本集團持有應收款項旨在收回合約現金流量，因此其後會採用實際利率法按攤銷成本減信貸虧損撥備計量應收款項。

(n) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、存放於銀行及其他金融機構的活期存款以及短期及高流動性投資，該等投資隨時可轉換為已知數額的現金，且所涉及的價值變動風險不大，並已於收購後三個月內到期。就綜合現金流量表而言，倘銀行透支須按要求償還且構成本集團現金管理的不可或缺部分，則亦作為現金及現金等價物的組成部分入賬。現金及現金等價物就預期信貸虧損進行評估。

(o) 金融負債及股本工具

金融負債及股本工具根據所訂立合約安排的實質內容以及香港財務報告準則項下金融負債及股本工具的定義分類。股本工具為證明經扣除其所有負債後於本集團資產的剩餘權益的任何合約。就特定金融負債及股本工具採納的會計政策載列如下。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost 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.

(q) Financial guarantee contracts

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

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 ECLs model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of the HKFRS15.

4. 主要會計政策 (續)

(p) 借貸

借貸初步按公平值扣除產生的交易成本確認，其後採用實際利率法按攤銷成本計量。在貸款有可能部分或全部提取的情況下，就設立貸款融資支付的費用會確認為貸款的交易成本。在此情況下，該費用將遞延至提取貸款發生之時。在並無跡象顯示貸款有可能部分或全部提取的情況下，該費用將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將負債還款期遞延至報告期後至少12個月，否則借貸分類為流動負債。

(q) 財務擔保合約

財務擔保合約乃規定發出人向持有人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具條款於到期時付款而蒙受的損失之合約。

在出具擔保的同時，財務擔保合約確認為一項金融負債。該負債初步按公平值計量並隨後以下列較高者計量：

- 根據香港財務報告準則第9號項下的預期信貸虧損模型釐定的金額；及
- 初步確認的金額減去（如適用）根據香港財務報告準則第15號的原則所確認收入的累計金額。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Financial guarantee contracts (continued)

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.

(r) 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.

(s) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(t) 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) 財務擔保合約 (續)

財務擔保的公平值由基於債務工具下所要求的合約支付金額與無需保證的支付金額之間的或與作為承擔義務付給第三方的預計金額之間的現金流量差異的現值決定。

當與聯營公司的貸款或其他應付款項相關的擔保不提供補償時，公平值則作為投入列賬並確認為投資成本的一部分。

(r) 應付賬款及其他應付款項

應付賬款及其他應付款項初步按公平值確認，其後採用實際利率法按攤銷成本計量，除非貼現影響甚微，若屬此情況則以成本列賬。

(s) 股本工具

本公司發行的股本工具按已收所得款項扣除直接發行成本入賬。本公司發行的股本工具按已收所得款項扣除直接發行成本入賬。

(t) 收益及其他收入

當產品或服務控制權以本集團預計有權獲得的代價金額(不包括代第三方收取的金額)轉移予客戶時，收益予以確認。收益不包括增值稅或其他銷售稅，並已扣除貿易折扣。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Revenue and other income (continued)

Revenue from the sale of materials is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Following delivery, the wholesaler 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 wholesaler 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.

Revenue from public relation and other financing services is recognised when the services are performed to the satisfaction of the customers, which is evidenced when the end products created by these services are delivered to the satisfaction of the customers. Revenue is recognised at a point in time.

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.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost 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.

4. 主要會計政策 (續)

(t) 收益及其他收入 (續)

銷售物料收益於貨品控制權轉移時確認，即貨品已交付至批發商指定地點(交付)或交付予最終客戶。付運後，批發商可全權酌情釐定銷售貨品的分銷方式及價格，並須承擔銷售貨品或貨品報廢及虧損風險的主要責任。本集團於貨品交付至批發商或最終客戶時確認應收款項，此為代價權利成為無條件的時間點，於付款到期前僅需要經過一段時間。

提供公共關係及其他融資服務的收益於執行服務令客戶滿意時予以確認，其由該等服務創造的最終產品交付且客戶滿意時以茲證明。收益於時間點確認。

經營租賃應收租金收入在租賃期所涵蓋的期間內均等地於損益中確認；但如有另一種方法更能代表使用租賃資產所得的利益模式則除外。授予的租金優惠應作為總應收租金的一部分損益確認。毋須視乎指數或利率的可變租金在賺取租金的會計期間確認為收入。

利息收入於應計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(撥回)計量且並無信貸減值的金融資產而言，實際利率法適用於資產的賬面總額。就信貸減值金融資產而言，實際利率法適用於資產的攤銷成本(即賬面總額減虧損撥備)。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) 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.

(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.

(v) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grants will be received.

4. 主要會計政策 (續)

(u) 僱員福利

(i) *僱員休假權利*

僱員可享有的年假及長期服務假期於應計予僱員時確認。本公司為僱員於直至報告期末提供的服務而產生的年假及長期服務假期的估計負債作出撥備。

僱員可享有的病假及產假直至放假時才確認。

(ii) *退休金責任*

本集團向定額供款退休金計劃供款，所有僱員均可參與。本集團與僱員按僱員基本薪金的百分比向計劃作出供款。計入損益的退休福利計劃成本指本集團向基金應付的供款。

(iii) *離職福利*

離職福利於本集團不能再撤銷提供該等福利，及本集團確認重組成本並涉及支付離職福利的日期（以較早者為準）確認。

(v) 借貸成本

所有借貸成本於產生期間在損益中確認。

(w) 政府補貼

政府補貼於合理保證本集團將遵守政府補貼的附帶條件及將會獲取補貼的情況下予以確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Government grants (continued)

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.

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.

4. 主要會計政策 (續)

(w) 政府補貼 (續)

作為已承擔開支或虧損的補償或向本集團提供即時財務援助而可收取 (並無日後相關成本) 的政府補貼，乃於其成為可收取的期間於損益內確認。

(x) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期應付稅項乃按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的項目。本集團的即期稅項負債，應按於報告期末已執行的或實質上已執行的稅率計算。

遞延稅項根據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計稅基礎兩者之間的差額確認。所有應課稅暫時性差異一般均會確認為遞延稅項負債，而只有當能夠獲得能用暫時性差異、未動用稅務虧損或未動用稅項抵免抵扣的應課稅溢利時，才能確認遞延稅項資產。倘暫時性差異產生自商譽或產生自既不影響應課稅溢利也不影響會計溢利的交易中的其他資產及負債 (於業務合併者除外) 的初步確認，則不會確認該等資產及負債。

Notes to the Consolidated Financial Statements

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(x) Taxation (continued)

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.

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 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)

遞延稅項負債乃按於附屬公司及聯營公司的投資而產生的應課稅暫時性差異確認，惟倘本集團可控制暫時性差異撥回並預期該暫時性差異將不會在可見將來撥回者除外。

遞延稅項資產的賬面值乃於各報告期末作出檢討，並在不再可能有足夠應課稅溢利收回全部或部分資產時作出相應調低。

遞延稅項乃按預期於有關負債結算或有關資產變現之期間適用之稅率根據報告期末已制定或大致上制定之稅率計算。遞延稅項於損益中確認，除非遞延稅項與其他全面收入或直接於權益中確認之項目有關，在此情況下，遞延稅項亦會於其他全面收入或直接於權益中確認。

遞延稅項資產和負債的計量反映按照本集團預期的方式，於報告期末，收回或清償其資產及負債的賬面值的稅務後果。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

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綜合財務報表附註

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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 to settle its current tax assets and liabilities on a net basis.

(y) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other 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 statement of profit or loss to its estimated recoverable amount. 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 cash-generating unit 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 cash-generating unit.

4. 主要會計政策 (續)

(x) 稅項 (續)

就稅項扣減歸因於租賃負債的租賃交易而言，本集團將香港會計準則第12號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，有關使用權資產及租賃負債的暫時差額並未於初步確認時於租賃期內確認。

遞延稅項資產及負債於有可合法強制執行權利將即期稅項資產抵銷即期稅項負債、與相同稅務機關徵收之所得稅有關且本集團擬按淨額基準清償其即期稅項資產及負債之情況下予以抵銷。

(y) 非金融資產減值

具無限可使用年期之無形資產每年及於發生事件或情況變化顯示賬面值可能無法收回時進行減值檢討。

於各報告日期就減值的跡象對其他非金融資產賬面值進行檢討，倘資產已減值，則透過損益表列為開支撇減至其估計可收回金額。可收回金額乃就個別資產釐定，除非該資產不會產生大致上獨立於其他資產或資產組別所產生者的現金流入。在此情況下，可收回金額乃根據該資產所屬的現金產生單位釐定。可收回金額為該個別資產或現金產生單位的使用價值與公平值減出售成本的較高者。

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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/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. 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.

(z) Impairment of financial assets

The Group recognises a loss allowance for ECLs on trade receivables, loan receivables, lease receivables, 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 ECLs for trade receivables, loan receivables and other 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.

For all other financial instruments, the Group recognises lifetime ECLs 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 ECLs.

4. 主要會計政策 (續)

(y) 非金融資產減值 (續)

使用價值為資產／現金產生單位的估計未來現金流量的現值。現值按反映貨幣時間價值及資產／現金產生單位 (計量減值者) 之特定風險的稅前貼現率計算。

現金產生單位的減值虧損首先按商譽分配，再按比例分配至現金產生單位的其他資產。可收回金額因估計有變產生之其後增加計入損益，直至撥回減值。

(z) 金融資產減值

本集團就應收賬款、應收貸款及應收租賃款項以及財務擔保合約上的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新以反映信貸風險自首次確認相關金融工具以來的變動。

本集團始終就應收賬款、應收貸款及其他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將根據本集團過往信貸虧損經驗採用撥備矩陣進行估計，並按債務人的特定因素、一般經濟狀況以及於報告日期當前及預測狀況的評估 (包括貨幣的時間價值 (如適用) 作出調整。

就所有其他金融工具而言，本集團於信貸風險自首次確認以來出現大幅上升時確認全期預期信貸虧損。然而，倘金融工具之信貸風險自首次確認以來並無大幅上升，本集團按與12個月預期信貸虧損相同的金額計量該金融工具的虧損撥備。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial assets (continued)

Lifetime ECLs represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs 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) 金融資產減值 (續)

全期預期信貸虧損指於該金融工具的預期可使用年內由所有可能違約事件造成的預期信貸虧損。相反，12個月預期信貸虧損指於報告日期後12個月內可能發生的金融工具違約事件預期會造成的全期預期信貸虧損部分。

信貸風險顯著增加

評估金融工具的信貸風險自首次確認後是否顯著增加時，本集團比較報告日期就金融工具產生的違約風險和於首次確認日期就金融工具產生的違約風險。於作出是次評估時，本集團均會考慮合理及有理據的定量及定性資料，包括過往經驗及毋須花費過度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、相關智囊團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，以及本集團核心業務相關的實際及預測經濟資料的各種外部來源。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial 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.

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.

4. 主要會計政策 (續)

(z) 金融資產減值 (續)

信貸風險顯著增加 (續)

具體而言，評估信貸風險自初步確認以來有否顯著增加時會考慮以下資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期顯著轉壞；
- 特定金融工具信貸風險的外部市場指標顯著轉壞；
- 商業、金融或經濟情況目前或預期不利變動，預期將導致債務人償還債務能力顯著下降；
- 債務人經營業績實際或預期顯著轉壞；
- 同一債務人的其他金融工具信貸風險顯著增加；及
- 債務人的監管、經濟或技術環境的實際或預期重大不利變動，導致債務人償還債務能力顯著下降。

不論上述評估結果如何，本集團均假設於合約付款逾期超過30日時，金融資產的信貸風險自初步確認以來已顯著上升，除非本集團有合理及有理據的資料證明並非如此則作別論。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial assets (continued)

Significant increase in credit risk (continued)

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) 金融資產減值 (續)

信貸風險顯著增加 (續)

儘管存在上述情況，倘一項金融工具於報告日期被釐定為低信貸風險，則本集團假設該項金融工具之信貸風險自初步確認以來並無顯著增加。於下列情況下，一項金融工具將被釐定為低信貸風險：

- (i) 金融工具違約風險低；
- (ii) 債務人近期具充分能力履行合約現金流量責任；及
- (iii) 長期經濟及業務狀況之不利變動或會(但非必然)降低債務人履行合約現金流量責任的能力。

倘資產外部信貸評級為國際通用之「投資評級」或倘外部評級不可用，而資產內部評級為「表現出色」，則本集團認為該金融資產為低信貸風險。表現出色指交易對手財務狀況強勁且並無逾期款項。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial 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).

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 Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4. 主要會計政策 (續)

(z) 金融資產減值 (續)

信貸風險顯著增加 (續)

就財務擔保合約而言，本集團成為不可撤銷承擔一方的日期被視為就金融工具減值評估進行確認的日期，故於估計信貸風險自財務擔保合約初始確認起是否有顯著上升時，本集團會考慮指定債務人違約風險的變動。

本集團定期監控用以識別信貸風險有否顯著增加的標準的有效性，並修訂標準（如適當）以確保標準能夠於金額逾期前識別信貸風險顯著增加。

違約定義

本集團認為以下情況就內部信貸風險管理目標而言構成違約事件，此乃由於過往經驗表明符合以下任何一項條件之應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源之資料顯示，債務人不太可能向債權人（包括本集團）全額還款（不計及本集團持有之任何抵押品）。

不論上文分析，本集團認為當金融資產逾期超過90日時，即屬發生違約，除非本集團有合理及有理據的資料證明較寬鬆的違約標準更為適用則當別論。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial assets (continued)

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.

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 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.

4. 主要會計政策 (續)

(z) 金融資產減值 (續)

信貸減值金融資產

當發生對金融資產之估計未來現金流量造成不利影響之一個或多個事件時，即代表金融資產出現信貸減值。金融資產出現信貸減值之證據包括以下可觀察數據：

- 發行人或交易對手出現重大財政困難；
- 違反合約，例如拖欠或逾期支付；
- 交易對手借方就有關交易對手財政困難的經濟或合約原因，向交易對手作出借出方理應不會考慮的讓步；
- 交易對手很有可能破產或進行其他財務重組；或
- 因財政困難而導致金融資產失去活躍市場。

撇銷政策

當存在資料顯示債務人陷入重大財政困難，且並無實際收回資產的可能性時(包括債務人已進行清盤或進入破產程序，或就應收賬款而言，金額逾期超過兩年(以較早發生者為準)，本集團將撇銷金融資產。已撇銷金融資產仍可根據本集團收回程序並於適當情況下考慮法律意見後實施強制執行活動。任何收回資產乃於損益中確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial assets (continued)

Measurement and recognition of ECLs

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 guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECLs 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.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

4. 主要會計政策 (續)

(z) 金融資產減值 (續)

預期信貸虧損之計量及確認

預期信貸虧損的計量乃違約概率、違約虧損(即違約虧損程度)以及違約風險的函數。違約概率以及違約虧損的評估乃基於歷史數據按上述前瞻性資料所調整。以違約風險,就財務資產而言,其於資產於報告日期的賬面總值中反映;就財務擔保合約而言,風險包括於報告日期已提取的金額,連同任何預計將於未來違約日期(根據歷史趨勢、本集團對債務人的個別未來融資需求的理解,以及其他相關前瞻性資料釐定)前提取的額外金額。

就金融資產而言,預期信貸虧損乃根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按初始實際利率貼現)所估計。就應收租賃款項而言,釐定預期信貸虧損所用現金流量與根據香港財務報告準則第16號計量應收租賃款項所用現金流量一致。

就財務擔保合約而言,由於本集團根據所擔保工具的條款僅須於債務人違約時作出付款,故有關的預期虧損撥備相當於償還持有人所產生信貸虧損的預期付款,減本集團預期自持有人、債務人或任何其他方收取的任何金額。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(z) Impairment of financial assets (continued)

Measurement and recognition of ECLs (continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECLs in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECLs 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.

(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.

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.

4. 主要會計政策 (續)

(z) 金融資產減值 (續)

預期信貸虧損之計量及確認 (續)

倘本集團已於過往報告期間以相等於使用年期預期信貸虧損金額計量一項金融工具的虧損撥備，惟於當前報告日期釐定其不再符合使用年期預期信貸虧損的條件，則本集團於當前報告日期以相等於12個月預期信貸虧損金額計量虧損撥備，使用簡化法計量之資產者除外。

本集團於損益中確認所有金融工具之減值收益或虧損，並透過減值撥備相應調整所有金融工具之賬面值。

(aa) 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任而可能需要以經濟溢利流出履行責任，於能對有關金額作出可靠估計時，便會就未有確定時間或金額的負債確認撥備。倘貨幣時間價值重大，撥備則以履行責任預期所需支出的現值列報。

倘需要流出經濟溢利的可能性不大，或未能可靠估計有關金額，則除非流出經濟溢利的可能性極微，否則有關責任承擔將列作或然負債披露。須視乎一宗或多宗未來事件是否發生才能確定存在與否的潛在責任，除非流出經濟溢利的可能性極微，否則亦會披露為或然負債。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(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)

(ab) 報告期後事項

為本集團於報告期末之業務狀況提供額外資料的報告期後事項為調整事項，並反映於綜合財務報表。並非調整事項的報告期後事項，倘屬重大，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。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

(i) 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).

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcomes of the Group's plans and measures to strengthen its capital base and liquidity. Details are explained in note 2 to the consolidated financial statements.

(b) *Significant increase in credit risk*

As explained in note 4(z), ECLs are measured as an allowance equal to 12-month ECLs for stage 1 assets, or lifetime ECLs 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.

5. 關鍵判斷及主要估計 (續)

(i) 應用會計政策的關鍵判斷

應用會計政策的過程中，董事已作出下列對於綜合財務報表確認的金額造成最重大影響的判斷(惟涉及估計者除外，涉及估計者按下文所述者處理)。

(a) *持續經營基準*

該等綜合財務報表按持續經營基準編製，其有效性取決於本集團強化資本基礎及流動性的計劃及措施的成果。詳情於綜合財務報表附註2闡述。

(b) *信貸風險大幅增加*

誠如附註4(z)所闡述，預期信貸虧損就第一階段資產按等於12個月預期信貸虧損的撥備計量，就第二階段或第三階段資產按全期預期信貸虧損的撥備計量。如一項資產自初步確認後其信貸風險顯著增加，則其轉移至第二階段。香港財務報告準則第9號並沒有對信貸風險顯著增加的構成要素進行定義。評估一項資產的信貸風險是否顯著增加時，本集團將會考慮合理可依的定量及定性前瞻性資料。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

(ii) 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) *Income taxes*

The Company 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, income tax expense of HK\$3,913,000 (2021: HK\$233,000) was charged to profit or loss based on the estimated profit from the Group's operations.

5. 關鍵判斷及主要估計 (續)

(ii) 估計不確定性的主要來源

於報告期末，有關日後主要假設及其他估計不確定性之主要來源闡述如下，此等假設及不確定性存在導致資產及負債賬面值於下一財政年度內出現重大調整之重大風險。

(a) *所得稅*

本公司須於若干司法權區繳納所得稅。在釐定所得稅之撥備時，本公司須作出重大估計。於日常業務過程中，多項交易及計算均難以明確作出最終稅務釐定。倘該等事宜之最終稅務結果與最初記錄金額不同，該等差額將對涉及作出該等釐定之期內所得稅及遞延稅項撥備構成影響。

年內，所得稅開支3,913,000港元(二零二一年：233,000港元)已根據本集團估計經營溢利自損益中扣除。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

(ii) Key sources of estimation uncertainty (continued)

(b) *Impairment of property, plant and equipment, intangible assets and right-of-use assets*

Property, plant and equipment, intangible assets and right-of-use assets are stated at costs less accumulated depreciation/amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) 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 (iii) 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 assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 December 2022, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets were HK\$19,121,000 (2021: HK\$22,994,000), HK\$505,000 (2021: HK\$1,907,000) and HK\$22,434,000 (2021: HK\$24,351,000), respectively.

5. 關鍵判斷及主要估計 (續)

(ii) 估計不確定性的主要來源 (續)

(b) *物業、廠房及設備、無形資產及使用權資產減值*

物業、廠房及設備、無形資產及使用權資產按成本減累計折舊／攤銷及減值(如有)列賬。於釐定資產是否減值時，本集團須進行判斷及估計，尤其評估：(i)是否有事件已發生或有任何指標可能影響資產淨值；(ii)資產賬面值是否能夠以可收回金額支持，如為使用價值，即按照持續使用資產估計的未來現金流量的淨現值；及(iii)將應用於估計可收回金額的適當關鍵假設(包括現金流量預測及適當的貼現率)。當無法估計個別資產(包括使用權資產)的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。更改假設及估計，包括於現金流量預測內的貼現率或增長率，均可能嚴重影響減值測試所採用淨現值。

於二零二二年十二月三十一日，物業、廠房及設備、使用權資產及無形資產的賬面值分別為19,121,000港元(二零二一年：22,994,000港元)、505,000港元(二零二一年：1,907,000港元)及22,434,000港元(二零二一年：24,351,000港元)。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

(ii) Key sources of estimation uncertainty (continued)

(c) *Impairment of trade receivables and other receivables*

The management of the Group estimates the amount of impairment loss for ECLs on trade receivables and other receivables based on the credit risk of trade receivables and other receivables. The amount of the impairment loss based on ECLs 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 amount of trade receivables was HK\$68,591,000 (after deduction of accumulated allowance for doubtful debts of HK\$833,772,000 (2021: HK\$33,200,000 (after deduction of accumulated allowance for doubtful debts of HK\$834,118,000))); the carrying amount of other receivables was HK\$12,114,000 (after deducting accumulated allowance for doubtful debts of HK\$125,063,000) (2021: HK\$47,899,000 (after deducting accumulated allowance for doubtful debts of HK\$89,485,000)).

5. 關鍵判斷及主要估計 (續)

(ii) 估計不確定性的主要來源 (續)

(c) *應收賬款及其他應收款項減值*

本集團管理層根據應收賬款及其他應收款項之信貸風險估計應收賬款及其他應收款項預期信貸虧損之減值虧損金額。根據預期信貸虧損模式計算的減值虧損金額按照本集團根據合約應付的所有合約現金流量與本集團預期收到的所有現金流量之間的差額計算，並按於初步確認時釐定的實際利率貼現。倘未來現金流量低於預期，或因事實及情況變化而下調，則可產生重大減值虧損。

於二零二二年十二月三十一日，應收賬款賬面值為68,591,000港元（扣除呆賬累計撥備833,772,000港元）（二零二一年：33,200,000港元（扣除呆賬累計撥備834,118,000港元））。其他應收款項賬面值為12,114,000港元（扣除呆賬累計撥備125,063,000港元）（二零二一年：47,899,000港元（扣除呆賬累計撥備89,485,000港元））。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

- (ii) Key sources of estimation uncertainty (continued)
(d) *Fair value of financial assets at FVTPL*

The Group appointed an independent professional valuer to assess the fair value of financial assets at FVTPL that are not traded in an active market. In determining the fair value, the valuer has utilised a variety of methods and makes assumptions that are mainly based on market conditions existing at each reporting date. Valuation techniques used include the use or comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by other market participants. Changes in assumptions on the valuation techniques could affect the reported fair values of these consolidated financial assets. The financial assets at FVTPL have been valued using various approaches.

As at 31 December 2022, the carrying amount of financial assets at FVTPL was HK\$12,255,000 (2021: HK\$12,794,000).

5. 關鍵判斷及主要估計 (續)

- (ii) 估計不確定性的主要來源 (續)
(d) *按公平值計入損益的金融資產公平值*

本集團委聘獨立專業估值師評估並非於活躍市場買賣的按公平值計入損益的金融資產的公平值。釐定公平值時，本集團採用多種方法及作出多項主要以各報告日期市況為基準的假設。所用估值方法包括使用可資比較近期公平交易、貼現現金流量分析及其他市場參與者普遍使用的其他估值方式。有關估值方法的假設變動可能影響該等綜合金融資產的報告公平值。按公平值計入損益的金融資產採用多種方法進行估值。

於二零二二年十二月三十一日，按公平值計入損益的金融資產賬面值為12,255,000港元(二零二一年：12,794,000港元)。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

(ii) Key sources of estimation uncertainty (continued)

(e) Allowances for inventories

The management of the Group reviews the inventory ageing analysis at the end of the reporting period in order to identify slow moving inventory items. Management estimates the net realisable value for inventories based primarily on the latest market prices and current market conditions. In addition, the Group carries out an inventory review on a product by product basis at the end of the reporting period and provides necessary allowance if the net realisable value is estimated to be below the cost.

No allowance for inventories were charged for the years ended 31 December 2022 and 2021. The carrying amount of inventories, being wood products, as at 31 December 2022 was HK\$14,887,000 (2021: HK\$70,457,000).

(f) Provision for claims

When accounting for provision for claims on litigation, the Group has taken internal and external advice in considering known claims and actions made by or against the Group. It carefully assesses the likelihood of success of a claim or action. Appropriate provisions are made for claims or actions against the Group on the basis of likely outcome, but provisions are made for those which in the view of management are unlikely to succeed.

In making management's judgement, the Group assessed the Group's liability and obligations on a case by case basis. Provision on possible obligations, if appropriate, are made based on management's best estimates and judgements. As at 31 December 2022, provision for claims as included in other payables and accruals amounted to HK\$287,924,000 (2021: HK\$295,437,000), no additional provision was made during the year (2021: HK\$93,949,000).

5. 關鍵判斷及主要估計 (續)

(ii) 估計不確定性的主要來源 (續)

(e) 存貨撥備

本集團管理層於報告期末檢討存貨的賬齡分析以識別滯銷的存貨項目。管理層估計存貨的可變現淨值乃主要基於最新市價及當前市況。此外，本集團於報告期末按逐個產品基準對存貨進行盤點，倘可變現淨值預期低於成本，將計提必要撥備。

截至二零二二年及二零二一年十二月三十一日止年度，概無計提存貨撥備。於二零二二年十二月三十一日，存貨（為木製品）的賬面值為14,887,000港元（二零二一年：70,457,000港元）。

(f) 索賠計提撥備

當對訴訟索賠計提撥備作出會計處理時，本集團於考慮其已作出或面臨的已知索賠及訴訟時已採納內部及外部建議，並審慎評估一項索賠或訴訟成功的可能性。根據可能產生的結果，本集團對其所面臨的索賠或訴訟計提適當撥備，惟對管理層認為不大可能發生者計提撥備。

於作出管理層判斷時，本集團按逐項基準評估其責任及義務。可能產生義務的撥備（如適用）乃基於管理層最佳估計及判斷所作出。於二零二二年十二月三十一日，計入其他應付款項及應計費用的索賠撥備為287,924,000港元（二零二一年：295,437,000港元），年內並無額外撥備（二零二一年：93,949,000港元）。

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6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, interest rate risk and liquidity 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 Group has certain exposure to foreign currency risk as some of its transactions, assets and liabilities are denominated in the currencies other than the functional currency of the Group's entities such as HK\$, United States dollars ("US\$") and Renminbi ("RMB").

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The directors of the Group are of the opinion that the US\$ is pegged against HK\$ and the risk of movements in exchange rates between US\$ and HK\$ to be insignificant. Accordingly, no sensitivity analysis is performed on the movements in exchange rates between US\$ and HK\$.

No sensitivity analysis has been performed on the Group's financial assets and liabilities denominated in RMB as the directors of the Group are of opinion that they are not material to the Group.

6. 財務風險管理

本集團業務使其面對各種財務風險：外匯風險、信貸風險、利率風險及流動資金風險。本集團整體風險管理計劃聚焦於金融市場的不可預測性，尋求盡量減低對本集團財務表現的潛在不利影響。

(a) 外匯風險

本集團承受若干外幣風險，乃由於其若干交易、資產及負債均以本集團實體的功能貨幣以外的貨幣計價，例如港元、美元（「美元」）和人民幣（「人民幣」）。

本集團目前並未就外幣交易、資產及負債制訂外幣對沖政策。本集團會密切監視其外幣風險，並將於有需要時考慮對沖重大外幣風險。

本集團董事認為美元與港元掛鈎，美元與港元匯率變動風險甚微。因此，並無就美元與港元匯率變動進行敏感度分析。

並無就以人民幣計值的本集團金融資產及負債進行敏感度分析，此乃由於本集團董事認為有關金融資產及負債對本集團而言並不重大。

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6. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loan receivable) and from its financing activities, including deposits with banks and other financial institution, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from bank balances is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Except for the financial guarantee given by the Group as set out in note 34 to the consolidated financial statements, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in notes 6(d) and 34 to the consolidated financial statements.

(i) Trade receivables

As at 31 December 2022 and 2021, the Group has no significant concentration of credit risk in certain individual customers. The Group seeks to minimise its risk by dealing with counterparties which have good credit history.

6. 財務風險管理 (續)

(b) 信貸風險

信貸風險指交易對手未能履行其於金融工具項下的責任而導致本集團財務損失的風險。本集團的信貸風險源自經營活動(主要為應收賬款及應收貸款)及源自金融活動,包括銀行及其他金融機構存款、外匯交易及其他金融工具。本集團所面對銀行結餘產生之信貸風險有限,原因是交易對手獲國際信貸評級機構評定高信貸評級的銀行,本集團對此認為信貸風險為低。

除綜合財務報表附註34所述本集團給予的財務擔保外,本集團並無提供其他使本集團面臨信貸風險的擔保。該等財務擔保於報告期末的最大信貸風險於綜合財務報表附註6(d)及34披露。

(i) 應收賬款

於二零二二年及二零二一年十二月三十一日,本集團並無於若干個別客戶存在重大集中信貸風險。本集團尋求透過於信貸記錄良好的對手方交易,以減低風險。

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6. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

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 receivables are due within 30 to 90 days from the date of billing or could be longer under certain circumstances. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables 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.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收賬款 (續)

客戶信貸風險由各業務單位管理，受限於本集團訂立的客戶信貸風險管理政策、程序及控制。對於所有要求若干信貸金額之客戶均會進行個別信貸評估。此等評估主要針對客戶以往到期時之還款紀錄及現時付款能力，並考慮客戶個別資料及有關客戶經營所在經濟環境之資料。應收賬款自發出賬單當日計起30至90日內到期或在有關情況下可能更長。一般情況下，本集團不會要求客戶提交任何抵押品。

本集團按相等於全期預期信貸虧損之金額計量應收賬款虧損撥備，有關金額乃使用撥備矩陣計算得出。由於根據本集團的過往信貸虧損經驗，不同客戶分類並未顯示出虧損模式的重大差異，故此基於逾期狀態的虧損撥備不會於本集團不同客戶群之間進一步區分。

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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)

(i) Trade receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2022 and 2021:

		2022 二零二二年		
		Expected loss rate 預期虧損比率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Not yet due	尚未逾期	N/A不適用	52,176	-
Within 90 days past due	逾期90天內	3%	17,025	610
Over 180 days past due	逾期180天以上	100%	76	76
Over 1 year	1年以上	100%	833,086	833,086
			902,363	833,772
		2021 二零二一年		
		Expected loss rate 預期虧損比率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Not yet due	尚未逾期	—*	33,244	139
Within 90 days past due	逾期90天內	10%	106	11
Over 1 year	1年以上	100%	833,968	833,968
			867,318	834,118

* Represents amount is less than 1.

* 指金額少於1。

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收賬款 (續)

下表載列本集團於二零二二年及二零二一年十二月三十一日的信貸風險敞口及應收賬款預期信貸虧損相關資料：

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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)

(i) Trade receivables (continued)

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

(ii) Loan receivables

As at 31 December 2022 and 2021, the Group lent the loan with face value of US\$2,000,000 (2021: US\$2,000,000) (equivalent to approximately HK\$15,629,000) to an independent third party.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approval and other monitoring procedures to ensure that follow-up action is taken for the recoverable amount. In addition, the Group reviews the recoverable amount of each individual's loan receivables at the end of each reporting period to ensure that adequate impairment loss is made for irrecoverable amounts. As at 31 December 2022 and 2021, the loan receivable was secured by (i) the pledge of an aircraft leased to the borrower by a company wholly owned by the borrower's sole director; and (ii) 49% equity interests of the borrower.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(i) 應收賬款 (續)

預期虧損比率基於實際虧損經驗。有關比率經調整，反映收集過往數據期間經濟狀況、目前狀況及本集團對應收賬款預計年期經濟狀況的看法的差異。

(ii) 應收貸款

於二零二二年及二零二一年十二月三十一日，本集團向獨立第三方貸款面值2,000,000美元(二零二一年：2,000,000美元)(相當於約15,629,000港元)。

為盡量減低信貸風險，本集團管理層委派團隊負責釐定信貸限額、信貸審批及其他檢查程序，確保就可收回款項採取跟進行動。此外，本集團於各報告期末檢討個別應收貸款可收回金額，確保就無法收回款項作出足夠減值虧損。於二零二二年及二零二一年十二月三十一日，應收貸款由(i)借款人的唯一董事全資擁有的公司租賃予獨立借款人的飛機質押；及(ii)借款人49%的已發行股本作抵押。

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綜合財務報表附註

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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)

(ii) Loan receivable (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for loan receivable as at 31 December 2022 and 2021:

		2022 二零二二年		
		Expected loss rate 預期虧損比率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Over 1 year	1年以上	100%	15,629	15,629
		2021 二零二一年		
		Expected loss rate 預期虧損比率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Over 1 year	1年以上	100%	15,629	15,629

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(ii) 應收貸款 (續)

下表載列本集團於二零二二年及二零二一年十二月三十一日的信貸風險敞口及應收貸款預期信貸虧損相關資料：

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6. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(iii) Other receivables

Other receivables included consideration receivable in relation to the disposal of an unlisted equity fund in 2018; receivables in relation to the acquired convertible bond; and other miscellaneous receivables.

For the consideration receivable in relation to the disposal of an investment of HK\$82,041,000 in 2018, the ECLs allowance for the outstanding amount, being payment due and in default in 2018, was recognised in full during the year ended 31 December 2018. The management has reassessed the ECLs of this receivable, and has not made any reversal on the allowance for the year ended 31 December 2022 and 2021.

For the receivables in relation to an acquired convertible bond of the original maturity date being 7 April 2020, it was reclassified from financial assets designated at FVTPL to other receivables during the year ended 31 December 2021. The management assessed the ECLs as of 31 December 2021 and concluded that no allowance for ECLs was necessary for the year ended 31 December 2021 as the Group received a partial settlement and has agreed to extend the settlement date to 7 April 2022. Following the default in settlement on 7 April 2022, the management assessed the ECLs as of 31 December 2022 and concluded that full allowance for ECLs of the outstanding amount of HK\$33,978,000 was necessary for the year ended 31 December 2022.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(iii) 其他應收款項

其他應收款項包括與二零一八年出售非上市股本基金有關的應收代價；已收購可換股債券的應收款項；及其他應收雜項。

就與二零一八年出售投資82,041,000港元有關的應收代價而言，未償還金額（即於二零一八年到期並違約的付款）的預期信貸虧損撥備於截至二零一八年十二月三十一日止年度全額確認。管理層已重新評估該應收款項的預期信貸虧損，及於截至二零二二年及二零二一年十二月三十一日止年度並無作出撥備撥回。

與原到期日為二零二零年四月七日的已收購可換股債券有關的應收款項，於截至二零二一年十二月三十一日止年度已自指定為按公平值計入損益的金融資產重新分類至其他應收款項。管理層已評估截至二零二一年十二月三十一日的預期信貸虧損，並認為由於本集團已收到部分還款並同意將還款日期延長至二零二二年四月七日，截至二零二一年十二月三十一日止年度無須作出預期信貸虧損撥備。於二零二二年四月七日償還違約後，管理層已評估截至二零二二年十二月三十一日的預期信貸虧損，並認為有必要於截至二零二二年十二月三十一日止年度就未償還金額33,978,000港元的預期信貸虧損作出全額撥備。

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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)

(iii) *Other receivables* (continued)

For other miscellaneous receivables, the expected loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated. In determining the ECLs of the Group's other receivables, the management assessed the expected losses individually by estimation based on historical credit loss experience, general economic conditions of the relevant industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Based on the result of the foregoing, additional impairment loss of HK\$1,600,000 (2021: HK\$1,830,000) was recognised during the year ended 31 December 2022.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(iii) *其他應收款項* (續)

就其他應收雜項而言，預期虧損率乃基於債務人於估計年期的過往觀察違約率估計，並按毋須花費過度成本或努力即可獲得的前瞻性資料作出調整。本集團管理層將有關前瞻性資料用於評估於報告日期的現狀及狀況預測方向。本集團管理層定期審閱該分項，以確保更新特定債務人的相關資料。於釐定本集團其他應收款項的預期信貸虧損時，管理層透過基於過往信貸虧損經驗、債務人經營所在相關行業的整體經濟狀況及於報告日期對現狀及預測狀況方向的評估之估計，單獨評估預期虧損。基於前述結果，於截至二零二二年十二月三十一日止年度確認額外減值虧損1,600,000港元（二零二一年：1,830,000港元）。

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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)

(iii) Other receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables which has significant increase in the credit risk:

Internal credit rating	內部信貸評級	Expected loss rate 預期虧損比率 %	2022 二零二二年	
			Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Stage 1	第一階段	43	21,158	9,044
Stage 2	第二幾段	100	33,978	33,978
Stage 3	第三階段	100	82,041	82,041
			137,177	125,063

Internal credit rating	內部信貸評級	Expected loss rate 預期虧損比率 %	2021 二零二一年	
			Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
Stage 1	第一階段	13	55,343	7,444
Stage 2	第二幾段	–	–	–
Stage 3	第三階段	100	82,041	82,041
			137,384	89,485

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(iii) 其他應收款項 (續)

下表載列本集團信貸風險敞口及信貸風險大幅增加的其他應收款項的預期信貸虧損相關資料：

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6. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(iii) Other receivables (continued)

Movement in the allowance for trade receivables, loan receivables and other receivables measured at amortised cost:

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(iii) 其他應收款項 (續)

按攤銷成本計量之應收賬款、應收貸款及其他應收款項之撥備變動：

		Other receivables 其他應收款項 General approach 一般方法		Loan receivables 應收貸款		Trade receivables 應收賬款 Simplified approach 簡化法	Total 總計 HK\$'000 千港元	
		12-month ECLs 12個月預期 信貸虧損 HK\$'000 千港元	Lifetime ECLs 全期預期 信貸虧損 HK\$'000 千港元	Lifetime ECLs 全期預期 信貸虧損 HK\$'000 千港元	Credit impaired 全期預期 信貸虧損 HK\$'000 千港元	Credit impaired 全期預期 信貸虧損 HK\$'000 千港元		Lifetime ECLs 全期預期 信貸虧損 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	5,614	-	82,041	15,629	832,873	936,157	
Provision for ECLs	預期信貸虧損撥備	1,830	-	-	-	1,020	2,850	
Exchange difference	匯兌差額	-	-	-	-	225	225	
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	7,444	-	82,041	15,629	834,118	939,232	
Provision for ECLs	預期信貸虧損撥備	1,600	33,978	-	-	-	35,578	
Exchange difference	匯兌差額	-	-	-	-	(346)	(346)	
At 31 December 2022	於二零二二年十二月三十一日	9,044	33,978	82,041	15,629	833,772	974,464	

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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)

(iv) *Financial guarantee*

As at 31 December 2022, the management of the Group has provided a corporate guarantee in respect of a loan facility granted to an associate of the Group up to an aggregate amount of approximately HK\$204,960,000. At the end of the reporting period, the directors have performed impairment assessment, and concluded that there has been significant increase in credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee issued by the Group is measured at an amount equal to lifetime ECLs (credit impaired). As at 31 December 2022, the loss allowance in respect of the financial guarantee of approximately HK\$36,000,000 (2021: HK\$35,000,000) was made in accordance with ECLs model under HKFRS 9. Additional allowance for ECLs of approximately HK\$1,000,000 was recognised during the year (2021: HK\$2,000,000). Details of the financial guarantee contract and quantitative disclosures are set out in note 34 to the consolidated financial statements.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(iv) *財務擔保*

於二零二二年十二月三十一日，本集團管理層就授予本集團一間聯營公司的貸款融資提供企業擔保，總額上限約204,960,000港元。於報告期末，董事已進行減值評估，並得出結論，自財務擔保合約初步確認以來信貸風險顯著增加。因此，本集團發佈的財務擔保虧損撥備乃按相等於全期預期信貸虧損（信貸減值）的金額計量。於二零二二年十二月三十一日，根據香港財務報告準則第9號項下的預期信貸虧損模型所作出有關財務擔保的虧損撥備約為36,000,000港元（二零二一年：35,000,000港元）。年內確認預期信貸虧損的額外撥備約1,000,000港元（二零二一年：2,000,000港元）。有關財務擔保合約及定量披露的詳情載於綜合財務報表附註34。

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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

6. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(v) Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial asset and the exposure to credit risk for the financial guarantee.

Maximum exposure as at 31 December 2022

		12-month ECLs	Lifetime ECLs			Total
		12個月預期信貸虧損	全期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一階段	第二階段	第三階段	簡化法	總計
		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
Trade receivables*	應收賬款*	-	-	-	902,363	902,363
Loan receivables	應收貸款	-	-	15,629	-	15,629
Other receivables	其他應收款項	21,158	33,978	82,041	-	137,177
Financial guarantee	財務擔保	-	-	169,794	-	169,794
		21,158	33,978	267,464	902,363	1,224,963

Maximum exposure as at 31 December 2021

		12-month ECLs	Lifetime ECLs			Total
		12個月預期信貸虧損	全期預期信貸虧損			
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一階段	第二階段	第三階段	簡化法	總計
		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
Trade receivables*	應收賬款*	-	-	-	867,318	867,318
Loan receivables	應收貸款	-	-	15,629	-	15,629
Other receivables	其他應收款項	55,343	-	82,041	-	137,384
Financial guarantee	財務擔保	-	-	169,794	-	169,794
		55,343	-	267,464	867,318	1,190,125

* For trade receivables to which the Group applies the simplified approach for impairment, information on the expected credit losses is disclosed in note 6 (b)(i) and note 25. There is no significant concentration of credit risk.

6. 財務風險管理 (續)

(b) 信貸風險 (續)

(v) 最大風險及年末階段

下表顯示基於本集團信貸政策的信貸質素及最大風險 (主要基於逾期資料, 除非其他資料可於毋須付出過分成本或努力的情況下獲得) 以及截至十二月三十一日的年末階段分類情況。

所呈列的金額為金融資產總賬面值及財務擔保的信貸風險。

於二零二二年十二月三十一日的最大風險

於二零二一年十二月三十一日的最大風險

* 對於本集團就減值應用簡化法的應收賬款, 資料乃基於附註6(b)(i)及附註25中披露的預期信貸虧損。不存在重大集中信貸風險。

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截至二零二二年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (continued)

(c) Interest rate risk

The Group has interest-bearing assets and liabilities in relation to loan receivable, bank balances, other payables, bank borrowings and lease liabilities, details of which are disclosed in notes 26, 28, 30 and 31 respectively, to the consolidated financial statements.

The Group's bank and other borrowings, loan receivables, lease liabilities and other payables bear interest at fixed rates and therefore are subject to fair value interest rate risks.

The Group's exposure to cash flow interest-rate risk mainly arises from the fluctuation of interest rate on bank balances. These bank balances bear interests at variable rates that varied with the then prevailing market condition.

Except as stated above, the Group does not have other significant interest-bearing assets and liabilities at the end of reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

Sensitivity analysis on cash flow interest-rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on the Group's consolidated financial statements.

6. 財務風險管理 (續)

(c) 利率風險

本集團的計息資產及負債與應收貸款、銀行結餘、其他應付款項、銀行借貸及租賃負債有關，其詳情分別披露於綜合財務報表附註26、28、30及31。

本集團銀行及其他借貸、租賃負債及其他應付款項按固定利率計息，因此面對公平值利率風險。

本集團現金流量利率風險主要產生自銀行結餘利率波動。銀行結餘按浮動利率計息，隨當時市況浮動。

除上文所述者外，於報告期末，本集團並無其他重大計息資產及負債，其收入及經營現金流量很大程度獨立於市場利率變動。

由於市場利率合理可能變動將不會對本集團綜合財務報表造成重大影響，故並無呈列現金流量利率風險敏感度分析。

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For the year ended 31 December 2022
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6. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

During the years ended 31 December 2022 and 2021, the Group breached certain covenant clauses in bank and other borrowings agreements under which the Group has defaulted in repayment of bank and other borrowings to lenders. As a result, as at 31 December 2022, bank and other borrowings of HK\$14,101,000 and HK\$767,785,000 respectively (2021: HK\$15,306,000 and HK\$771,241,000 respectively) is subject to an early repayment option exercisable by the lenders. Such bank and other borrowings are classified as current liabilities as at 31 December 2022 and 2021. As the date on these consolidated financial statements, the lenders have not requested for the early repayment of the bank and other borrowings.

6. 財務風險管理 (續)

(d) 流動資金風險

本集團政策為定期監察目前及預期流動資金需要，確保維持足夠現金儲備，滿足短期及長期流動資金需要。

於截至二零二二年及二零二一年十二月三十一日止年度，本集團違反銀行及其他借貸協議的若干契諾條款，據此，本集團在向貸款人償還銀行及其他借貸方面出現違約。因此，於二零二二年十二月三十一日，銀行及其他借貸分別14,101,000港元及767,785,000港元（二零二一年：分別15,306,000港元及771,241,000港元）須受貸款人行使要求提早還款選擇權所限。該等銀行及其他借貸於二零二二年及二零二一年十二月三十一日分類為流動負債。於本綜合財務報表日期，貸款人並無要求提早償還銀行及其他借貸。

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綜合財務報表附註

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6. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

As at 31 December 2022 and 2021, the maturity analyses based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities are as follows:

		On demand or less than 1 year 按要求或 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total undiscounted cash flow 未貼現 現金流量總額 HK\$'000 千港元	Carrying value 賬面值 HK\$'000 千港元
At 31 December 2022	於二零二二年 十二月三十一日					
Trade payables	應付賬款	57,621	-	-	57,621	57,621
Other payables and accruals	其他應付款項及 應計費用	647,535	-	-	647,535	647,535
Bank and other borrowings (note)	銀行及其他 借貸(附註)	874,504	-	-	874,504	846,873
Lease liabilities	租賃負債	839	211	-	1,050	994
Financial guarantee	財務擔保	36,000	-	-	36,000	36,000
At 31 December 2021	於二零二一年 十二月三十一日					
Trade payables	應付賬款	96,675	-	-	96,675	96,675
Other payables and accruals	其他應付款項及 應計費用	556,225	-	-	556,225	556,225
Bank and other borrowings (note)	銀行及其他 借貸(附註)	821,223	-	-	821,223	797,978
Lease liabilities	租賃負債	1,522	1,090	-	2,612	2,390
Financial guarantee	財務擔保	35,000	-	-	35,000	35,000

6. 財務風險管理(續)

(d) 流動資金風險(續)

於二零二二年及二零二一年十二月三十一日，基於本集團非衍生金融負債合約未貼現現金流量的到期分析如下：

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For the year ended 31 December 2022
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6. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

note:

Included in the above bank and other borrowings of the Group was a term loan with a carrying amount of approximately HK\$14,101,000 (2021: HK\$15,306,000), which contained a repayment on demand clause giving the bank the right to call in the loan at any time. Accordingly, for the purpose of the above maturity profile, the contractual undiscounted payments of such loan of the Group in the amount of approximately HK\$14,101,000 (2021: HK\$15,306,000) were classified as "on demand".

The bank borrowings with a repayment on demand clause based on agreed scheduled repayments were classified as "on demand or less than 1 year". The amount which included interest payments of approximately HK\$17,697,000 (2021: HK\$19,209,000) recognised in other payables was computed using contractual rates.

(e) Categories of financial instruments at 31 December

		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 at FVTPL	按公平值計入損益的金融資產	12,255	12,794
Financial assets at amortised cost	按攤銷成本計量的金融資產	86,695	87,070
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	1,264,007	1,123,795
Financial guarantee	財務擔保	36,000	35,000

(f) Fair values

Except as disclosed in notes to the consolidated financial statements, 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.

6. 財務風險管理 (續)

(d) 流動資金風險 (續)

附註：

賬面值約14,101,000港元(二零二一年：15,306,000港元)的定期貸款計入上述本集團銀行及其他借貸，定期貸款包含按要求償還條款，給予銀行隨時收回貸款的權利。因此，就上述到期情況而言，本集團有關貸款合約未貼現付款約14,101,000港元(二零二一年：15,306,000港元)分類為「按要求」。

根據協定計劃還款的按要求償還銀行借貸已分類為「按要求或少於1年」。有關金額包括按合約比率計算的利息付款(於其他應付款項確認)約為17,697,000港元(二零二一年：19,209,000港元)。

(e) 於十二月三十一日的金融工具類別

(f) 公平值

除綜合財務報表所披露的附註外，於綜合財務狀況表反映的本集團金融資產及金融負債賬面值與各自公平值相約。

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綜合財務報表附註

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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

公平值為於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格。下列公平值計量使用的公平值層級將公平值計量所用估值方法輸入數據分為三個層級：

第一級輸入數據：本集團於計量日期可於活躍市場獲得的相同資產或負債的報價（未經調整）。

第二級輸入數據：除第一級已納入的報價外，就資產或負債可直接或間接觀察輸入數據。

第三級輸入數據：資產或負債的不可觀察輸入數據。

本集團的政策是於事件發生當日或引致轉移情況變動當日確認該三個層級的轉入和轉出。

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For the year ended 31 December 2022
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7. FAIR VALUE MEASUREMENTS (continued)

(a) Disclosures of level in fair value hierarchy at 31 December 2022 and 2021:

Description 描述		Fair value measurements using: 採用以下方式計量公平值：			Total 總計
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 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：				
Financial assets	金融資產				
Financial assets at FVTPL	按公平值計入損益的 金融資產				
Unlisted equity securities	非上市權益證券	-	-	12,255	12,255

7. 公平值計量 (續)

(a) 於二零二二年及二零二一年十二月三十一日的公平值層級披露：

Description 描述		Fair value measurements using: 採用以下方式計量公平值：			Total 總計
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Recurring fair value measurements:	經常性公平值計量：				
Financial assets	金融資產				
Financial assets at FVTPL	按公平值計入損益的 金融資產				
Unlisted equity securities	非上市權益證券	-	-	12,794	12,794

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7. FAIR VALUE MEASUREMENTS (continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3:

7. 公平值計量 (續)

(b) 根據第三級公平值計量的資產與負債對賬：

Assets	資產	2022	2021
Description	描述	二零二二年	二零二一年
		HK\$'000	HK\$'000
		千港元	千港元
Financial assets at FVTPL – Unlisted equity securities	按公平值計入損益的金融資產 – 非上市權益證券		
At 1 January	於一月一日	12,794	58,632
Fair value gains/(losses) recognised in profit or loss	於損益確認的公平值 收益／(虧損)	975	(46,362)
Exchange difference	匯兌差額	(1,514)	524
At 31 December	於十二月三十一日	12,255	12,794

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7. FAIR VALUE MEASUREMENTS (continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3: (continued)

The total gains or losses recognised in profit or loss including those for assets and liabilities held at end of reporting period are presented in other income, gains and losses, net in the consolidated statement of profit or loss.

During the years ended 31 December 2022 and 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2022 and 2021:

The Board of Directors of the Company is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. Discussions of valuation processes and results are reviewed by the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group has engaged external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

7. 公平值計量 (續)

(b) 根據第三級公平值計量的資產與負債對賬：(續)

於損益確認的收益或虧損總額包括於報告期末持有的資產及負債，乃於綜合損益表中的其他收入、收益及虧損淨額呈列。

截至二零二二年及二零二一年十二月三十一日止年度，金融資產及金融負債第一級與第二級之間並無任何公平值計量轉移，亦無金融資產及金融負債轉入或轉出第三級。

(c) 於二零二二年及二零二一年十二月三十一日本集團所用估值過程及公平值計量所用估值方法及輸入數據披露：

本公司董事會負責財務報告所需的資產及負債公平值計量，包括第三級公平值計量。董事會至少每年兩次審閱討論估值過程及結果。

就第三級公平值計量而言，本集團一般委聘擁有公認專業資格及近期經驗的外部估值專家進行估值。

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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 and 2021: (continued)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs 輸入數據增加對公平值的影響	Fair value 公平值	
					Assets	Assets
描述	估值方法	不可觀察輸入數據	範圍		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Unlisted equity investments: 非上市權益投資：						
- Zhongxin (Heilongjiang) Internet Microfinance Co., Limited* — 中新(黑龍江)互聯網小額貸款有限公司	Asset-based approach 資產基礎法	N/A 不適用	N/A (2021: N/A) 不適用 (二零二一年：不適用)	N/A (2021: N/A) 不適用 (二零二一年：不適用)	-	-
- Zuoshishi Technology Service (Beijing) Company Limited* — 做實事科技服務(北京)有限公司	Income approach 收入法	Long term annual growth rate 長期年增長率	2% (2021: 3%) 2% (二零二一年：3%)	Increase (2021: Increase) 增加 (二零二一年：增加)	11,225	11,045
		Weighted average cost of capital 加權平均資本成本	11% (2021: 13%) 11% (二零二一年：13%)	Decrease (2021: Decrease) 減少 (二零二一年：減少)		
		Discount for lack of marketability 缺乏市場流動性折讓	15.8% (2021: 16.0%) 15.8% (二零二一年：16.0%)	Decrease (2021: Decrease) 減少 (二零二一年：減少)		
- Spring Power Holdings Limited — 春能控股有限公司	Market approach 市場法	Market P/S ratio 市場市銷率	4.4 (2021: 3.4) 4.4 (二零二一年：3.4)	Increase (2021: Increase) 增加 (二零二一年：增加)	1,030	1,749
					12,255	12,794

* For identification purposes only

7. 公平值計量 (續)

- (c) 於二零二二年及二零二一年十二月三十一日本集團所用估值過程及公平值計量所用估值方法及輸入數據披露：(續)

第三級公平值計量

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs 輸入數據增加對公平值的影響	Fair value 公平值	
					Assets	Assets
描述	估值方法	不可觀察輸入數據	範圍		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Unlisted equity investments: 非上市權益投資：						
- Zhongxin (Heilongjiang) Internet Microfinance Co., Limited* — 中新(黑龍江)互聯網小額貸款有限公司	Asset-based approach 資產基礎法	N/A 不適用	N/A (2021: N/A) 不適用 (二零二一年：不適用)	N/A (2021: N/A) 不適用 (二零二一年：不適用)	-	-
- Zuoshishi Technology Service (Beijing) Company Limited* — 做實事科技服務(北京)有限公司	Income approach 收入法	Long term annual growth rate 長期年增長率	2% (2021: 3%) 2% (二零二一年：3%)	Increase (2021: Increase) 增加 (二零二一年：增加)	11,225	11,045
		Weighted average cost of capital 加權平均資本成本	11% (2021: 13%) 11% (二零二一年：13%)	Decrease (2021: Decrease) 減少 (二零二一年：減少)		
		Discount for lack of marketability 缺乏市場流動性折讓	15.8% (2021: 16.0%) 15.8% (二零二一年：16.0%)	Decrease (2021: Decrease) 減少 (二零二一年：減少)		
- Spring Power Holdings Limited — 春能控股有限公司	Market approach 市場法	Market P/S ratio 市場市銷率	4.4 (2021: 3.4) 4.4 (二零二一年：3.4)	Increase (2021: Increase) 增加 (二零二一年：增加)	1,030	1,749
					12,255	12,794

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8. SEGMENT INFORMATION

The Group has four operating segments as follows:

1. Car rental segment – primarily engages in the provision of car rental services;
2. Wood-related business segment – primarily engages in the processing and distribution of furniture wood, and the manufacturing and sales of antique-style wood furniture and other wooden products;
3. Financing services and investments segment – primarily engages in money lending business through the provision of loans and financial investment holding; and
4. Others segment – engages in provision of other services, such as public relations and property investment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which exclude unallocated interest income, unallocated other income and gains, unallocated depreciation, unallocated finance costs as well as corporate and other unallocated expenses.

Segment assets exclude certain financial assets at FVTPL, tax recoverable, cash and bank balances, restricted bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

8. 分部資料

本集團擁有四項經營分部，如下：

1. 汽車租賃分部—主要從事提供汽車租賃業務；
2. 木材相關業務分部—主要從事傢俬用木材加工及分銷、製造及銷售仿古木傢俬及其他木材產品；
3. 融資服務及投資分部—主要通過提供貸款從事放債業務及金融投資控股；及
4. 其他分部—從事提供其他服務，例如公共關係及物業投資。

為作出資源分配決策及評估表現，管理層個別監察本集團經營分部的業績。分部表現乃按須予申報分部業績進行評估，惟不包括未分配利息收入、未分配其他收入及收益、未分配折舊、未分配融資成本、企業及其他未分配開支。

分部資產不包括若干按公平值計入損益的金融資產、可退回稅項、現金及銀行結餘、受限制銀行結餘及其他未分配總公司及企業資產，原因為該等資產均以集團為基礎進行管理。

分部負債不包括銀行及其他借貸、應付稅項以及其他未分配總公司及企業負債，原因為該等負債均以集團為基礎進行管理。

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8. SEGMENT INFORMATION (continued)

8. 分部資料 (續)

		Car rental		Wood-related business		Financing services and investments		Others		Total	
		汽車租賃		木材相關業務		融資服務及投資		其他		總計	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年
		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
Segment revenue:	分部收益:										
Sales of goods	銷售貨品	-	-	133,049	104,406	-	-	-	-	133,049	104,406
Car rental income	汽車租賃收入	11,901	11,177	-	-	-	-	-	-	11,901	11,177
Service income	服務收入	-	-	-	-	-	-	428	484	428	484
Revenue	收益	11,901	11,177	133,049	104,406	-	-	428	484	145,378	116,067
Segment results	分部業績	(1,318)	(67,029)	17,459	8,597	1,038	(86,859)	(9,946)	(13,218)	7,233	(158,509)
Reconciliations:	對賬:										
Unallocated interest income	未分配利息收入									19	210
Unallocated depreciation on property, plant and equipment	物業、廠房及設備未分配折舊									(32)	(139)
Unallocated allowances for ECLs on other receivables	其他應收款項的預期信貸虧損未分配撥備									(35,578)	(769)
Unallocated provision for financial guarantee	財務擔保未分配撥備									(1,000)	(2,000)
Corporate and other unallocated expenses	企業及其他未分配開支									(12,778)	(7,842)
Unallocated finance costs	未分配融資成本									(104,353)	(105,278)
Loss before tax	除稅前虧損									(146,489)	(274,327)
Segment assets	分部資產	46,275	55,064	96,508	113,274	12,770	13,309	87	88	155,640	181,735
Reconciliations:	對賬:										
Corporate and other unallocated assets	企業及其他未分配資產									40,515	49,090
Total assets	資產總值									196,155	230,825

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8. SEGMENT INFORMATION (continued)

8. 分部資料 (續)

		Car rental		Wood-related business		Financing services and investments		Others		Total	
		汽車租賃		木材相關業務		融資服務及投資		其他		總計	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年
		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
Segment liabilities	分部負債	104,069	121,863	188,869	268,667	40,950	40,950	2,509	2,508	336,397	433,988
Reconciliations:	對賬:										
Corporate and other unallocated liabilities	企業及其他未分配負債									1,262,610	1,060,656
Total liabilities	負債總額									1,599,007	1,494,644
Other segment information:	其他分部資料:										
Finance costs	融資成本	127	2,724	-	-	-	-	9,258	9,728	9,385	12,452
Depreciation on property, plant and equipment	物業、廠房及設備折舊	8,869	5,325	-	-	-	-	-	-	8,869	5,325
Depreciation on right-of-use assets	使用權資產折舊	939	1,052	-	116	-	-	-	-	939	1,168
Impairment of right-of-use assets	使用權資產減值	-	244	-	-	-	-	-	-	-	244
Impairment of intangible assets	無形資產減值	-	7,462	-	-	-	-	-	-	-	7,462
Capital expenditure	資本開支	11,044	18,173	193	-	7	-	-	459	11,044	18,173

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綜合財務報表附註

For the year ended 31 December 2022
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8. SEGMENT INFORMATION (continued)

8. 分部資料 (續)

		The PRC 中國		Hong Kong 香港		Total 總計	
		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	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Revenue from external customers	來自外部客戶的收益	145,378	116,067	-	-	145,378	116,067
Non-current assets	非流動資產	60,072	67,799	23	430	60,095	68,229
Non-current assets (excluding financial instruments)	非流動資產 (金融工具除外)	47,817	55,005	23	430	47,840	55,435

Revenue from major customers

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

來自主要客戶的收益

來自相應年份的客戶收益佔本集團總收益的10%以上者如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Customer A	客戶A	16,776	40,336
Customer B	客戶B	11,991	18,850
Customer C	客戶C	23,667	-

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9. REVENUE

Disaggregation of revenue from contract with customers by major products or service line for 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
Revenue	收益		
Contracts with customers within the scope of HKFRS 15:	於香港財務報告準則第15號 範疇內的客戶合約：		
Sales of goods	銷售貨品	133,049	104,406
Service income	服務收入	428	484
		133,477	104,890
Other sources:	其他來源：		
Car rental income	汽車租賃收入	11,901	11,177
		145,378	116,067

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product line and geographical regions:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Time of revenue recognition:	確認收益的時間：		
At a point in time	於某個時間點	133,049	104,406
Over time	於某個時間段	428	484
		133,477	104,890
Geographical market:	地區市場：		
The PRC	中國	133,477	104,890

9. 收益

年內，按主要產品或服務線的客戶合約收益分拆如下：

本集團的收益來源於某個時間點及於一段時間在以下主要產品線及地區轉移產品及服務：

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10. OTHER INCOME, GAINS AND (LOSSES), NET

10. 其他收入、收益及(虧損)淨額

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Other income	其他收入		
Bank interest income	銀行利息收入	19	2
Government grants (note i)	政府補貼 (附註i)	65	-
Other interest income	其他利息收入	-	322
Others (note ii)	其他 (附註ii)	3,925	19
		4,009	343
Gains and (losses), net	收益及(虧損)淨額		
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備的虧損淨額	(1,822)	(2,177)
Fair value gains/(losses) on financial assets at FVTPL	按公平值計入損益的金融資產公平值收益/(虧損)	975	(46,362)
(Loss)/gain on termination of leases, net	租賃終止(虧損)/收益淨額	(23)	4
		(870)	(48,535)
		3,139	(48,192)

notes: (i) The government grants for the year ended 31 December 2022 represents the grant in relation to the Employment Support Scheme which the Group complied with all attached conditions and accordingly such grants were recognised as other income during the year.

(ii) Other income mainly included gross margin on metal trading of approximately HK\$3,100,000 (2021: HK\$Nil) and forfeiture of car rental receipts on early termination of contracts by client of approximately HK\$716,000 (2021: HK\$Nil).

附註：(i) 截至二零二二年十二月三十一日止年度，政府補貼指有關「保就業」計劃的補貼，其中本集團符合所有附帶條件，因此有關補貼被確認為本年度之其他收入。

(ii) 其他收入主要包括金屬交易的毛利約3,100,000港元(二零二一年：零港元)及客戶提前終止合約而沒收的租車款項約716,000港元(二零二一年：零港元)。

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綜合財務報表附註

For the year ended 31 December 2022
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11. FINANCE COSTS

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Interests on lease liabilities	租賃負債利息	136	229
Interests on bank and other borrowings	銀行及其他借貸利息	113,184	117,445
Bank charges	銀行手續費	418	56
		113,738	117,730

11. 融資成本

12. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/
(crediting) the following:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Cost of inventories sold	出售存貨成本	121,193	95,467
Depreciation on property, plant and equipment (note a)	物業、廠房及設備折舊 (附註a)	8,901	5,464
Depreciation on right-of-use assets (note a)	使用權資產折舊 (附註a)	939	1,168
Auditor's remuneration	核數師酬金		
– audit services	– 核數服務	1,050	1,070
– non-audit services	– 非核數服務	210	186

12. 除稅前虧損

本集團之除稅前虧損已扣除／(抵免)
以下各項：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2022
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12. LOSS BEFORE TAX (continued)

12. 除稅前虧損 (續)

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Employee benefit expenses (including directors' emoluments): Wages, salaries, allowances, bonuses and benefits in kind	僱員福利開支 (包括董事酬金): 工資、薪金、津貼、 花紅及實物利益	6,451	4,084
Pension scheme contributions (defined contribution schemes) (note b)	退休金計劃供款 (定額供款計劃) (附註b)	466	261
		6,917	4,345
Exchange (gains)/losses, net	匯兌(收益)/虧損淨額	(21)	9
Fair value (gains)/losses on financial assets at FVTPL (note c)	按公平值計入損益的 金融資產公平值 (收益)/虧損(附註c)	(975)	46,362
Allowances for ECLs on trade receivables	應收賬款預期信貸虧損 撥備	-	1,020
Allowances for ECLs on other receivables	其他應收款項的預期信貸 虧損撥備	35,578	1,830
Provision for financial guarantee	財務擔保撥備	1,000	2,000
Provision for claims (note e)	索賠計提撥備(附註e)	-	93,949
Impairment of right-of-use assets (note d)	使用權資產減值(附註d)	-	244
Impairment of intangible assets (note e)	無形資產減值(附註e)	-	7,462
Write-off of property, plant and equipment (note e)	物業、廠房及設備撇銷 (附註e)	-	35
Loss on disposal of items of property, plant and equipment, net (note c)	出售物業、廠房及設備項目的 虧損淨額(附註c)	1,822	2,177
Loss/(gain) on termination of leases, net (note c)	租賃終止虧損/(收益)淨額 (附註c)	23	(4)

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綜合財務報表附註

For the year ended 31 December 2022
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12. LOSS BEFORE TAX (continued)

notes:

- (a) Depreciation on property, plant and equipment and right-of-use assets of approximately HK\$8,320,000 (2021: HK\$5,195,000) and HK\$875,000 (2021: HK\$1,052,000) respectively are included in cost of sales and services rendered.
- (b) As at 31 December 2022 and 2021, the Group had no forfeited contributions available to reduce its contributions to its pension schemes in future years.
- (c) The amount is included in other income, gains and (losses), net.
- (d) The amount is included in administrative expenses.
- (e) The amount is included in other expenses.

12. 除稅前虧損 (續)

附註：

- (a) 物業、廠房及設備以及使用權資產折舊分別約8,320,000港元(二零二一年：5,195,000港元)及875,000港元(二零二一年：1,052,000港元)，已計入銷售成本及提供的服務。
- (b) 於二零二二年及二零二一年十二月三十一日，本集團並無沒收供款可供削減其未來年度對其退休金計劃作出的供款。
- (c) 有關金額已計入其他收入、收益及(虧損)淨額。
- (d) 有關金額已計入行政費用。
- (e) 有關金額已計入其他開支。

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13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

13. 董事及首席執行官薪酬

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Fees	袍金	711	652
Other emoluments:	其他酬金：		
Salaries, allowances and other emoluments	薪金、津貼及其他酬金	–	–
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (定額供款計劃)	–	–
		–	–
		711	652

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2022 and 2021.

於截至二零二二年及二零二一年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金安排。

(a) Independent non-executive directors

(a) 獨立非執行董事

The fees paid or payable to independent non-executive directors during the year were as follows:

年內已付或應付獨立非執行董事的袍金如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Mr. Zhao Xianming	趙憲明先生	120	120
Mr. An Dong (ceased on 26 May 2022)	安東先生 (於二零二二年五月二十六日離任)	48	120
Mr. Wan Man Wah (resigned on 8 December 2021)	溫文華先生 (於二零二一年十二月八日辭任)	–	82
Mr. So Yin Wai (appointed on 23 December 2021)	蘇彥威先生 (於二零二一年十二月二十三日獲委任)	123	–
Ms. Zhao Xiao Lian (appointed on 1 June 2022 and resigned on 1 November 2022)	趙小蓮女士 (於二零二二年六月一日獲委任並於二零二二年十一月一日辭任)	60	–
		351	322

There were no other emolument payable to the independent non-executive directors during the years ended 31 December 2022 and 2021.

於截至二零二二年及二零二一年十二月三十一日止年度，並無其他應付獨立非執行董事的薪酬。

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13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive officer

13. 董事及首席執行官薪酬 (續)

(b) 執行董事、非執行董事及首席執行官

		Salaries, allowances and other emoluments	Discretionary bonus	Pension scheme contributions	Total remuneration
		Fee			
		袍金	酌情花紅	退休金計劃供款	薪酬總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2022	二零二二年				
Executive director:	執行董事:				
Mr. Lyu NingJiang (Chief Executive Officer)	呂寧江先生 (首席執行官)	240	-	-	240
Non-executive director:	非執行董事:				
Mr. Hu YongGang	胡永剛先生	120	-	-	120
		360	-	-	360

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13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive officer (continued)

	Fee	Salaries, allowances and other emoluments	Discretionary bonus	Pension scheme contributions	Total remuneration
	袍金	薪金、津貼及其他酬金	酌情花紅	退休金計劃供款	薪酬總額
	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
2021					
二零二一年					
Executive directors:					
Mr. Lyu NingJiang (Chief Executive Officer)		執行董事： 呂寧江先生 (首席執行官)			
	165	-	-	-	165
Non-executive directors:					
Mr. Hu YongGang		非執行董事： 胡永剛先生			
	165	-	-	-	165
	330	-	-	-	330

(c) Directors' material interests in transactions, arrangements or contracts

Save for disclosed in note 43 to the consolidated financial statements, no other significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and the directors' connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

13. 董事及首席執行官薪酬 (續)

(b) 執行董事、非執行董事及首席執行官 (續)

(c) 董事於交易、安排或合約中的重大利益

除綜合財務報表附註43所披露者外，概無本公司為訂約方及本公司董事及董事關連方於其中直接或間接擁有重大權益且與本集團業務相關，並於年末或年內任何時間存續的其他重大交易、安排及合約。

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For the year ended 31 December 2022
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14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included no (2021: one) director, details of whose remuneration are set out in note 13 above. Details of the remuneration for the year of the remaining five (2021: four) highest paid employees who are neither a director nor the chief executive officer of the Company 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
Salaries, allowances and other emoluments	薪金、津貼及其他酬金	3,223	2,131
Pension scheme contributions (defined contribution scheme)	退休金計劃供款 (定額供款計劃)	67	72
		3,290	2,203

During the years ended 31 December 2022 and 2021 there was no discretionary bonus paid or payable to any directors or five highest paid employee of the Group.

The number of non-director highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees 僱員人數	
		2022 二零二二年	2021 二零二一年
Below HK\$1,000,000	低於1,000,000港元	4	4
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	-

During the years ended 31 December 2022 and 2021 there was no emolument paid or payable by the Group to the directors or any of the five highest paid individuals set out in note 14 as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments for both years.

14. 五名最高薪的僱員

年內，五名最高薪的僱員不包含(二零二一年：一名)董事，彼等的薪酬詳情載於上文附註13。年內，其餘五名(二零二一年：四名)非本公司董事或首席執行官的最高薪僱員的薪酬詳情如下：

於截至二零二二年及二零二一年十二月三十一日止年度，本集團概無已支付或應付予任何董事或五名最高薪僱員的酌情花紅。

薪酬介乎下列範圍的非董事最高薪僱員的人數如下：

於截至二零二二年及二零二一年十二月三十一日止年度，本集團概無已支付或應付予董事或附註14所載的任何五名最高薪的僱員酬金作為加入本集團或於加入時的獎勵或作為離職補償。於兩個年度內，概無董事放棄或同意放棄任何酬金的安排。

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15. INCOME TAX EXPENSE

15. 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 — PRC Enterprise Income Tax	即期—中國企業所得稅		
Charge for the year	年內開支	3,510	218
Deferred tax (note 35)	遞延稅(附註35)	403	15
Income tax expense	所得稅開支	3,913	233

Under the two-tiered profits rates regime, profits not exceeding HK\$2 million of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

PRC Enterprise Income Tax has been provided at a rate of 25% based on the assessable profit in accordance with the tax rules and regulations in the PRC (2021: 25%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Except for PRC Enterprise Income Tax, no provision of Hong Kong Profits Tax, and any other tax has been provided in the consolidated financial statement (2021: Nil).

在兩級制利得稅制度下，合資格集團實體的不超過2百萬港元溢利將按8.25%的稅率繳稅，而超過2百萬港元的溢利將按16.5%的稅率繳稅。不符合兩級制利得稅率制度資格的香港集團實體的溢利將繼續按16.5%的固定稅率繳稅。

根據中國稅務規則及法規規定的應課稅溢利，中國企業所得稅按25%稅率(二零二一年：25%)計提撥備。

其他地區應課稅溢利的稅項開支乃採用本集團經營所在國家當前稅率根據現行的相關法例、詮釋及慣例計算。

除中國企業所得稅外，綜合財務報表並無就香港利得稅及任何其他稅項計提撥備(二零二一年：無)。

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15. INCOME TAX EXPENSE (continued)

The reconciliations between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate 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
Loss before tax	除稅前虧損	(146,489)	(274,327)
Tax at Hong Kong Profits Tax rate of 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	(24,170)	(45,264)
Effect of difference in tax rate for specific jurisdiction or enacted by local tax authority	特定司法權區或當地稅務機構實行不同的稅率的影響	594	(13,688)
Tax effect of utilisation of tax losses not previously recognised	使用先前未確認的稅項虧損的稅務影響	-	(1,144)
Tax effect of income not subject to tax	毋須課稅收入的稅務影響	(214)	(702)
Tax effect of expenses not deductible for tax	不可扣稅開支的稅務影響	7,798	28,100
Tax losses not recognised	未確認稅項虧損	19,905	32,931
Income tax expense	所得稅開支	3,913	233

15. 所得稅開支 (續)

所得稅開支與除稅前虧損乘以香港利得稅稅率的乘積之間的對賬如下：

16. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

16. 股息

截至二零二二年及二零二一年十二月三十一日止年度概無已派付或建議派付的股息，自報告期末以來亦未建議派付任何股息。

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17. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

The calculation of basic loss per share is based on:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Loss	虧損		
Loss attributable to owners of the Company and loss for the purpose of calculating basic loss per share	本公司擁有人應佔虧損及用於計算每股基本虧損的虧損	(150,133)	(274,550)
		Number of shares 股份數目	
		2022 二零二二年	2021 二零二一年
Number of shares	股份數目		
Weighted average number of ordinary shares in issue during the year for the purpose of calculating basic loss per share	用於計算每股基本虧損的本年度已發行普通股加權平均股數	342,572,857	342,572,857

17. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔年內虧損及年內已發行普通股的加權平均數計算。

每股基本虧損的計算乃基於：

(b) 每股攤薄虧損

於截至二零二二年及二零二一年十二月三十一日止年度，並無呈列每股攤薄虧損，原因為並無已發行在外之潛在攤薄股份。

(b) Diluted loss per share

No diluted loss per share has been presented as there were no potential dilutive shares outstanding for the years ended 31 December 2022 and 2021.

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Motor vehicles 汽車 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	1,563	112	15,389	17,064
Additions	添置	-	-	18,173	18,173
Disposals	出售	-	-	(4,840)	(4,840)
Written off	撇銷	(158)	-	-	(158)
Exchange difference	匯兌差額	42	3	693	738
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	1,447	115	29,415	30,977
Additions	添置	200	1,857	8,979	11,036
Disposals	出售	-	-	(8,937)	(8,937)
Exchange difference	匯兌差額	(120)	(66)	(2,497)	(2,683)
At 31 December 2022	於二零二二年十二月三十一日	1,527	1,906	26,960	30,393
Accumulated depreciation	累計折舊				
At 1 January 2021	於二零二一年一月一日	997	33	3,292	4,322
Charge for the year	年內開支	212	57	5,195	5,464
Disposals	出售	-	-	(2,130)	(2,130)
Written off	撇銷	(123)	-	-	(123)
Exchange difference	匯兌差額	41	2	407	450
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	1,127	92	6,764	7,983
Charge for the year	年內開支	167	414	8,320	8,901
Disposals	出售	(1)	-	(4,712)	(4,713)
Exchange difference	匯兌差額	(102)	(20)	(777)	(899)
At 31 December 2022	於二零二二年十二月三十一日	1,191	486	9,595	11,272
Carrying amount	賬面值				
At 31 December 2022	於二零二二年十二月三十一日	336	1,420	17,365	19,121
At 31 December 2021	於二零二一年十二月三十一日	320	23	22,651	22,994

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18. PROPERTY, PLANT AND EQUIPMENT

(continued)

The Group's motor vehicles are identified to be part of the car-rental cash-generating unit. During the years ended 31 December 2022 and 2021, no impairment was made on the property, plant and equipment since the recoverable amount of the Group's property, plant and equipment is higher than its carrying amount. Details of the impairment testing are set out in note 21 to the consolidated financial statements.

19. RIGHT-OF-USE ASSETS

18. 物業、廠房及設備 (續)

本集團之汽車乃識別為汽車租賃現金產生單位之部分。截至二零二二年及二零二一年十二月三十一日止年度，由於本集團之物業、廠房及設備的可收回金額高於其賬面值，故物業、廠房及設備概無計提減值。有關減值測試的詳情載於綜合財務報表附註21。

19. 使用權資產

		Leased motor vehicles 租賃汽車 HK\$'000 千港元	Leased properties 租賃物業 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	614	404	1,018
Additions	添置	2,141	459	2,600
Depreciation	折舊	(1,052)	(116)	(1,168)
Termination of leases	終止租賃	-	(340)	(340)
Impairment	減值	(244)	-	(244)
Exchange difference	匯兌差額	30	11	41
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	1,489	418	1,907
Additions	添置	-	209	209
Depreciation	折舊	(875)	(64)	(939)
Termination of leases	終止租賃	(165)	(397)	(562)
Exchange difference	匯兌差額	(85)	(25)	(110)
At 31 December 2022	於二零二二年 十二月三十一日	364	141	505

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19. RIGHT-OF-USE ASSETS (continued)

Lease liabilities of approximately HK\$994,000 (2021: HK\$2,390,000) are recognised with related right-of-use assets of approximately HK\$505,000 (2021: HK\$1,907,000) as at 31 December 2022. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

19. 使用權資產 (續)

於二零二二年十二月三十一日，確認租賃負債約994,000港元（二零二一年：2,390,000港元），相關使用權資產約為505,000港元（二零二一年：1,907,000港元）。除出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他契據。租賃資產不得用於借貸擔保。

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Depreciation on right-of-use assets	使用權資產折舊	939	1,168
Interest expense on lease liabilities (included in finance costs)	租賃負債利息開支 (計入融資成本)	136	229
Expenses relating to short-term lease (included in costs of sales and services rendered)	短期租賃相關開支 (計入銷售及提供服務的成本)	811	1,617
(included in administrative expenses)	(計入行政費用)	886	2,880

Details of total cash outflow for leases is set out in note 39(b) to the consolidated financial statements.

有關租賃現金流出總額詳情載於綜合財務報表附註39(b)。

For both years, the Group leases various offices and motor vehicles for its operations. Lease contracts are entered into for fixed term of 2 years to 3 years (2021: 2 years to 3 years), but may have extension and termination options as described below. 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 as per the contract and determines the period for which the contract is enforceable.

於兩年內，本集團租賃多個辦公室及多輛汽車作其經營之用。租賃合約簽訂的固定期限為2年至3年（二零二一年：2年至3年），惟可能具有下述的延期及終止選擇權。租賃期乃在個別基礎上協商，並包含各種不同的條款及條件。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。

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19. RIGHT-OF-USE ASSETS (continued)

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2022 and 2021, there has been no such triggering event.

The Group's right-of-use assets are identified to be part of the car-rental cash-generating unit. Please refer to note 21 for the details of impairment assessment.

20. GOODWILL

Cost	成本		
At 1 January and 31 December	於一月一日及十二月三十一日	24,939	24,939
Accumulated impairment losses	累計減值虧損		
At 1 January and 31 December	於一月一日及十二月三十一日	(24,939)	(24,939)
Carrying amount	賬面值		
At 1 January and 31 December	於一月一日及十二月三十一日	-	-

Goodwill acquired through a business combination was allocated to the car rental cash-generating unit.

The goodwill was fully impaired in the prior years and accordingly no further impairment assessment was performed for the years ended 31 December 2022 and 2021.

19. 使用權資產 (續)

此外，當發生重大事件或承租人控制範圍內的情況發生重大變化時，本集團會重新評估其是否合理地確定行使延期選擇權。截至二零二二年及二零二一年十二月三十一日止年度，尚無此類觸發事件。

本集團之使用權資產乃識別為汽車租賃現金產生單位之一部分。有關減值評估詳情，請參閱附註21。

20. 商譽

	2022	2021
	二零二二年	二零二一年
	HK\$'000	HK\$'000
	千港元	千港元
Cost		
At 1 January and 31 December	24,939	24,939
Accumulated impairment losses		
At 1 January and 31 December	(24,939)	(24,939)
Carrying amount		
At 1 January and 31 December	-	-

透過業務合併收購的商譽已被分配至汽車租賃現金產生單位。

商譽於以往年度悉數減值，因此截至二零二二年及二零二一年十二月三十一日止年度並無進一步進行減值評估。

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21. INTANGIBLE ASSETS

21. 無形資產

		Vehicle rental		Total
		Licence plates	business licence	
		車牌	汽車租用業務牌照	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Cost	成本			
At 1 January 2021	於二零二一年一月一日	15,495	49,464	64,959
Exchange difference	匯兌差額	424	1,353	1,777
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	15,919	50,817	66,736
Exchange difference	匯兌差額	(1,254)	(4,001)	(5,255)
At 31 December 2022	於二零二二年十二月三十一日	14,665	46,816	61,481
Accumulated impairment losses	累計減值虧損			
At 1 January 2021	於二零二一年一月一日	8,080	25,797	33,877
Impairment during the year	年內減值	1,780	5,682	7,462
Exchange difference	匯兌差額	249	797	1,046
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	10,109	32,276	42,385
Exchange difference	匯兌差額	(797)	(2,541)	(3,338)
At 31 December 2022	於二零二二年十二月三十一日	9,312	29,735	39,047
Carrying amount	賬面值			
At 31 December 2022	於二零二二年十二月三十一日	5,353	17,081	22,434
At 31 December 2021	於二零二一年十二月三十一日	5,810	18,541	24,351

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21. INTANGIBLE ASSETS (continued)

The license plates and vehicle rental business license with indefinite useful lives were acquired through a business combination and were allocated, together with the right-of-use assets of leased motor vehicles, to the car rental cash-generating unit for impairment testing. The license plates have no expiry dates and the vehicle rental business license has been renewed from March 2023 to 20 March 2026. In the opinion of the directors of the Company, the Group will be able to continuously renew the vehicle rental business license at minimal costs.

The Group carried out reviews of the recoverable amount of car rental cash-generating unit, in particular to the intangible assets, at the end of the reporting period, having regard to the market conditions of the Group's services. These intangible assets are allocated to the Group's car rental segment. During the year ended 31 December 2021, impairment losses of license plates and vehicle rental business license amounted to HK\$1,780,000 and HK\$5,682,000 respectively had been recognised in profit or loss.

21. 無形資產 (續)

無特定可使用年期之車牌及汽車租用業務牌照乃透過業務合併收購，並連同租賃汽車的使用權資產分配至汽車租賃現金產生單位作減值測試。車牌並無屆滿日期，汽車租用業務牌照自二零二三年三月續期至二零二六年三月二十日。本公司董事認為，本集團將能以最低成本繼續重續汽車租用業務牌照。

本集團已考慮本集團服務的市場狀況，對報告期末汽車租賃現金產生單位（尤其是無形資產）的可收回金額進行了檢討。該等無形資產分配至本集團的汽車租賃分部。截至二零二一年十二月三十一日止年度，車牌及汽車租用業務牌照的減值虧損分別為1,780,000港元及5,682,000港元，已於損益中確認。

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21. INTANGIBLE ASSETS (continued)

As at 31 December 2022, the directors reassessed the recoverable amounts of licence plates and vehicle rental business license. The recoverable amounts of relevant assets has been determined on value-in-use basis, based on the future cash flow projections using income approach. 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 rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the relevant assets. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the relevant assets operate. 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 annual growth rate of 2.1% (2021: 1.8%). This rate does not exceed the average long-term growth rate for the relevant markets. The discount rate and terminal growth rate used were 17% and 2% respectively. As the estimated recoverable amounts exceed the carrying amounts of these intangible assets as of 31 December 2022, the directors consider no further impairment is required.

In car segment, the recoverable amount of approximately HK\$16,922,000 for the relevant assets was determined on the value-in-use basis, based on future cash flow projections using income approach. The discount rate and the terminal growth rate used were 13% and 2% respectively.

21. 無形資產 (續)

於二零二二年十二月三十一日，董事重新評估車牌及汽車租用業務牌照的可收回金額。相關資產的可收回金額已根據估計未來現金流量預測按使用價值基準採用收入法釐定。貼現現金流量法所採用的主要假設乃有關貼現率、增長率、預算毛利率及期內營業額。本集團利用可反映目前市場對貨幣時值的評估及相關資產的特定風險的除稅前利率估計貼現率。增長率則按相關資產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按過往慣例及預期市場發展為基準。

本集團所編製的現金流量預測源自獲董事批准未來五年的最近期財政預算，剩餘期間使用年增長率2.1%（二零二一年：1.8%）。該增長率不超過有關市場的平均長期增長率。已用貼現率及最終增長率分別為17%及2%。於二零二二年十二月三十一日，由於該等無形資產的估計可收回金額超過賬面值，董事認為無需作出進一步減值。

於汽車分部，有關資產的可收回金額約16,922,000港元根據未來現金流量預測按使用價值基準採用收入法釐定。已用貼現率及最終增長率分別為13%及2%。

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22. INTEREST IN AN ASSOCIATE

22. 於一間聯營公司的權益

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Unlisted investment	非上市投資		
Share of net liabilities	應佔負債淨額	(129,735)	(129,735)
Loans to an associate	向一間聯營公司貸款	129,735	129,735
		-	-

The loans to an associate are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors of the Company, these loans are considered as part of the Group's net investment in the associate.

向一間聯營公司貸款為無抵押、免息及並無固定還款期。本公司董事認為該等貸款被視為本集團於該聯營公司淨投資的一部分。

Particulars of the associate as at 31 December 2022 are as follows:

該聯營公司於二零二二年十二月三十一日之詳情如下：

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
名稱	所持已發行股份詳情	註冊成立／註冊及業務地點	本集團應佔所有權百分比	主要業務
King Focus International Limited ("King Focus") 景聚國際有限公司 (「景聚」)	Ordinary shares 普通股	BVI/Hong Kong 英屬處女群島／香港	14%* (2021: 14%*) 14% (二零二一年：14%*)	Investment holding 投資控股

The Group's shareholding in the associate comprises equity shares held through a wholly-owned subsidiary of the Company.

本集團於該聯營公司的控股權包括透過本公司全資附屬公司所持有的權益股份。

* Although the Group holds less than 20% of the voting power of King Focus, in the opinion of the directors of the Company, the Group is able to exercise significant influence over the significant financial and operation decisions over the entity as one out of three directors of King Focus was designated by the Company.

* 儘管本集團持有景聚的投票權少於20%，惟本公司董事認為，本集團有能力對該實體的重大財務及經營決策行使重大影響，因景聚三位董事的其中一位由本公司所指定。

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22. INTEREST IN AN ASSOCIATE (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	-	-
Year ended 31 December:	截至十二月三十一日止年度：		
Profit from continuing operations	來自持續經營業務之溢利	-	-
Profit after tax from discontinued operations	來自已終止經營業務之除稅後溢利	-	-
Other comprehensive income	其他全面收入	-	-
Total comprehensive income	全面收入總額	-	-

The Group has not recognised loss for the years ended 31 December 2022 and 2021 for the associate. The accumulated losses not recognised were approximately HK\$7,561,000 (2021: HK\$7,561,000).

The Group provide a corporate guarantee in favour of independent third party in respect of a loan facility granted to an associate of the Group which is set out in note 34 to the consolidated financial statements.

22. 於一間聯營公司的權益 (續)

下表匯總顯示本集團應佔以權益法入賬的所有個別非重大聯營公司的金額。

截至二零二二年及二零二一年十二月三十一日止年度，本集團並未就聯營公司確認虧損。未確認的累計虧損約為7,561,000港元(二零二一年：7,561,000港元)。

本集團就授予本集團一間聯營公司的貸款融資提供了以獨立第三方為受益人的公司擔保，該擔保載於綜合財務報表附註34。

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

23. 按公平值計入損益的金融資產

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Non-current financial assets designated at FVTPL	指定為按公平值計入損益的非流動金融資產		
Unlisted equity investments	非上市權益投資		
Zhongxin (Heilongjiang) Internet Microfinance Co., Ltd.* (note i)	中新(黑龍江)互聯網小額貸款有限公司(附註i)	-	-
Zuoshishi Technology Service (Beijing) Company Limited* (note ii)	做實事科技服務(北京)有限公司(附註ii)	11,225	11,045
Spring Power Holdings Limited (note iii)	Spring Power Holdings Limited (附註iii)	1,030	1,749
		12,255	12,794

* For identification purposes only

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

notes:

- (i) As at 31 December 2022 and 2021, the Group has 2% of the issued share capital of an unlisted company incorporated in the PRC principally engaged in internet microfinance business.

The management engaged an independent qualified professional valuer to determine the fair value of this investment by applying the asset-based approach as at 31 December 2022 and 2021. Under the asset-based approach, the fair value of this investment refers to the fair values of various assets and liabilities on the statement of financial position of the investment as at the valuation date with reference to publicly available information of comparable companies.

- (ii) As at 31 December 2022 and 2021, the Group had 11% of the issued share capital of an unlisted company incorporated in the PRC principally engaged in the innovation service for start-up technology companies and related investment activities.

The management engaged an independent qualified professional valuer to determine the fair value of this investment by applying the income approach as at 31 December 2022 and 2021. The income approach measures the value of this investment by the present value of its future economic benefits.

- (iii) As at 31 December 2022 and 2021, the Group had 2.9% of the issued share capital of an unlisted company incorporated in the BVI. The investee is an investment holding company, with a major subsidiary, Hanson Robotics Limited, engaged in development and manufacture of humanlike robots.

As at 31 December 2022 and 2021, the management engaged an independent qualified professional valuer to determine the fair value of this investment. The valuer adopted the market approach to determine the valuation parameters derived from market prices and financial data of listed companies in a similar business and with a similar business model as that of the company being valued for the equity interest in this unlisted company.

- (iv) The fair values of these unlisted equity investments are measured using valuation technique with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy.

Details of the valuations are set out in note 7 to the consolidated financial statements.

23. 按公平值計入損益的金融資產 (續)

附註：

- (i) 於二零二二年及二零二一年十二月三十一日，本集團擁有一間於中國註冊成立的非上市公司之2%已發行股本，該公司主要從事互聯網小額信貸業務。

於二零二二年及二零二一年十二月三十一日，管理層委聘一名獨立合資格專業估值師採用資產基礎法釐定該項投資的公平值。根據資產基礎法，該項投資的公平值指經參考可資比較公司的公開可得資料後，該項投資於估值日期財務狀況表上各項資產及負債的公平值。

- (ii) 於二零二二年及二零二一年十二月三十一日，本集團擁有一間於中國註冊成立的非上市公司之11%已發行股本，該公司主要為初創科技公司提供創新服務及相關投資服務。

於二零二二年及二零二一年十二月三十一日，管理層委聘一名獨立合資格專業估值師採用收入法釐定該項投資的公平值。收入法通過未來經濟利益的現值計量該項投資的價值。

- (iii) 於二零二二年及二零二一年十二月三十一日，本集團擁有一間於英屬處女群島註冊成立的非上市公司之2.9%已發行股本。投資對象為一間投資控股公司，其主要附屬公司漢森機器人公司，從事開發及生產類人機器人。

於二零二二年及二零二一年十二月三十一日，管理層委聘一名獨立合資格專業估值師釐定該項投資的公平值。估值師對非上市公司的股權採用市場法根據具有與被評估公司類似業務及類似業務模式的上市公司的市場價格及財務數據釐定估值參數。

- (iv) 該等非上市權益投資的公平值採用具有重大不可觀察輸入數據的估值技術計量，因此被歸類為公平值層級的第三級。

該等估值詳情載於綜合財務報表附註7。

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24. INVENTORIES

24. 存貨

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Merchandise	商品	14,887	70,457

25. TRADE RECEIVABLES

25. 應收賬款

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Trade receivables	應收賬款	902,363	867,318
Less: Allowance for ECLs	減：預期信貸虧損撥備	(833,772)	(834,118)
		68,591	33,200

The Group's trading terms with its customers are mainly on credit with credit period generally ranging from 30 to 90 days, or could be longer under certain circumstances. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Overdue trade receivables are interest-bearing.

The Group generally does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

As at 31 December 2022, certain of the Group's other borrowings were secured by the Group's pledged trade receivables of gross amount approximately HK\$600,639,000 (2021: HK\$600,639,000).

本集團與客戶主要按信貸方式訂立貿易條款，信貸期一般介乎30至90天，在有關情況下可能更長。本集團致力嚴格監控逾期應收賬款。高級管理人員會定期審查逾期的結餘。逾期應收賬款為計息。

本集團一般並無就其應收賬款結餘持有任何抵押品或其他信貸提升物。應收賬款為不計息。

於二零二二年十二月三十一日，本集團總額約為600,639,000港元（二零二一年：600,639,000港元）的應收賬款已作為本集團若干其他借貸的抵押。

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25. TRADE RECEIVABLES (continued)

The ageing analysis of trade receivables based on the invoice date, and net of allowance for ECLs, 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
Within 90 days	90天內	68,591	33,200

The carrying amounts of the Group's trade receivables are denominated in RMB.

25. 應收賬款 (續)

根據發票日期，應收賬款（經扣除預期信貸虧損撥備）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
Within 90 days	90天內	68,591	33,200

本集團應收賬款的賬面值以人民幣計價。

26. LOAN RECEIVABLE

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Loan receivable	應收貸款	15,629	15,629
Less: Allowance for ECLs	減：預期信貸虧損撥備	(15,629)	(15,629)
Current portion	即期部分	-	-

The loan receivable was made to an independent borrower and was secured by (i) the pledge of an aircraft leased to the borrower by a company wholly owned by the borrower's sole director; and (ii) 49% issued share capital of the borrower. The loan receivable, bears interest at 15% per annum and is repayable with a maturity period of 18 months from the date of agreement, was due on 21 March 2019. The borrower has defaulted in repayment on due date of 21 March 2019.

As at 31 December 2022, the allowance for ECLs in respect of the loan receivable was HK\$15,629,000 (2021: HK\$15,629,000).

26. 應收貸款

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Loan receivable	應收貸款	15,629	15,629
Less: Allowance for ECLs	減：預期信貸虧損撥備	(15,629)	(15,629)
Current portion	即期部分	-	-

應收貸款乃向一名獨立借款人作出，並以(i)借款人的唯一董事全資擁有公司租賃予借款人的飛機質押；及(ii)借款人49%的已發行股本作抵押。應收貸款按年利率15%計息，償還期限自協議日期起計為18個月且於二零一九年三月二十一日到期。借款人已於到期日二零一九年三月二十一日違約還款。

於二零二二年十二月三十一日，有關應收貸款的預期信貸虧損撥備為15,629,000港元（二零二一年：15,629,000港元）。

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

27. 預付款項、按金及其他應收款項

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Prepayments	預付款項	34,478	5,068
Deposits	按金	1,871	3,433
Other receivables (note)	其他應收款項 (附註)	137,177	137,384
Less: Allowance for ECLs	減：預期信貸虧損撥備	(125,063)	(89,485)
		48,463	56,400

note:

Included in other receivables was (i) consideration receivable of approximately HK\$82,041,000 (2021: HK\$82,041,000) in relation to the disposal of unlisted equity fund in 2018 and the allowance for ECLs was fully provided in 2018; (ii) receivables in relation to an acquired convertible bond of approximately HK\$33,978,000 (2021: HK\$33,978,000) reclassified from financial assets designated at FVTPL during the year 2020 and the allowance for ECLs was fully provided during the year ended 31 December 2022 (2021: HK\$Nil); and (iii) miscellaneous receivables from various debtors of approximately HK\$21,158,000 (2021: HK\$21,365,000) and the allowance for ECLs as at 31 December 2022 was approximately HK\$9,044,000 (2021: HK\$7,444,000).

Save for the allowance for ECLs on other receivables of approximately HK\$125,063,000 (2021: HK\$89,485,000) provided as at 31 December 2022, none of the above assets is impaired at the end of the reporting period.

Details of the ECLs assessment are set out in note 6(b)(iii) to the consolidated financial statements.

附註：

其他應收款項包括(i)與二零一八年出售非上市股本基金有關的應收代價約82,041,000港元(二零二一年：82,041,000港元)及於二零一八年已悉數計提預期信貸虧損撥備；(ii)於二零二一年自指定為按公平值計入損益的金融資產重新分類之已收購可換股債券應收款項約33,978,000港元(二零二一年：33,978,000港元)及於截至二零二二年十二月三十一日止年度已悉數計提預期信貸虧損撥備(二零二一年：零港元)；及(iii)來自不同債務人的應收雜項約21,158,000港元(二零二一年：21,365,000港元)及於二零二二年十二月三十一日的預期信貸虧損撥備約9,044,000港元(二零二一年：7,444,000港元)。

於二零二二年十二月三十一日，除其他應收款項預期信貸虧損撥備約125,063,000港元(二零二一年：89,485,000港元)外，於報告期末，上述資產均未減值。

預期信貸虧損評估的詳情載於綜合財務報表附註6(b)(iii)。

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28. BANK BALANCES AND RESTRICTED BANK BALANCES

28. 銀行結餘及受限制銀行結餘

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Bank balances	銀行結餘	4,060	2,539
Restricted bank balances (note)	受限制銀行結餘 (附註)	59	-
		4,119	2,539

note:

Bank balances of HK\$59,000 were frozen by a bank under a court order as a subsidiary was involved in a lawsuit.

As at 31 December 2022, bank balances of the Group denominated in RMB amounted to approximately HK\$3,436,000 (2021: HK\$2,382,000). Conversion of RMB into other currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. The Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

附註：

由於一間附屬公司牽涉訴訟，銀行結餘59,000港元遭銀行根據法院命令凍結。

於二零二二年十二月三十一日，本集團以人民幣計值的銀行結餘約為3,436,000港元（二零二一年：2,382,000港元）。人民幣僅根據中國的《外匯管理條例》及《結匯、售匯及付匯管理規定》方可予兌換成其他貨幣。本集團獲准通過獲授權經營外匯業務的銀行將人民幣兌換為其他貨幣。

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29. TRADE PAYABLES

The ageing analysis of trade payables based on the invoice date 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
Within 30 days	30天內	4,236	16,434
31 to 60 days	31至60天	5,345	19,608
61 to 180 days	61至180天	5,743	60,529
181 to 365 days	181至365天	42,202	-
Over 365 days	365天以上	95	104
		57,621	96,675

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days after the month-end statement.

30. OTHER PAYABLES AND ACCRUALS

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Other payables (note a)	其他應付款項 (附註a)	332,628	227,305
Provision for claims (note b)	索賠計提撥備 (附註b)	287,924	295,437
Accruals	應計款項	4,159	5,565
Receipts in advance	預收款項	22,824	27,918
		647,535	556,225

notes:

- (a) Other payables represent (i) amounts due to certain independent third parties of approximately HK\$83,150,000 (2021: HK\$65,089,000); and (ii) interest payables of approximately HK\$249,478,000 (2021: HK\$162,216,000).

29. 應付賬款

根據發票日期，應付賬款的賬齡分析如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within 30 days	30天內	4,236	16,434
31 to 60 days	31至60天	5,345	19,608
61 to 180 days	61至180天	5,743	60,529
181 to 365 days	181至365天	42,202	-
Over 365 days	365天以上	95	104
		57,621	96,675

應付賬款為不計息，一般於月結後30至90天結算。

30. 其他應付款項及應計款項

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Other payables (note a)	其他應付款項 (附註a)	332,628	227,305
Provision for claims (note b)	索賠計提撥備 (附註b)	287,924	295,437
Accruals	應計款項	4,159	5,565
Receipts in advance	預收款項	22,824	27,918
		647,535	556,225

附註：

- (a) 其他應付款項指(i)應付若干獨立第三方的款項約83,150,000港元(二零二一年：65,089,000港元)；及(ii)應付利息約249,478,000港元(二零二一年：162,216,000港元)。

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30. OTHER PAYABLES AND ACCRUALS (continued)

notes: (continued)

- (b) Provision for claims represent the followings legal claims:
- (i) A provision for claim amounted to HK\$200,000,000 has been made by the Group for the year ended 31 December 2020 in respect of a claim of HK\$200,000,000 brought against the Company on 9 December 2020 by the joint official liquidators in Hong Kong and the Cayman Islands of Honghua Investment Fund Limited, an exempted company incorporated in the Cayman Islands with limited liability (the "Fund"), appointed by the holders of its Class A Shares and Class B Shares under which the Company, as being the holder of Class C Shares of the Fund, was requested to indemnify the holders of Class A Shares and Class B Shares in the sum of HK\$200,000,000 plus purported returns pursuant to the terms of the subscription agreement dated 6 July 2017 and upon the Fund was being wound up.
- (ii) A provision for claim amounted to RMB33,440,000 (equivalent to approximately HK\$40,947,000) has been made by the Group for the year ended 31 December 2021 following a judgement and order by Zhuhai Hengqin New District People's Court (珠海橫琴新區人民法院) on 2 August 2021 that a compensation amounted to approximately RMB33.4 million with accrued interests be settled by the Group on 2 August 2021.
- (iii) A provision for claim amounted to RMB44,500,000 (equivalent to approximately HK\$54,490,000) has been made by the Group for the year ended 31 December 2021 following a judgement of the Beijing Court that the Group be required to pay a sum of approximately RMB37.0 million plus damages of RMB 7.5 million for breach of contract. Immediately after the judgement, the Group made an appeal to the Beijing No.3 Intermediate People's Court (北京市第三中級人民法院) against the judgement. In April 2022, the Beijing No.3 Intermediate People's Court dismissed the Group's appeal against the judgement. The Group has taken steps to apply for retrial of the case.

30. 其他應付款項及應計款項 (續)

附註：(續)

- (b) 索賠撥備指以下法律索賠：
- (i) 本集團於截至二零二零年十二月三十一日止年度就 Honghua Investment Fund Limited (在開曼群島註冊成立的獲豁免有限公司，「該基金」) 的A類股份及B類股份持有人所委任在香港及開曼群島的共同正式清盤人於二零二零年十二月九日向本公司作出的索賠200,000,000港元計提索賠撥備200,000,000港元。根據該索賠，本公司(作為該基金的C類股份持有人)被要求根據日期為二零一七年七月六日的認購協議條款及於該基金清盤後向A類股份及B類股份持有人賠償總金額200,000,000港元加上指稱回報。
- (ii) 截至二零二一年十二月三十一日止年度，本集團於二零二一年八月二日自珠海橫琴新區人民法院接獲判決及命令(本集團須於二零二一年八月二日支付連帶應計利息賠償約人民幣33,400,000元)後，計提索賠撥備人民幣33,440,000元(相當於約40,947,000港元)。
- (iii) 截至二零二一年十二月三十一日止年度，本集團自接獲北京法院的判決(本集團須支付金額約人民幣37,000,000元加上違約產生的損害賠償人民幣7,500,000元)後，已計提索賠撥備人民幣44,500,000元(相當於約54,490,000港元)。緊隨判決後，本集團已就判決向北京市第三中級人民法院提出上訴。於二零二二年四月，北京市第三中級人民法院駁回了本集團對該判決的上訴。本集團已採取措施申請重審該案件。

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30. OTHER PAYABLES AND ACCRUALS (continued)

The movements of provision for claims during the year 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
At 1 January	於一月一日	295,437	200,000
Additional provision made	額外計提撥備	-	93,949
Exchange difference	匯兌差額	(7,513)	1,488
At 31 December	於十二月三十一日	287,924	295,437

30. 其他應付款項及應計款項 (續)

於年內索賠計提撥備的變動如下：

31. BANK AND OTHER BORROWINGS

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Bank borrowings – unsecured	銀行借貸—無抵押	14,101	15,306
Other borrowings – secured (note (a))	其他借貸—已抵押 (附註(a))	100,000	100,000
Other borrowings – unsecured (note (b))	其他借貸—無抵押 (附註(b))	732,772	682,672
		846,873	797,978

31. 銀行及其他借貸

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31. BANK AND OTHER BORROWINGS (continued)

The borrowings are repayable as follows:

31. 銀行及其他借貸 (續)

借貸須於以下期間償還：

		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	846,873	797,978
More than one year, but not exceeding two years	超過一年但不超過兩年	-	-
		846,873	797,978
Portion of bank borrowings that contains a repayment on demand clause (shown under current liabilities)	包含按要求償還條款的 銀行借貸部分 (於流動負債項下顯示)	(14,101)	(15,306)
Less: Amount due for settlement on demand (shown under current liabilities)	減：須按要求償還的金額 (列為流動負債)	(64,987)	(11,431)
Less : Amount due for settlement within 12 months (shown under current liabilities)	減：須於12個月內償還的金額 (列為流動負債)	(767,785)	(771,241)
Amount due for settlement after 12 months	須於12個月後償還的金額	-	-
Amounts shown under current liabilities	於流動負債項下顯示的金額		
- repayable on demand due to loan covenants (note (c))	- 因貸款契諾須按要求償還 (附註(c))	784,786	789,446
- repayable within one year	- 須於一年內償還	62,087	8,532
		846,873	797,978

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31. BANK AND OTHER BORROWINGS (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		HK\$ 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2022	二零二二年			
Bank borrowings – unsecured	銀行借貸—無抵押	–	14,101	14,101
Other borrowings – secured	其他借貸—已抵押	100,000	–	100,000
Other borrowings – unsecured	其他借貸—無抵押	691,206	41,566	732,772
		791,206	55,667	846,873
2021	二零二一年			
Bank borrowings – unsecured	銀行借貸—無抵押	–	15,306	15,306
Other borrowings – secured	其他借貸—已抵押	100,000	–	100,000
Other borrowings – unsecured	其他借貸—無抵押	637,555	45,117	682,672
		737,555	60,423	797,978

The average interest rates at 31 December were as follows:

		2022 二零二二年	2021 二零二一年
Bank borrowings – unsecured	銀行借貸—無抵押	10.2%	10.2%
Other borrowings – secured	其他借貸—已抵押	8.6%	8.6%
Other borrowings – unsecured	其他借貸—無抵押	18.7%	20.0%

Bank and other borrowings are arranged at fixed interest rates from 5% to 18% per annum (2021: 5% to 20% per annum) and expose the Group to fair value interest rate risk.

31. 銀行及其他借貸 (續)

本集團借貸的賬面值以下列貨幣計值：

	HK\$ 港元 HK\$'000 千港元	RMB 人民幣 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2022			
銀行借貸—無抵押	–	14,101	14,101
其他借貸—已抵押	100,000	–	100,000
其他借貸—無抵押	691,206	41,566	732,772
	791,206	55,667	846,873
2021			
銀行借貸—無抵押	–	15,306	15,306
其他借貸—已抵押	100,000	–	100,000
其他借貸—無抵押	637,555	45,117	682,672
	737,555	60,423	797,978

於十二月三十一日的平均利率如下：

	2022 二零二二年	2021 二零二一年
銀行借貸—無抵押	10.2%	10.2%
其他借貸—已抵押	8.6%	8.6%
其他借貸—無抵押	18.7%	20.0%

銀行及其他借貸按固定利率每年5%至18% (二零二一年：每年5%至20%) 計息，並令本集團承受公平值利率風險。

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31. BANK AND OTHER BORROWINGS (continued)

- (a) At the end at the reporting period, the Group's secured borrowings facilities are secured by:
- (i) the Group's trade receivables of gross amount of approximately HK\$600,639,000 (2021: HK\$600,639,000); and
 - (ii) personal and corporate guarantees provided by Ms. Deng Shufen and Ms. Liu Jianguan, being the ultimate controlling party of the Company, and Sino Merchant Car Rental Limited, being the immediate and ultimate holding company of the Company.
- (b) At 31 December 2022, the Group had approximately HK\$62,194,000 (2021: HK\$26,469,000) of available undrawn borrowing facilities.

As at 31 December 2022, the Group had other borrowings amounting to approximately HK\$62,087,000 (2021: HK\$8,532,000). This amount was due to a related company controlled by Mr. Lyu Ningjiang, a director of the Company, and carried interest at interest rate ranging from 8% to 18% (2021: 18%). The borrowing was unsecured and repayable within one year. In addition, the Group had another borrowing of HK\$2,900,000 (2021: HK\$2,900,000) due to Mr. Deng ShiChao, a director of one of the Group's subsidiaries in Hong Kong. This borrowing carried interest at interest rate of 10% per annum (2021: 10% per annum) and was also unsecured and repayable in full on demand.

31. 銀行及其他借貸 (續)

- (a) 於報告期末，本集團的已抵押借貸融資由以下項目作抵押：
- (i) 本集團約600,639,000港元（二零二一年：600,639,000港元）的應收賬款總額；及
 - (ii) 鄧淑芬女士及劉江媛女士（本公司最終控制方）及華商租車有限公司（本公司直接及最終控股公司）提供的個人及公司擔保。
- (b) 於二零二二年十二月三十一日，本集團的未提取借貸融資約62,194,000港元（二零二一年：26,469,000港元）。

於二零二二年十二月三十一日，本集團其他借款約為62,087,000港元（二零二一年：8,532,000港元）。該金額為應付由本公司董事呂寧江先生控制的關連公司款項，利率介乎8%至18%（二零二一年：18%）。該借款為無抵押及須於一年內償還，此外，本集團有另一筆應付本集團一間香港附屬公司董事鄧世超先生的借款2,900,000港元（二零二一年：2,900,000港元）。該借款利率為每年10%（二零二一年：每年10%），亦為無抵押及須按要求全數償還。

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31. BANK AND OTHER BORROWINGS (continued)

(b) (continued)

Included in other borrowings as at 31 December 2022 were, the respective outstanding balances of 2018 CB of approximately HK\$123,018,000, 2019 CB of approximately HK\$152,028,000 and 2020 CB of approximately HK\$245,448,000 all of which were reclassified from convertible bonds during the year ended 31 December 2021.

Details of 2018 CB, 2019 CB and 2020 CB, are set out in note 33 to the consolidated financial statements.

(c) During the years ended 31 December 2022 and 2021, the Group breached certain covenant clauses on agreements in respect of bank and other borrowings by which the Group has defaulted in repayment. As a result, as at 31 December 2022 and 2021, bank and other borrowings of approximately HK\$14,101,000 and HK\$767,785,000 (2021: HK\$15,306,000 and HK\$771,241,000) respectively were subject to early repayment options exercisable by the lenders. Such bank and other borrowings are classified as current liabilities as at 31 December 2022 and 2021. As at the approval date of these consolidated financial statements, the lenders have not requested for the early repayment of the bank and other borrowings.

31. 銀行及其他借貸 (續)

(b) (續)

於二零二二年十二月三十一日，其他借貸包括二零一八年可換股債券、二零一九年可換股債券及二零二零年可換股債券各自的未償還餘額分別為約123,018,000港元、約152,028,000港元及約245,448,000港元，並於截至二零二一年十二月三十一日止年度已自可換股債券中重新分類。

有關二零一八年可換股債券、二零一九年可換股債券及二零二零年可換股債券的詳情載於綜合財務報表附註33。

(c) 於截至二零二二年及二零二一年十二月三十一日止年度，本集團違反銀行及其他借貸協議的若干契諾條款，據此，本集團在還款方面出現違約。因此，於二零二二年及二零二一年十二月三十一日，銀行及其他借貸分別約14,101,000港元及767,785,000港元（二零二一年：15,306,000港元及771,241,000港元）須受貸款人行使要求提早還款選擇權所限。該等銀行及其他借貸於二零二二年及二零二一年十二月三十一日分類為流動負債。於該等綜合財務報表批准日期，貸款人並無要求提早償還銀行及其他借貸。

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32. LEASE LIABILITIES

32. 租賃負債

		Minimum lease payments 最低租賃付款		Present value of minimum lease payments 最低租賃付款現值	
		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	839	1,522	785	1,362
More than one year, but not exceeding two years	超過一年但不超過兩年	211	1,090	209	1,028
		1,050	2,612	994	2,390
Less: Future finance charges	減：未來融資開支	(56)	(222)	N/A不適用	N/A不適用
Present value of lease obligations	租賃承擔的現值	994	2,390	994	2,390
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：須於12個月內償還的金額 (列為流動負債)			(785)	(1,362)
Amount due for settlement after 12 months	須於12個月後償還的金額			209	1,028

The weighted average incremental borrowing rates applied to lease liabilities were 10.1% per annum (2021: 10.2% per annum).

All lease liabilities are denominated in RMB.

適用於租賃負債的加權平均增量借貸利率為每年10.1% (二零二一年：每年10.2%)。

所有租賃負債乃以人民幣計值。

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33. CONVERTIBLE BONDS

- (a) On 17 May 2016, the Company issued 2018 convertible bond (the “**2018 CB**”) and 2019 convertible bond (the “**2019 CB**”) with principal amounts of HK\$100,000,000 and HK\$100,000,000 respectively. The maturity dates of 2018 CB and 2019 CB were 16 May 2018 and 16 May 2019, respectively.

The 2018 CB and 2019 CB were convertible at the option of bondholder at any time after the 40th day from the date of issue and up to the 10th day prior to the dates of maturity at an initial conversion price of HK\$0.35 per share (subject to adjustments). Based on the initial conversion price, the 2018 CB and 2019 CB were convertible into approximately 571,429,000 ordinary shares of the Company in aggregate. The 2018 CB and the 2019 CB, if not converted, would be redeemed at their outstanding principal amount together with any interest accrued thereon, plus an additional amount of a compound return of 12% per annum over the outstanding principal amount on maturity. The 2018 CB and the 2019 CB carry interest at a rate of 5% per annum, payable semi-annually on 30 June and 31 December of each intervening year. The effective interest rates of the liability components of the 2018 CB and 2019 CB were 22.8% per annum and 23.5% per annum, respectively.

33. 可換股債券

- (a) 於二零一六年五月十七日，本公司發行二零一八年可換股債券（「**二零一八年可換股債券**」）及二零一九年可換股債券（「**二零一九年可換股債券**」），本金額分別為100,000,000港元及100,000,000港元。二零一八年可換股債券及二零一九年可換股債券的到期日分別為二零一八年五月十六日及二零一九年五月十六日。

二零一八年可換股債券及二零一九年可換股債券的債券持有人可於發行日期起第40日至到期日10日前隨時選擇轉換，初始換股價為每股0.35港元（可予調整）。二零一八年可換股債券及二零一九年可換股債券按初始換股價轉換為合共約571,429,000股本公司普通股。任何尚未轉換的二零一八年可換股債券及二零一九年可換股債券將按其未償還本金額連同其任何累計利息贖回，另加就到期未償還本金額按年息率12%計算的複合回報。二零一八年可換股債券及二零一九年可換股債券按年利率5%計息，每半年支付一次，於每個計息年度的六月三十日及十二月三十一日支付。二零一八年可換股債券及二零一九年可換股債券負債部分的實際年利率分別為22.8%及23.5%。

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33. CONVERTIBLE BONDS (continued)

(a) (continued)

On 10 May 2018, the Company and the bondholder of 2018 CB entered into a deed of amendment, pursuant to which the maturity date of 2018 CB was extended from 16 May 2018 to 16 May 2020 and the interest rate was increased from 5% per annum to 6% per annum. To effect the extension, the bondholder requested the Company to settle the additional amount as described above and an amount of HK\$15,440,000 was paid thereof. The effective interest rate of the liability component of the extended 2018 CB was 25.5% per annum.

On 15 May 2019, the Company and the bondholder of 2019 CB entered into a deed of amendment, pursuant to which the maturity date of 2019 CB was extended from 16 May 2019 to 16 May 2021, the conversion price of 2019 CB was decreased from HK\$0.35 to HK\$0.1 per share and the interest rate was increased from 5% per annum to 6% per annum. Interest payment dates were not changed. To effect the extension, the bondholder requested the Company to settle the additional amount as described above and an amount of approximately HK\$25,493,000 was paid thereof. The effective interest rate of the liability component of the extended 2019 CB was 10.7% per annum.

Both 2018 CB and 2019 CB have the following early redemption options. Holders of 2018 CB and 2019 CB have the right to require the Company to redeem the whole of the 2018 CB and 2019 CB respectively held by them prior to the maturity date at a redemption price equal to the respective principal amount of 2018 CB and 2019 CB together with accrued and unpaid interest and the additional amount upon the occurrence of certain events that are out of the Company's control.

33. 可換股債券 (續)

(a) (續)

於二零一八年五月十日，本公司與二零一八年可換股債券的債券持有人訂立修訂契據，據此二零一八年可換股債券之到期日由二零一八年五月十六日延長至二零二零年五月十六日，而利率由年息5%增加至年息6%。為使延長生效，債券持有人要求本公司結清上述額外金額並已支付其中15,440,000港元。經延長二零一八年可換股債券負債部分之實際年利率為25.5%。

於二零一九年五月十五日，本公司與二零一九年可換股債券的債券持有人訂立修訂契約，據此將二零一九年可換股債券的到期日由二零一九年五月十六日延長至二零二一年五月十六日，而二零一九年可換股債券的轉換價從每股0.35港元降至0.1港元，利率由年息5%增加至年息6%。利息付款日期並無變動。為使延長生效，債券持有人要求本公司結清上述額外金額並已支付其中約25,493,000港元。經延長二零一九年可換股債券負債部分的實際年利率為10.7%。

二零一八年可換股債券及二零一九年可換股債券有以下提早贖回選擇權。二零一八年可換股債券及二零一九年可換股債券持有人有權要求本公司於發生超出本公司控制範圍的若干事件後在到期日前按等於二零一八年可換股債券及二零一九年可換股債券相關本金額之贖回價連同應計及未付利息及額外金額贖回由彼等分別持有之全部二零一八年可換股債券及二零一九年可換股債券。

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33. CONVERTIBLE BONDS (continued)

(a) (continued)

In addition, for both 2018 CB and 2019 CB, the Company may, at any time prior to the maturity date, redeem in whole the 2018 CB and 2019 CB for the time being outstanding at their principal amount together with accrued and unpaid interest and the additional amount to the date fixed by the Company for redemption provided that at the date of redemption, at least 90% in principal amount of the 2018 CB and 2019 CB has already been converted, redeemed or purchased and cancelled.

As such, the conversion option and the early redemption options are considered as a single derivative for fair value measurement purpose.

(b) On 31 August 2017, the Company issued 2020 convertible bond (the “**2020 CB**”) with a principal amount of HK\$200,000,000. The maturity date of 2020 CB was 30 August 2020.

The 2020 CB was convertible at the option of the bondholder at any time from and including the first anniversary from its date of issue up to the 10th day prior to the dates of maturity at an initial conversion price of HK\$0.35 per share (subject to adjustments). Based on the initial conversion price, the 2020 CB was convertible into approximately 571,429,000 ordinary shares of the Company. The 2020 CB, if not converted, would be redeemed at its outstanding principal amount together with any interest accrued thereon. The 2020 CB carries interest at a rate of 8% per annum, which is payable semi-annually on 18 June and 18 December of each intervening year. The effective interest rate of the liability component of the 2020 CB was 24.2% per annum.

33. 可換股債券 (續)

(a) (續)

此外，就二零一八年可換股債券及二零一九年可換股債券而言，本公司可於到期日前任何時間，按其本金額連同應計及未付利息以及截至由本公司釐定之贖回日期止之額外金額，贖回當時尚未行使之全部二零一八年可換股債券及二零一九年可換股債券，惟於贖回日期前二零一八年可換股債券及二零一九年可換股債券至少90%的本金額須為已轉換、贖回或收購及註銷。

因此，換股權及提早贖回選擇權被視為公平值計量目的之單一衍生工具。

(b) 於二零一七年八月三十一日，本公司發行二零二零年可換股債券（「**二零二零年可換股債券**」），本金額為200,000,000港元。二零二零年可換股債券的到期日為二零二零年八月三十日。

二零二零年可換股債券債券持有人可於二零二零年可換股債券發行日期後一週年至到期日前10日隨時選擇轉換，初始換股價為每股0.35港元（可予調整）。二零二零年可換股債券按初始換股價可轉換為約571,429,000股本公司普通股。任何尚未轉換的二零二零年可換股債券將按其未償還本金額連同其任何應計利息贖回。二零二零年可換股債券按每年8%的利率計息，每半年支付一次，於每個計息年度的六月十八日及十二月十八日支付。二零二零年可換股債券負債部分的實際年利率為24.2%。

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33. CONVERTIBLE BONDS (continued)

(b) (continued)

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond if the conversion option was not exercised. The conversion options embedded in the convertible bonds were recognised as derivative financial instruments and were measured at fair value on initial recognition and remeasured at each subsequent reporting date.

Owing to the fact that 2018 CB, 2020 CB and 2019 CB were matured (as extended) without conversion on 16 May 2020, 30 August 2020 and 16 May 2021 respectively, the respective outstanding balances of 2018 CB, 2020 CB and 2019 CB were re-classified as "Bank and other borrowings" in the consolidated financial statements of the Group.

Save as disclosed above, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any ordinary shares, as the case may be.

33. 可換股債券 (續)

(b) (續)

如換股權未獲行使，負債部分的公平值乃使用類似債券等同市場利率於發行日期予以估計。嵌入可換股債券的換股權已確認為衍生金融工具及於初步確認時按公平值計量及於隨後各報告日期重新計量。

由於二零一八年可換股債券、二零二零年可換股債券及二零一九年可換股債券分別於二零二零年五月十六日、二零二零年八月三十日及二零二一年五月十六日到期（經延期），二零一八年可換股債券、二零二零年可換股債券及二零一九年可換股債券相應的未償還餘額已在本集團的綜合財務報表中重新分類為「銀行及其他借貸」。

除上文所披露者外，本公司概無任何尚未行使的購股權、認股權證或其他已發行且可轉換為或賦予權利認購、轉換或交換為任何普通股（視乎情況而定）的其他證券。

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33. CONVERTIBLE BONDS (continued)

The movements of the liability and derivative components of the convertible bonds for the year are set out below:

33. 可換股債券 (續)

年內可換股債券之負債及衍生部分的變動載列如下：

		Liability components 負債部分 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	143,980
Interest expenses	利息開支	8,048
Reclassified to other borrowings upon maturity	到期後重新分類至其他借貸	(152,028)
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及二零二二年 十二月三十一日	-
Represented by: At 31 December 2022 Current portion	代表： 於二零二二年十二月三十一日 即期部分	-
At 31 December 2021	於二零二一年十二月三十一日	
Current portion	即期部分	-

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34. FINANCIAL GUARANTEE

34. 財務擔保

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Fair value of financial guarantee	財務擔保的公平值	36,000	35,000

As at 31 December 2022, the Group provided a corporate guarantee in favour of an independent third party in respect of a loan facility granted to an associate of the Group up to an aggregate amount of approximately HK\$204,960,000 (2021: HK\$204,960,000), of which approximately HK\$36,166,000 (2021: HK\$36,166,000) has been utilised.

During the year ended 31 December 2022, the loss allowances in respect of the financial guarantee of HK\$36,000,000 (2021: HK\$35,000,000) in accordance with ECLs model was made under HKFRS 9. The additional allowances for ECLs of approximately HK\$1,000,000 (2021: HK\$2,000,000) has been recognised in the consolidated statement of profit or loss. Details of the loss allowance for the financial guarantee contract are set out in note 6(b)(v) to the consolidated financial statements.

於二零二二年十二月三十一日，本集團就授予本集團一間聯營公司的貸款融資向獨立第三方提供企業擔保，總額約為204,960,000港元（二零二一年：204,960,000港元），其中已動用約36,166,000港元（二零二一年：36,166,000港元）。

於截至二零二二年十二月三十一日止年度，根據香港財務報告準則第9號按預期信貸虧損模型所作出有關財務擔保的虧損撥備為36,000,000港元（二零二一年：35,000,000港元）。預期信貸虧損的額外撥備約1,000,000港元（二零二一年：2,000,000港元）已於綜合損益表內確認。有關財務擔保合約的虧損撥備載於綜合財務報表附註6(b)(v)。

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35. DEFERRED TAX

The movements in deferred tax liabilities/(assets) during the year are as follows:

35. 遞延稅項

年內，遞延稅項負債／（資產）的變動如下：

		Fair value adjustments arising from acquisition of a subsidiary 因收購一間附屬公司產生之公平值調整 HK\$'000 千港元	A financial asset at FVTPL 一項按公平值計入損益之金融資產 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	6,148	(6,183)	(35)
Charged to profit or loss for the year (note 15)	年內於損益扣除 (附註15)	15	-	15
Exchange difference	匯兌差額	213	-	213
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	6,376	(6,183)	193
Charged to profit or loss for the year (note 15)	年內於損益扣除 (附註15)	-	403	403
Exchange difference	匯兌差額	(150)	-	(150)
At 31 December 2022	於二零二二年十二月三十一日	6,226	(5,780)	446

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35. DEFERRED TAX (continued)

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

		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	6,226	6,376
Deferred tax assets	遞延稅項資產	(5,780)	(6,183)
		446	193

At the end of the reporting period, the Group has unused tax losses of approximately HK\$1,740,323,000 (2021: HK\$1,739,090,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses. Included in unrecognised tax losses are losses of approximately HK\$73,436,000 (2021: HK\$72,202,000) that will expire in 2025. Other tax losses may be carried forward indefinitely.

As at 31 December 2022 and 2021, deferred taxation has not been provided in the consolidated financial statements in respect of temporary difference amounting to HK\$4,433,000 (2021: HK\$1,366,000) attributable to profits earned by the Group's PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

35. 遞延稅項 (續)

以下為就綜合財務狀況表目的作出的遞延稅項結餘分析：

於報告期末，本集團的未用稅項虧損約1,740,323,000港元(二零二一年：1,739,090,000港元)，可供抵銷未來溢利。尚未就此虧損確認遞延稅項資產。計入未確認稅項虧損的約73,436,000港元(二零二一年：72,202,000港元)虧損，將於二零二五年到期。其他稅項虧損可無限期結轉。

於二零二二年及二零二一年十二月三十一日，本集團中國附屬公司賺取的溢利應佔暫時性差異4,433,000港元(二零二一年：1,366,000港元)並未在綜合財務報表中計提遞延稅項，乃由於本集團能夠控制撥回暫時性差異的時間，而暫時性差異很可能於可見將來不會撥回。

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36. SHARE CAPITAL

36. 股本

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Authorised:	法定：		
1,000,000,000 (2021: 1,000,000,000) ordinary shares of HK\$0.20 (2021: HK\$0.20) each	1,000,000,000股 (二零二一年： 1,000,000,000股) 每股面值 0.20港元 (二零二一年：0.20港元) 之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足：		
342,572,857 (2021: 342,572,857) ordinary shares of HK\$0.20 (2021: HK\$0.20) each	342,572,857股 (二零二一年： 342,572,857股) 每股面值 0.20港元 (二零二一年：0.20港元) 之普通股	68,515	68,515

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Company reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. 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 debts, redemption of existing debts or selling assets to reduce debts.

The Company has the following externally imposed capital requirements: (a) to maintain listing of shares of the Company on the Stock Exchange, the Company is required to have a public float of at least 25% of its total issued share capital; (b) to meet financial covenants attached to interest-bearing borrowings.

Breaches in meeting the financial covenants would allow the lenders to immediately call borrowings. During the years ended 31 December 2022 and 2021, the Group breached certain financial covenants, details of which are set out in notes 2 and 31 to the consolidated financial statements.

本集團管理資金旨在保障本集團持續經營的能力，並通過優化債務及股權餘額給予股東最大的回報。

本公司經常通過考慮資本成本及各類資本相關風險來檢討資本架構。本集團將通過支付股息，發行新股及購回股份，以及發行新債、贖回現有負債或出售資產以減少負債，平衡其整體資本架構。

本公司有以下外部施加資本要求：(a)為維持本公司股份於聯交所上市，本公司須至少擁有25%已發行股本總額的公眾持股量；(b)滿足計息借貸所附財務契約。

在遵守財務契約方面違約會使貸方得以立即要求償還借貸。截至二零二二年及二零二一年十二月三十一日止年度，本集團違反若干財務契約，其詳情載於綜合財務報表附註2及31。

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37. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 59 of the consolidated financial statements.

(a) Share premium

The share premium account of the Group includes: (i) the premium arising from the issue of new shares in prior years; (ii) the expense incurred in connection with issuance of new shares in prior years; (iii) dividends declared and paid in prior years; and (iv) amount transferred from share-based compensation reserve upon exercise of share options.

(b) Capital reserve

The capital reserve represents the excess of paid-in capital of the companies comprising the Group, being proceeds from the issue of preference shares without voting rights issued by a subsidiary to certain independent third parties at an aggregate amount of HK\$14,593,000 (equivalent to approximately USD1,864,000) credited to the capital reserve.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation. The reserve is dealt with in accordance with the accounting policies set out in note 4(e) to the consolidated financial statements.

37. 儲備

本集團儲備的款項及其於本年度及過往年度的變動呈列於綜合財務報表第59頁的綜合權益變動表內。

(a) 股份溢價

本集團股份溢價賬包括：(i)過往年度發行新股產生之溢價；(ii)過往年度就發行新股產生之開支；(iii)過往年度所宣派及派付之股息；及(iv)行使購股權後自股份補償儲備中轉撥的金額。

(b) 資本儲備

資本儲備指組成本集團的公司的實繳資本盈餘，乃附屬公司向若干獨立第三方發行的無表決權優先股所得款項，總計約14,593,000港元（相當於1,864,000美元）計入資本儲備。

(c) 外幣匯兌儲備

外幣匯兌儲備包含因換算海外業務財務報表而產生的所有匯兌差額。儲備乃根據綜合財務報表附註4(e)中所載的會計政策予以處理。

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38. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2022 are as follows:

Name 名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及經營地點	Particular of issued share capital 已發行股本詳情	Percentage of ownership interest/ voting power/profit sharing 擁有權/表決權/ 應佔溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ace Leader (HK) Limited 領皇(香港)有限公司	Hong Kong 香港	Ordinary shares of HK\$300,000,000 300,000,000港元 的普通股	-	100% (2021: 100%) (二零二一年: 100%)	Provision of financing services 提供金融服務
China Wood Financial Hong Kong Company Limited 中木金融香港有限公司	Hong Kong 香港	Ordinary shares of HK\$10,000,000 10,000,000港元 的普通股	100% (2021: 100%) (二零二一年: 100%)	-	Provision of intercompany management services 為集團提供管理服務
Beijing Tu An Car Rental Services Limited* (note) 北京途安汽車租賃有限責任公司 (附註)	PRC 中國	Registered capital of RMB5,000,000 人民幣5,000,000元 的註冊資本	-	100% (2021: 100%) (二零二一年: 100%)	Provision of car rental services 提供汽車租用業務
Finest Achieve Limited 萃達有限公司	BVI 英屬處女群島	Ordinary share of USD1 1美元的普通股	100% (2021: 100%) (二零二一年: 100%)	-	Investment holding 投資控股
Hongshen Xi Wang Technology (Zhuhai) Company Limited* (note) 弘深希望科技(珠海)有限公司(附註)	PRC 中國	Registered capital of RMB25,000,000 人民幣25,000,000元 的註冊資本	-	100% (2021: 100%) (二零二一年: 100%)	Investment holding 投資控股
China Wood Finance & Investment Limited 中木金融及投資有限公司	Hong Kong 香港	Ordinary share of HK\$1 1港元的普通股	-	100% (2021: 100%) (二零二一年: 100%)	Investment holding 投資控股
China Wood Green Resources (Shenzhen) Co., Limited* (note) 中木綠色資源(深圳)有限公司(附註)	PRC 中國	Registered capital of RMB10,000,000 人民幣10,000,000元 的註冊資本	-	100% (2021: 100%) (二零二一年: 100%)	Trading and processing of furniture wood 傢私用木材交易及加工

* For identification purposes only

note: These subsidiaries are registered as limited liability company (foreign-invested enterprise sole investment) under the PRC Law.

38. 於附屬公司的投資

主要的附屬公司於二零二二年十二月三十一日的詳情如下：

附註：該等附屬公司乃根據中國法律註冊為有限公司(外商投資企業獨資)。

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38. INVESTMENTS IN SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net liabilities/assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Details of the Group's subsidiary that has material non-controlling interest are set out below:

Higgs Dynamics Limited

Percentage of equity interest held by non-controlling interest of Higgs Dynamics Zhuhai Company Limited ("Higgs Dynamics"): 希格斯動力科技(珠海)有限公司(「希格斯動力」)非控股權益所持股權百分比：

38. 於附屬公司的投資(續)

本公司董事認為，上表所列本公司的附屬公司乃主要影響本集團本年度業績或組成本集團淨負債／資產的重要部分。本公司董事認為載列其他附屬公司的詳情會令篇幅過長。

擁有重大非控股權益的本集團附屬公司詳情載列如下：

Higgs Dynamics Limited

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Percentage of equity interest held by non-controlling interest of Higgs Dynamics Zhuhai Company Limited ("Higgs Dynamics"): 希格斯動力科技(珠海)有限公司(「希格斯動力」)非控股權益所持股權百分比：	40%	40%

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38. INVESTMENTS IN SUBSIDIARIES (continued)

Higgs Dynamics Limited (continued)

The following table illustrates the summarised financial information of Higgs Dynamics. The amounts disclosed are before any inter-company eliminations:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Total expenses	總開支	673	20
Loss for the year	年內虧損	(673)	(20)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	(673)	(44)
Loss for the year allocated to non-controlling interest of the Higgs Dynamics:	分配至希格斯動力非控股權益之年內虧損：	(269)	(8)
Current assets	流動資產	102	1,580
Non-current assets	非流動資產	-	16
Current liabilities	流動負債	(1,036)	(1,903)
Net liabilities	淨負債	(934)	(307)
Accumulated losses of non-controlling interest of Higgs Dynamics at the reporting date:	於報告日期希格斯動力非控股權益之累計虧損：	7,544	7,275
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金流量淨額	(61)	8
Net cash flows from investing activities	投資活動所得現金流量淨額	-	-
Net cash flows from financing activities	融資活動所得現金流量淨額	-	-
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)／增加淨額	(61)	8

38. 於附屬公司的投資(續)

Higgs Dynamics Limited (續)

下表說明希格斯動力之財務資料概要。披露金額乃集團間對銷前之金額：

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For the year ended 31 December 2022
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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

39. 綜合現金流量表附註

(a) 融資活動產生之負債對賬

		Lease liabilities 租賃負債 HK\$'000 千港元	Bank and other borrowings 銀行及其他借貸 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	2,390	797,978
Changes from financing cash flows	融資現金流量變動		
Raising of new interest-bearing other borrowings	籌措新計息其他借貸	-	97,648
Capital element of lease rental paid	已付租賃租金的資本部分	(916)	-
Interest element of lease rental paid	已付租賃租金的利息部分	(136)	-
Repayment of bank and other borrowings	償還銀行及其他借貸	-	(43,996)
		(1,052)	53,652
Other changes	其他變動		
Interest charge	利息支出	136	-
Increase in lease liabilities	租賃負債增加	209	-
Termination of leases	終止租賃	(539)	-
Exchange difference	匯兌差額	(150)	(4,757)
		(344)	(4,757)
At 31 December 2022	於二零二二年十二月三十一日	994	846,873

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綜合財務報表附註

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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Reconciliation of liabilities arising from financing activities (continued)

		Lease liabilities 租賃負債 HK\$'000 千港元	Bank and other borrowings 銀行及其他借貸 HK\$'000 千港元	Convertible bonds 可換股債券 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	1,813	638,843	143,980
Changes from financing cash flows	融資現金流量變動			
Raising of new interest-bearing other borrowings	籌措新計息其他借貸	-	5,531	-
Capital element of lease rental paid	已付租賃租金的資本部分	(1,737)	-	-
Interest element of lease rental paid	已付租賃租金的利息部分	(226)	-	-
		(1,963)	5,531	-
Other changes	其他變動			
Interest charge	利息支出	229	-	8,048
Increase in lease liabilities	租賃負債增加	2,600	-	-
Accrued interest	應計利息	(3)	-	-
Termination of leases	終止租賃	(344)	-	-
Reclassification of convertible bonds	重新分類可換股債券	-	152,028	(152,028)
Exchange difference	匯兌差額	58	1,576	-
		2,540	153,604	(143,980)
At 31 December 2021	於二零二一年十二月三十一日	2,390	797,978	-

39. 綜合現金流量表附註 (續)

(a) 融資活動產生之負債對賬 (續)

		租賃負債 HK\$'000 千港元	銀行及其他借貸 HK\$'000 千港元	可換股債券 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	1,813	638,843	143,980
Changes from financing cash flows	融資現金流量變動			
Raising of new interest-bearing other borrowings	籌措新計息其他借貸	-	5,531	-
Capital element of lease rental paid	已付租賃租金的資本部分	(1,737)	-	-
Interest element of lease rental paid	已付租賃租金的利息部分	(226)	-	-
		(1,963)	5,531	-
Other changes	其他變動			
Interest charge	利息支出	229	-	8,048
Increase in lease liabilities	租賃負債增加	2,600	-	-
Accrued interest	應計利息	(3)	-	-
Termination of leases	終止租賃	(344)	-	-
Reclassification of convertible bonds	重新分類可換股債券	-	152,028	(152,028)
Exchange difference	匯兌差額	58	1,576	-
		2,540	153,604	(143,980)
At 31 December 2021	於二零二一年十二月三十一日	2,390	797,978	-

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綜合財務報表附註

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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases 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
Within operating cash flows	於經營現金流量內	1,833	4,726
Within financing cash flows	於融資現金流量內	916	1,737
		2,749	6,463

These amounts relate to the following:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Lease rental paid	已付租賃租金	2,749	6,463

40. CONTINGENT LIABILITIES

On 21 April 2020, a writ of summons was issued by an independent third party in Beijing, China as plaintiff against a wholly owned subsidiary of the Group namely (北京宜乘企業管理有限公司) as defendant (the "Action"). The plaintiff claimed for the repayment of principal and the accrued interests of a loan purportedly owed by the defendant to the plaintiff in the total amount of approximately RMB59.5 million since 2014 (the "Purported Loan"). The defendant has denied the existence of the Purported Loan and has requested forensic checks to be conducted to the loan agreement produced by the Plaintiff to the People's Court in Chaoyang District, Beijing (the "Beijing Court"). The Company has engaged a competent legal advisor to act for its interests in respect of the Action.

39. 綜合現金流量表附註 (續)

(b) 租賃現金流出總額

租賃計入綜合現金流量表中的金額包括以下：

		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	於經營現金流量內	1,833	4,726
Within financing cash flows	於融資現金流量內	916	1,737
		2,749	6,463

該等金額與下列有關：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Lease rental paid	已付租賃租金	2,749	6,463

40. 或然負債

於二零二零年四月二十一日，於中國北京的一名獨立第三方（作為原告）對本集團全資附屬公司北京宜乘企業管理有限公司（作為被告）發出傳訊令狀（「訴訟」）。原告要求被告償還被告被指稱自二零一四年起結欠原告合共約人民幣59,500,000元的貸款本金及應計利息（「指稱貸款」）。被告否認存在指稱貸款，並要求北京朝陽區人民法院（「北京法院」）對原告所出示的貸款協議進行法證核實。本公司已就訴訟委聘合資格法律顧問以為其利益行事。

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綜合財務報表附註

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截至二零二二年十二月三十一日止年度

40. CONTINGENT LIABILITIES (continued)

In January 2022, the Group received a judgement (the “**Judgement**”) from the Beijing Court and ordered that the defendant be required to pay a sum of approximately RMB37.0 million plus damages of RMB7.5 million for breach of contract. Immediately after the Judgement, the Group has made an appeal to the Beijing No. 3 Intermediate People’s Court (北京市第三中級人民法院) against the Judgement. In April 2022, the Beijing No. 3 Intermediate People’s Court dismissed the Group’s appeal against the Judgement. The Group has taken steps to apply for retrial of the case.

A provision for claim in the amount of RMB44.5 million (equivalent to approximately HK\$54,490,000) was made during the year ended 31 December 2021.

Save as disclosed above, as at 31 December 2022, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the directors of the Company to be pending or threatened by or against any member of the Group.

41. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

Capital contribution payable to
unlisted equity investments

就非上市權益投資應付之出資

40. 或然負債 (續)

於二零二二年一月，本集團接獲北京法院的判決（「**判決**」），並頒令被告須支付金額約人民幣37,000,000元加上違約產生的損害賠償人民幣7,500,000元。緊隨判決後，本集團已就判決向北京市第三中級人民法院提出上訴。於二零二二年四月，北京市第三中級人民法院駁回了本集團對該判決的上訴。本集團已採取措施申請重審該案件。

索賠金額人民幣44,500,000元（相當於約54,490,000港元）已於截至二零二一年十二月三十一日止年度計提撥備。

除上文所披露者外，於二零二二年十二月三十一日，本集團成員公司概無涉及任何將對本公司營運產生重大或不利影響之訴訟、仲裁或索賠，且就本公司董事所知，本集團任何成員公司亦無任何尚未了結或面臨之將對本公司營運產生重大或不利影響之訴訟、仲裁或索賠。

41. 資本承擔

於報告期末已訂約惟尚未產生的資本承擔如下：

	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Capital contribution payable to unlisted equity investments	33,843	36,735

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42. OPERATING LEASE ARRANGEMENTS

(a) As lessor

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	5,309	4,586
In the second year	於第二年	3,035	-
In the third year	於第三年	1,310	-
Total	總計	9,654	4,586

The following table presents the amounts reported in profit or loss:

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Lease income on operating leases	經營租賃的租賃收入	11,901	11,177

(b) As lessee

The Group regularly entered into short-term leases for motor vehicles and offices. As at 31 December 2022 and 2021, 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 19 to the consolidated financial statements.

As at 31 December 2022, the outstanding lease commitments relating to these motor vehicles and offices was approximately HK\$148,000 (2021: HK\$392,000).

As at 31 December 2022 and 2021, the Group has no new lease being entered into and not yet commenced.

42. 經營租賃安排

(a) 作為出租人

租賃的應收最低租賃付款如下：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Within one year	一年內	5,309	4,586
In the second year	於第二年	3,035	-
In the third year	於第三年	1,310	-
Total	總計	9,654	4,586

下表列出於損益中報告的金額：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Lease income on operating leases	經營租賃的租賃收入	11,901	11,177

(b) 作為承租人

本集團定期訂立汽車及辦公室短期租賃。於二零二二年及二零二一年十二月三十一日，短期租賃組合與綜合財務報表附註19中披露的短期租賃開支的短期租賃組合相似。

於二零二二年十二月三十一日，有關該等汽車及辦公室的未償還租賃承擔約為148,000港元（二零二一年：392,000港元）。

於二零二二年及二零二一年十二月三十一日，本集團並無已訂立但尚未開始的新租賃。

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綜合財務報表附註

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43. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties 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
Finance costs paid to Mr. Deng ShiChao (note 1)	向鄧世超先生支付的融資成本 (附註1)	290	218
Finance cost paid to a related company (note 2)	向關連公司支付的融資成本 (附註2)	3,853	500
Rental expenses paid to a related company (note 1)	向關連公司支付的租金開支 (附註1)	-	2,402
Rental expenses paid to a related company (note 3)	向關連公司支付的租金開支 (附註3)	726	569

notes:

- Mr. Deng ShiChao is a director of the Group's subsidiaries and the related company in 2022 and 2021.
- Mr. Lyu NingJiang, a director of the Company, is also a director of the related company in 2022 and 2021.
- 北京德潤豐汽車租賃有限公司, a related company of the Company being owned by Mr. Hu YongGang, a non-executive director of the Company in 2022 and 2021.

- (b) Personal and corporate guarantees provided by the immediate and ultimate holding company, and the ultimate controlling party of the Company, details are set out in the notes 31 to the consolidated financial statement.

43. 關連方交易

- (a) 除該等綜合財務報表其他部分所詳述的交易外，本集團曾與關連方進行下列交易：

		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元
Finance costs paid to Mr. Deng ShiChao (note 1)	向鄧世超先生支付的融資成本 (附註1)	290	218
Finance cost paid to a related company (note 2)	向關連公司支付的融資成本 (附註2)	3,853	500
Rental expenses paid to a related company (note 1)	向關連公司支付的租金開支 (附註1)	-	2,402
Rental expenses paid to a related company (note 3)	向關連公司支付的租金開支 (附註3)	726	569

附註：

- 於二零二二年及二零二一年，鄧世超先生為本集團附屬公司及關連公司的一名董事。
- 於二零二二年及二零二一年，呂寧江先生為本公司董事，亦為關連公司董事。
- 於二零二二年及二零二一年，北京德潤豐汽車租賃有限公司，本公司關連公司，由本公司非執行董事胡永剛先生擁有。

- (b) 直接及最終控股公司以及本公司最終控股方提供的個人及公司擔保，詳情載於綜合財務報表附註31。

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綜合財務報表附註

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43. RELATED PARTY TRANSACTIONS (continued)

- (c) Compensation of key management personnel of the Group, including amounts paid or payable to the Company's directors, 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
Short term employee benefits	短期僱員福利	2,151	1,627
Post-employment benefits	離職後福利	18	18
Total compensation paid or payable to key management personnel		2,169	1,645

Further details of directors' emoluments are included in note 13 to the consolidated financial statements.

董事薪酬的進一步詳情載於綜合財務報表附註13。

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period 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
Non-current assets			
Property, plant and equipment	物業、廠房及設備	23	23
Current assets			
Prepayments	預付款項	1,408	5,990
Amounts due from subsidiaries	應收附屬公司款項	81	59
Bank balances	銀行結餘	534	124
		2,023	6,173

43. 關連方交易 (續)

- (c) 本集團主要管理人員之薪酬，包括已付或應付予本公司董事之金額如下：

44. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued) 44. 本公司的財務狀況表 (續)

		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		
Amounts due to subsidiaries	應付附屬公司款項	27,385	29,539
Other payables and accruals	其他應付款項及應計款項	391,406	297,127
Other borrowings	其他借貸	688,528	630,701
Financial guarantee	財務擔保	36,000	35,000
		1,143,319	992,367
Net current liabilities	流動負債淨額	(1,141,296)	(986,194)
Total assets less current liabilities	總資產減流動負債	(1,141,273)	(986,171)
NET LIABILITIES	負債淨額	(1,141,273)	(986,171)
Capital and reserves	資本及儲備		
Share capital	股本	68,515	68,515
Reserves (note)	儲備 (附註)	(1,209,788)	(1,054,686)
CAPITAL DEFICIENCY	資本虧絀	(1,141,273)	(986,171)

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下列董事代為簽署：

Lyu NingJiang

呂寧江

Chairman and Executive Director

主席兼執行董事

Hu YongGang

胡永剛

Non-executive Director

非執行董事

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綜合財務報表附註

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 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	1,059,713	(2,062,776)	(1,003,063)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	(51,623)	(51,623)
At 31 December 2021 and at 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	1,059,713	(2,114,399)	(1,054,686)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	(155,102)	(155,102)
At 31 December 2022	於二零二二年十二月三十一日	1,059,713	(2,269,501)	(1,209,788)

44. 本公司的財務狀況表 (續)

附註：

本公司之儲備摘要如下：

		Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累計虧損 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	1,059,713	(2,062,776)	(1,003,063)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	(51,623)	(51,623)
At 31 December 2021 and at 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	1,059,713	(2,114,399)	(1,054,686)
Loss and total comprehensive income for the year	年內虧損及全面收入總額	-	(155,102)	(155,102)
At 31 December 2022	於二零二二年十二月三十一日	1,059,713	(2,269,501)	(1,209,788)

45. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the disclosure in note 1 to the consolidated financial statements, in terms of the (i) appointment of the joint provisional liquidators for restructuring purposes only; (ii) restructuring and (iii) suspension of trading of the shares of the Company. Further announcement(s) will be made by the Company to update the shareholders and investors of the Company in relation to any developments of the aforementioned matters.

45. 報告期後事項

茲提述綜合財務報表附註1所作披露，內容有關(i)僅就重組目的委任共同臨時清盤人；(ii)重組；及(iii)暫停本公司股份買賣。本公司將另行刊發公告以向本公司股東及投資者提供有關上述事項的任何進展。

46. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform with current year's presentation. The changes mainly included separate disclosure of items under "deferred tax assets" and "deferred tax liabilities".

46. 比較數字

若干比較數字已予重述以與本年度的呈列保持一致。該等變動主要包括「遞延稅項資產」及「遞延稅項負債」的單獨披露。

Five-Year Financial Summary

五年財務摘要

A summary of the Group's results for the last five financial years and the assets and liabilities of the Group as at 31 December 2022, 2021, 2020, 2019 and 2018 as extracted from the published audited financial statements, is set out below. The summary does not form part of the audited financial statements.

下文載列本集團於過去五個財政年度的業績及本集團於二零二二年、二零二一年、二零二零年、二零一九年及二零一八年十二月三十一日的資產及負債的概要，有關資料乃摘錄自己刊發經審核財務報表。本概要並不構成經審核財務報表的一部分。

		Year ended 31 December 截至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	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
RESULTS	業績					
REVENUE	收益	145,378	116,067	24,304	654,318	1,097,593
Cost of sales and services rendered	銷售成本及提供的服務	(121,266)	(101,651)	(19,906)	(614,262)	(1,031,644)
Gross profit	毛利	24,112	14,416	4,398	40,056	65,949
Other income, gains and (losses), net	其他收入、收益及(虧損)淨額	3,139	(48,192)	(374,992)	(50,584)	334,068
Allowances for ECLs on trade, loan and other receivables, net	應收賬款、貸款及其他應收款項預期信貸虧損撥備淨額	(35,578)	(2,850)	(348,305)	(382,779)	(198,039)
Impairment on amount due from a joint venture	應收一間合營公司款項減值	-	-	-	-	(15,003)
Impairment on amount due from an associate	應收一間聯營公司款項減值	-	-	-	(8,783)	-
Provision for financial guarantee	財務擔保撥備	(1,000)	(2,000)	(7,200)	(25,800)	-
Selling and distribution expenses	銷售及分銷費用	(981)	(386)	(2,922)	(7,860)	(7,641)
Administrative expenses	行政費用	(22,443)	(15,762)	(44,617)	(100,517)	(123,478)
Other expenses	其他開支	-	(101,823)	(212,513)	(6,823)	(8,798)
Finance costs	融資成本	(113,738)	(117,730)	(120,129)	(158,603)	(156,100)
Share of results of:	應佔業績：					
Joint ventures	合營公司	-	-	(1,091)	(551)	4,183
An associate	一間聯營公司	-	-	-	(4,480)	(107,938)
LOSS BEFORE TAX	除稅前虧損	(146,489)	(274,327)	(1,107,371)	(706,724)	(212,797)
Income tax (expense)/credit	所得稅(開支)/抵免	(3,913)	(233)	42,952	(14,350)	(27,651)

Five-Year Financial Summary

五年財務摘要

		Year ended 31 December 截至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	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
LOSS FOR THE YEAR	年內虧損	(150,402)	(274,560)	(1,064,419)	(721,074)	(240,448)
Attributable to:	以下各方應佔：					
Owners of the Company	本公司擁有人	(150,133)	(274,550)	(1,055,985)	(691,607)	(226,976)
Non-controlling interests	非控股權益	(269)	(10)	(8,434)	(29,467)	(13,472)
		(150,402)	(274,560)	(1,064,419)	(721,074)	(240,448)

		As at 31 December 於十二月三十一日				
		2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
TOTAL ASSETS	資產總值	196,155	230,825	163,211	1,150,016	2,039,568
TOTAL LIABILITIES	負債總額	(1,599,007)	(1,494,644)	(1,149,710)	(1,131,598)	(1,292,757)
		(1,402,852)	(1,263,819)	(986,499)	18,418	746,811



CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED
中木國際控股有限公司