



BEST LINKING GROUP HOLDINGS LIMITED

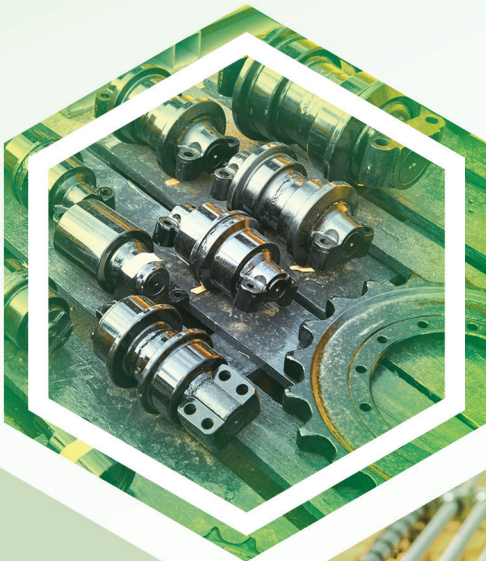
永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

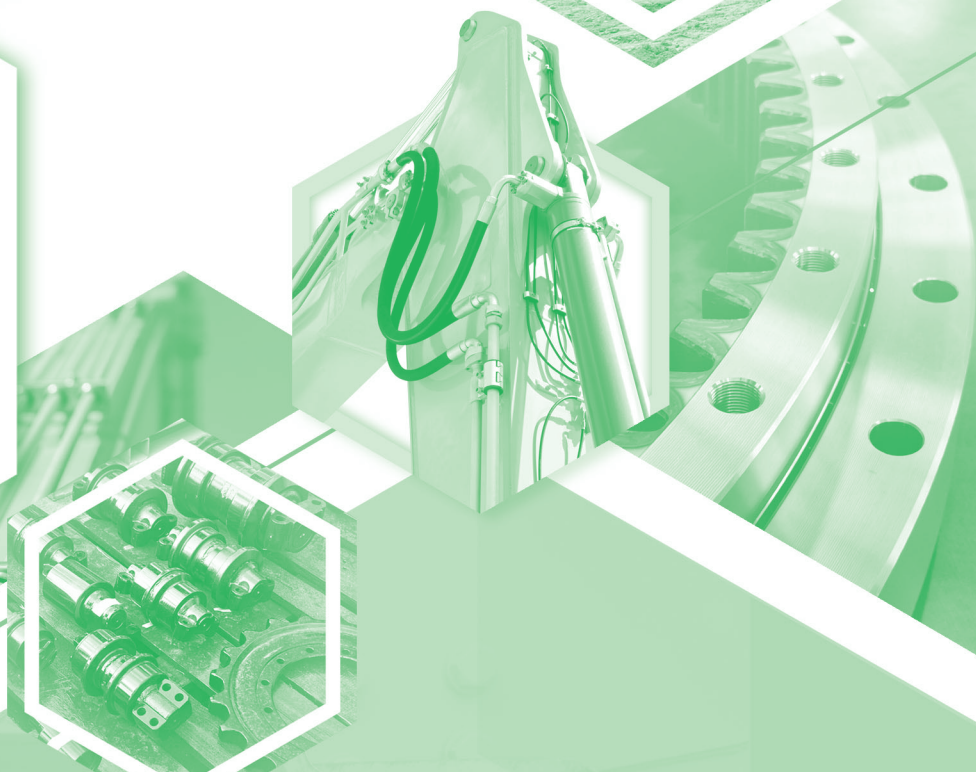
Stock Code 股份代號 : 9882

2023 ANNUAL REPORT 年報



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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

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

Mr. Chan Lung Pan

Independent Non-Executive Directors

Mr. Chan Wan Tsun Adrian Alan

Ms. Tsang Hau Lam

Ms. Tam Ho Ting

AUDIT COMMITTEE

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

Ms. Tam Ho Ting

Ms. Tsang Hau Lam

REMUNERATION COMMITTEE

Ms. Tam Ho Ting (*Chairlady*)

Mr. Chan Lung Pan

Ms. Tsang Hau Lam

NOMINATION COMMITTEE

Mr. Chan Yuk Pan (*Chairman*)

Mr. Chan Wan Tsun Adrian Alan

Ms. Tam Ho Ting

CORPORATE GOVERNANCE COMMITTEE

Mr. Chan Lung Pan (*Chairman*)

Mr. Chan Wan Tsun Adrian Alan

Mr. Chan Ho Chee Gilbert

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

COMPANY SECRETARY

Mr. Chan Ho Chee Gilbert (CPAA)

董事會

執行董事

陳煜彬先生 (*主席兼行政總裁*)

陳龍彬先生

獨立非執行董事

陳弘俊先生

曾巧臨女士

譚可婷女士

審計委員會

陳弘俊先生 (*主席*)

譚可婷女士

曾巧臨女士

薪酬委員會

譚可婷女士 (*主席*)

陳龍彬先生

曾巧臨女士

提名委員會

陳煜彬先生 (*主席*)

陳弘俊先生

譚可婷女士

企業管治委員會

陳龍彬先生 (*主席*)

陳弘俊先生

陳浩賜先生

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

公司秘書

陳浩賜先生 (CPAA)

AUTHORISED REPRESENTATIVES

Mr. Chan Yuk Pan
Mr. Chan Ho Chee Gilbert

COMPLIANCE OFFICER

Mr. Chan Yuk Pan

LEGAL ADVISER AS TO HONG KONG LAW

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor, Prince's Building
Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1119, 11/F
The Metropolis Tower
No. 10 Metropolis Drive
Kowloon
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Industrial 2nd Cross Road
Tutang Industrial Zone 2
Dongguan City
The PRC

授權代表

陳煜彬先生
陳浩賜先生

合規主任

陳煜彬先生

法律顧問(有關香港法律)

羅拔臣律師事務所
香港
皇后大道中99號
中環中心57樓

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師
香港
中環
太子大廈22樓

香港總部及主要營業地點

香港
九龍
都會道10號
都會大廈
11樓1119室

中國總部及主要營業地點

中國
東莞市
土塘工業二區
工業二橫路

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Ltd
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
China Construction Bank, Dongguan Branch, Changping Sub-branch

COMPANY WEBSITE

www.blg.hk

STOCK CODE

09882

香港股份過戶登記分處

卓佳證券登記有限公司
香港
夏愨道16號
遠東金融中心17樓

開曼群島股份過戶登記總處

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

主要往來銀行

星展銀行(香港)有限公司
香港上海滙豐銀行有限公司
恒生銀行有限公司
中國建設銀行東莞市分行常平支行

公司網站

www.blg.hk

股份代號

09882

FOR THE YEAR

Highlights of consolidated statements of comprehensive income

年內

綜合全面收益表摘要

		FY2023 二零二三 財政年度 HK\$'000 千港元	FY2022 二零二二 財政年度 HK\$'000 千港元
Revenue	收益	143,779	127,730
Gross profit	毛利	60,789	57,924
Profit before taxation	除稅前溢利	28,103	41,432
Profit for the year	年內溢利	22,039	34,929
Total comprehensive income for the year	年內全面收益總額	20,095	30,034

Non-HKFRS measures

非香港財務報告準則計量項目

		FY2023 二零二三 財政年度 HK\$'000 千港元	FY2022 二零二二 財政年度 HK\$'000 千港元
Profit for the year	年內溢利	22,039	34,929
Add: Non-recurring items	加：非經常性項目		
— Listing expenses	— 上市開支	12,363	3,999
— Donation	— 捐贈	3,000	—
Adjusted profit for the year (Note)	年內經調整溢利 (附註)	37,402	38,828

Note: Adjusted profit for the year refers to profit for the year excluding non recurring listing expenses and donation. This non-HKFRS financial data is a supplemental financial measure that is not required by, or presented in accordance with, the HKFRS and is therefore referred to as a "non-HKFRS" financial measure. It is not a measurement of our financial performance under the HKFRS and should not be considered as an alternative measure to profit from operations or any other performance measures derived in accordance with the HKFRS, or as an alternative measure to cash flows from operating activities or as a measure of our liquidity.

附註：年內經調整溢利指年內溢利，不包括非經常性上市開支及捐贈。此非香港財務報告準則財務數據為並非香港財務報告準則所規定或根據香港財務報告準則呈列的補充財務計量，因此稱為「非香港財務報告準則」財務計量。其並非我們根據香港財務報告準則所呈列財務表現的計量，且不應被視為根據香港財務報告準則所得出經營溢利或任何其他表現計量的替代方法，亦不應被視為經營活動所產生現金流量或我們流動資金計量的替代方法。

Financial Highlights

財務摘要

AT YEAR END

Highlights of consolidated statements of financial positions

年末

綜合財務狀況表摘要

		FY2023	FY2022
		二零二三	二零二二
		財政年度	財政年度
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產	24,863	26,422
Current assets	流動資產	139,994	122,766
Current liabilities	流動負債	(17,049)	(5,544)
Net current assets	流動資產淨額	122,945	117,222
Net assets	資產淨額	147,660	143,565

Revenue

收益

		For the year ended 31 December					
		截至十二月三十一日止年度					
		2023		2022		+ / (-)	
		二零二三年		二零二二年			
		HK\$'000	(%)	HK\$'000	(%)	HK\$'000	(%)
		千港元	(%)	千港元	(%)	千港元	(%)
Revenue	收益						
Slewing rings	迴轉支承						
— ODM	— ODM	56,718	39.5	56,759	44.4	(41)	(0.1)
— OEM	— OEM	276	0.2	362	0.3	(86)	(23.8)
— OBM	— OBM	2,325	1.6	996	0.8	1,329	133.4
— Others	— 其他支承	10,983	7.6	17,227	13.5	(6,244)	(36.2)
		70,302	48.9	75,344	59.0	(5,042)	(6.7)
Mechanical parts and components	機械零部件						
— ODM	— ODM	6,641	4.6	8,950	7.0	(2,309)	(25.8)
— Others	— 其他	16,972	11.8	16,116	12.6	856	5.3
		23,613	16.4	25,066	19.6	(1,453)	(5.8)
Machineries	機械						
— Machineries	— 機械	49,864	34.7	27,320	21.4	22,544	82.5
		49,864	34.7	27,320	21.4	22,544	82.5
Total	總計	143,779	100.0	127,730	100	16,049	12.6

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

附註：其他支承主要包括來自銷售我們現時並無生產的迴轉支承的收益。

OVERVIEW

Best Linking Group Holdings Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”), is a leading premium slewing ring manufacturer in the PRC. We also provide a comprehensive line of mechanical parts and components and machineries which are used mainly in construction and mining sites. During the year, the Company has been successfully transferred its listing (“**Transfer of Listing**”) from GEM to the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The last day of dealings in the Shares on GEM (stock code on GEM: 8617) was on 28 September 2023 while dealings in the Shares on the Main Board (stock code on the Main Board: 9882) commenced on 29 September 2023.

We manufacture slewing rings that conform to the Japanese Industrial Standards (“**JIS**”), which is regarded as a standard with higher quality control requirements than that produced in many other countries in the world. Since 2020, the Group has developed new products and a wider range of servicing by manufacturing other mechanical parts and components for machineries besides slewing rings to seize the business opportunities and cater the need of our customers. The machineries and mechanical parts supplied by the leading suppliers in Japan were fit for the Group’s sourcing needs with specifications not commonly supplied by other market suppliers.

Our principal subsidiaries include Best Linking Limited (“**Best Linking**”), Wing Fung Machinery Company Limited (“**Wing Fung**”) and Kyoei Seiki Co., Limited (“**Kyoei Seiki**”). The Company is an exempted company incorporated in the Cayman Islands with limited liability on 26 October 2018.

During the reporting period, the Company’s principal place of business in Hong Kong has been changed from Unit 1226B, 12/F, Star House, No. 3 Salisbury Road Kowloon, Hong Kong to Unit 1119, 11/F, The Metropolis Tower, No. 10 Metropolis Drive Kowloon, Hong Kong.

HISTORY AND BUSINESS

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

概覽

永聯豐集團控股有限公司（「**本公司**」）連同其附屬公司（「**本集團**」）為中國領先優質迴轉支承製造商。我們亦提供機械零部件以及主要用於建築地盤及採礦場的機械之全面產品線。年內，本公司已成功由香港聯合交易所有限公司（「**聯交所**」）GEM轉往主板上市（「**轉板上**市」）。股份在GEM（GEM股份代號：8617）之最後交易日為二零二三年九月二十八日，而股份已於二零二三年九月二十九日開始在主板（主板股份代號：9882）進行買賣。

我們製造的迴轉支承符合日本工業標準（「**日本工業標準**」），該標準被視為行業標桿，對生產迴轉支承的品質監控要求較世界很多其他國家更為嚴格。自二零二零年起，本集團開發新產品和提供更廣泛的服務，除迴轉支承外，亦製造機械的其他機件及部件以把握商機，滿足客戶的需求。日本頂尖供應商提供的機械及機械部件符合本集團採購所需，市場上鮮有其他供應商提供有關規格的機械及部件。

我們的主要附屬公司包括永聯豐有限公司（「**永聯豐**」）、榮豐機械有限公司（「**榮豐**」）及東莞共榮精密機械有限公司（「**共榮精密機械**」）。本公司為一間於二零一八年十月二十六日在開曼群島註冊成立的獲豁免有限公司。

於報告期間，本公司於香港的主要營業地點由香港九龍梳士巴利道3號星光行12樓1226B室更改為香港九龍都會道10號都會大廈11樓1119室。

歷史及業務

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

About Us 關於我們

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

We position ourselves as a premium manufacturer of slewing rings targeting both local and overseas markets including Singapore, the Philippines, Malaysia, Japan and other Asian countries/locations. Since the commencement of our business in 2007, we accumulated in-depth industry experience and know-how for the production of slewing rings catering to different industries for both local and overseas markets, especially under original design manufacturer (“**ODM**”) basis. We also began producing our own brand products under original brand manufacturing (“**OBM**”) basis since 2011, including “**KYOEI**”, “**NISSHO SEIKO**” and “**JSG**”.

With our increased capacity in production following our GEM Listing, since 2020, we commenced manufacturing of mechanical parts and components for our customers. These mechanical parts and components are manufactured under ODM basis complementing the slewing rings we produced.

As our business continued to grow steadily with continuous successes in global sales and further reinforcement of the Group’s brand recognition and awareness following the Listing and Transfer of Listing, the Group is positioned as one of the fastest growing “comprehensive products” providers in the field of slewing rings, machineries and other mechanical parts and components. In 2021, the Group started to sell slewing rings and to source machineries to a nominated supplier of a theme park and resort in Hong Kong and a nominated supplier of the Hong Kong International Airport Three Runway System Project, respectively. The Group will continue its effort to promote its brand as well as providing high-quality products to seize more business opportunities in various regions.

隨著我們的業務持續增長，自業務開展以來，我們已大幅擴展客戶基礎。我們的產品質量令人矚目，一間當時於新加坡交易所上市的公司（主要從事重型機械及柴油發動機零件買賣及為日本一間領先的機械和零件供應商）成為我們的客戶並自二零一零年起與我們建立業務關係。於二零一一年至二零一五年，三名日本設備製造商亦成為我們的常規原設備製造（「**OEM**」）的客戶。

我們的自我定位為優質迴轉支承製造商，主攻本地及海外市場包括新加坡、菲律賓、馬來西亞、日本及其他亞洲國家／地方。自二零零七年開業以來，我們已就尤其是按原設計製造（「**ODM**」）基準生產迴轉支承方面累積了深入行業經驗及專業知識，可滿足本地及海外市場不同產業的需求。我們從二零一一年亦開始根據原品牌製造（「**OBM**」）基準生產自家產品，包括「**KYOEI**」、「**NISSHO SEIKO**」及「**JSG**」。

隨著我們於GEM上市後產能的增加，自二零二零年起，我們開始為客戶製造機械零部件。該等機械零部件按ODM基準生產輔助我們生產的迴轉支承。

鑒於我們的業務持續穩定增長，在全球取得持續的銷售佳績，並於上市及轉板上市後進一步加強本集團的品牌知名度和關注度，本集團定位為最快速增長的迴轉支承、機械及其他機械零部件的「全方位產品」供應商之一。於二零二一年，本集團開始分別向香港一個主題公園及度假村的獲提名供應商及香港國際機場三跑道系統項目的獲提名供應商出售迴轉支承及採購機械。本集團會繼續努力，推廣旗下品牌，同時提供上乘產品，搶佔各地更多商機。

Chairman's Statement 主席報告

TO SHAREHOLDERS

Dear Shareholders,

On behalf of the board of directors (the **"Board"**) of Best Linking Group Holdings Limited and its subsidiaries (the **"Group"**), I am pleased to present the annual report of the Group for the year ended 31 December 2023.

RESULTS AND DIVIDEND

The Board of the Company has resolved to announce the annual consolidated results for the financial year ended 31 December 2023 on 19 March 2024. The total revenue for the financial year ended 31 December 2023 has achieved a record high, amounted to approximately HK\$143.8 million (2022: HK\$127.7 million), representing an increase of approximately 12.6% compared to the last financial year. The net profit for the year attributable to equity holders of the Company stood at approximately HK\$22.0 million, and excluding the non-recurring transfer listing related expenses of approximately HK\$12.4 million, being charged to the consolidated statement of comprehensive income during 2023, the profit attributable to equity holders of the Company would have been approximately HK\$34.4 million (net profit in 2022: HK\$34.9 million, and excluding the non-recurring Transfer of Listing and its related expenses of approximately HK\$3.9 million, being charged to the consolidated statement of comprehensive income during 2022, the profit attributable to equity holders of the Company would have been approximately HK\$38.8 million). Basic and diluted earnings per share were approximately HK5.5 cents (2022: HK8.7 cents) respectively.

As shown in the Group's result for the financial year ended 31 December 2023, the Group continued to achieve excellent results in its revenue and profit for the year attributable to the owners of the Company. The Board recommends the payment of a final dividend of HK4.0 cents per share, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

主席報告

各位股東：

本人謹代表永聯豐集團控股有限公司董事會（「**董事會**」）及其附屬公司（「**本集團**」）欣然呈報本集團截至二零二三年十二月三十一日止年度之年報。

業績及股息

於二零二四年三月十九日，本公司董事會議決宣佈截至二零二三年十二月三十一日止財政年度之全年綜合業績。截至二零二三年十二月三十一日止財政年度總收益創新高，達約143.8百萬港元（二零二二年：127.7百萬港元），相比上個財政年度，增加約12.6%。本公司權益持有人應佔年內淨溢利約22.0百萬港元，扣除有關轉板上市的非經常性開支約12.4百萬港元（該筆款項於二零二三年之綜合全面收益表內扣除）、本公司權益持有人應佔溢利約34.4百萬港元（二零二二年淨溢利：34.9百萬港元）及扣除轉板上市的非經常性開支及其相關開支約3.9百萬港元（該款項於二零二二年之綜合全面收益表內扣除），及本公司權益持有人應佔溢利約38.8百萬港元。每股基本及攤薄盈利為約5.5港仙（二零二二年：8.7港仙）。

如本集團截至二零二三年十二月三十一日止財政年度的業績所示，本集團持續於其收益及本公司擁有人應佔年內溢利方面，取得驕人業績。董事會建議派付末期股息每股4.0港仙，惟須待股東於本公司的應屆股東週年大會上批准。

Chairman's Statement

主席報告

OUTLOOK

2023 has been a transformative year of the Group. Despite the adverse market condition, because of the broadened product based offered by the Group, the Group achieved a growth in its business. On 29 September 2023, the Company has been successfully transferred its listing from GEM to the Main Board of The Stock Exchange of Hong Kong Limited. This remarkable success facilitated our Group in raising public awareness and profile as well as our recognition from existing and new customers. The Group has achieved business growth and expanded sources of income since the GEM Listing. The Directors consider that the Main Board generally enjoys a premium status and recognition by public investors and customers and that the Transfer of Listing will further promote the Group's corporate profile and position in the industry.

The Group's competitive advantages as a comprehensive products provider has been even more accentuated amid the coronavirus (COVID-19) pandemic (the "COVID"), with the surging demand for the sourcing of other slewing rings, machineries, mechanical parts and components for its customers. With the Government's latest resumption of normalcy measures and the uplift of the COVID related restrictive measures, the market has emerged stronger and healthier after a swift recovery from the public health crisis.

Benefitting from the expanding manufacturing sector in the PRC, in addition to slewing rings, we expanded our capability to include manufacturing of mechanical parts and components such as sprocket, track shoes and rollers, which are commonly sought by our customers alongside our slewing rings, on ODM basis. We also source other mechanical parts and components for our customers. Further, as a supplier of slewing rings under OEM basis to leading suppliers in Japan for over 10 years, we are in a position to source excavators and other heavy duty machineries directly. We further extend our heavy duty machineries offering on other types of machineries such as pile drivers, wheel loaders and trucks.

前景

二零二三年為本集團變革性的一年。儘管市況不利，但由於本集團供應更加豐富的產品，本集團藉此實現業務增長。於二零二三年九月二十九日，本公司已成功由香港聯合交易所有限公司GEM轉往主板上市。該卓越成就有利於提高公眾對本集團的認知及形象以及現有和新客戶的認可。本集團自GEM上市以來已取得業務增長且擴大了收入來源。董事認為主板通常享有較高地位，深得公眾投資者及客戶認可且轉板上市將進一步提升本集團的企業形象和行業地位。

在新冠 (COVID-19) 疫情 (「COVID」) 下，本集團作為全方位產品供應商的競爭優勢更顯突出，為客戶採購其他迴轉支承、機械、機械零部件的需求亦急劇增加。隨著政府最近出台恢復常態化的措施及解除COVID相關限制性措施，市場從公共衛生危機中迅速復甦後表現得更強勁穩健。

受益於中國不斷擴大的製造業，除迴轉支承外，我們能夠擴大我們的能力，包括按ODM基準製造機械零部件，如鏈輪、履帶鞋和滾輪，這些都是我們的客戶普遍在採購我們的迴轉支承時一併採購的。我們亦為我們的客戶採購其他機械零部件。此外，作為按OEM基準向日本領先供應商供應迴轉支承逾10年的供應商，我們能夠直接採購挖掘機及其他重型機械。我們進一步將重型機械品類擴展至其他類型的機械，如打樁機、輪式卸載機及卡車。

Chairman's Statement

主席報告

The Group is positioned as one of the fastest growing comprehensive products providers in the field. Despite there remain many uncertainties in the global economy including high interest rate, slow down of development in China, the upcoming U.S. Presidential election in November, the Directors do anticipate that the Group's sourcing business will continue to grow. With a proven track record and strong foothold in the industry, the Group will remain cautious and endeavor to maintain a steady growth in its sourcing business and continue to broaden its business scope to maximize the return for the Company's shareholders in the present challenging environment. In the foreseeable future, the Group intends to expand its products coverage in sourcing to include minerals and related products to enhance revenue and profitability.

Furthermore, we will continue to enhance the factory automation to alleviate the impact of continuing increase in labor costs and overheads in the PRC. We will also continue to enhance our brand recognition and awareness, strengthen our production team and promote our corporate reputation, as a result, the group wishes to seize and capture more business opportunities and synergies in broadening its business scope to cope with the broadening of its business base.

APPRECIATION

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

Chan Yuk Pan

Chairman and Chief Executive Officer

Hong Kong, 19 March 2024

本集團被定位為該領域發展最快的全方位產品供應商。儘管全球經濟仍存在許多不確定因素，當中包括高利率、中國發展放緩、即將於十一月舉行的美國總統大選，惟董事預期本集團的採購業務將持續增長。憑藉業內佳績與穩固地位，本集團將抱持謹慎態度，於目前荊棘滿途的勢態下致力維持採購業務穩定增長，同時繼續拓展業務領域，為本公司股東帶來最大回報。於可預見未來，本集團擬擴大其產品採購範圍，以涵蓋礦物及相關產品，從而增加收益以及提升盈利能力。

此外，我們將繼續提升廠房自動化，以紓緩中國勞工成本及間接成本不斷上漲的影響。我們亦將繼續增加品牌認可及知名度，加強生產團隊及提高企業聲譽，因此，本集團希望搶佔及把握更多商機及協同效應，拓寬業務範圍，以應對其日益擴大的業務基礎。

致謝

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

主席兼行政總裁

陳煜彬

香港，二零二四年三月十九日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is a leading premium slewing ring manufacturer in the PRC. We are also a comprehensive products provider for mechanical parts and components and machineries which are used mainly in construction and mining sites. During the year, the Company has been successfully transferred its listing from GEM to the Main Board of The Stock Exchange of Hong Kong Limited (the “**Transfer of Listing**”). The last day of dealings in the Shares on GEM (stock code on GEM: 8617) was on 28 September 2023 while dealings in the Shares on the Main Board (stock code on the Main Board: 9882) commenced on 29 September 2023.

We manufacture slewing rings that conform to the Japanese Industrial Standards (“**JIS**”), which is regarded as a standard with higher quality control requirements than that produced in many other countries in the world. Since 2020, the Group has developed new products and a wider range of servicing by manufacturing other mechanical parts and components for machineries besides slewing rings to seize the business opportunities and cater the need of our customers. The machineries and mechanical parts supplied by the leading suppliers in Japan were fit for the Group’s sourcing needs and with specifications not commonly supplied by other market suppliers.

The Group’s competitive advantages as a comprehensive products provider has been even more accentuated amid the coronavirus (COVID-19) pandemic (the “**COVID**”), with the surging demand for the sourcing of other slewing rings, machineries, mechanical parts and components for its customers. With the Government’s latest resumption of normalcy measures and the uplift of the COVID related restrictive measures, the market has emerged stronger and healthier after a swift recovery from the public health crisis.

Benefitting from the expanding manufacturing sector in the PRC, in addition to slewing rings, we expanded our capability to include manufacturing of mechanical parts and components such as sprocket, track shoes and rollers, which are commonly sought by our customers alongside our slewing rings, on ODM basis. We also source other mechanical parts and components for our customers. Further, as a supplier of slewing rings under OEM basis to leading suppliers in Japan for over 10 years, we are in a position to source excavators and other heavy duty machineries directly. We further extend our heavy duty machineries offering on other types of machineries such as pile drivers, wheel loaders and trucks.

Transfer of Listing

On 30 March 2023, an application was made by the Company to the Stock Exchange for the listing of and permission to deal in the Shares on the Main Board by way of the Transfer of Listing pursuant to Chapter 9A of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and such application was successful. The last day of dealings in the Shares on GEM (stock code on GEM: 8617) was on 28 September 2023 while dealings in the Shares on the Main Board (stock code on the Main Board: 9882) commenced on 29 September 2023.

業務回顧

本集團為中國領先優質迴轉支承製造商。我們亦為機械零部件以及主要用於建築地盤及採礦場的機械的全方位產品供應商。年內，本公司已成功由香港聯合交易所有限公司GEM轉往主板上市（「**轉板上市**」）。股份在GEM（GEM股份代號：8617）之最後交易日為二零二三年九月二十八日，而股份已於二零二三年九月二十九日開始在主板（主板股份代號：9882）進行買賣。

我們製造的迴轉支承符合日本工業標準（「**日本工業標準**」），該標準被視為行業標桿，對生產迴轉支承的品質監控要求較世界很多其他國家更為嚴格。自二零二零年起，本集團開發新產品和提供更廣泛的服務，除迴轉支承外，亦製造機械的其他機械零部件以把握商機，滿足客戶的需求。日本頂尖供應商提供的機械及機械部件符合本集團採購所需，市場上鮮有其他供應商提供有關規格的機械及部件。

在新冠（COVID-19）疫情（「**COVID**」）下，本集團作為全方位產品供應商的競爭優勢更顯突出，為客戶採購其他迴轉支承、機械、機械零部件的需求亦急劇增加。隨著政府最近出台恢復常態化的措施及解除COVID相關限制性措施，市場從公共衛生危機中迅速復甦後表現得更強勁穩健。

受益於中國不斷擴大的製造業，除迴轉支承外，我們能夠擴大我們的能力，包括按ODM基準製造機械零部件，如鏈輪、履帶鞋和滾輪，這些都是我們的客戶普遍在採購我們的迴轉支承時一併採購的。我們亦為我們的客戶採購其他機械零部件。此外，作為按OEM基準向日本領先供應商供應迴轉支承逾10年的供應商，我們能夠直接採購挖掘機及其他重型機械。我們進一步將重型機械品類擴展至其他類型的機械，如打樁機、輪式卸載機及卡車。

轉板上市

於二零二三年三月三十日，本公司根據聯交所證券上市規則（「**上市規則**」）第9A章就批准股份以轉板上市方式在主板上市及買賣向聯交所提出申請且該申請已獲批准。股份在GEM（GEM股份代號：8617）之最後交易日為二零二三年九月二十八日，而股份已於二零二三年九月二十九日開始在主板（主板股份代號：9882）進行買賣。

Management Discussion and Analysis

管理層討論及分析

Slewing rings

The Group manufactures slewing rings for local and overseas customers primarily on original design manufacturing (“ODM”), original equipment manufacturing (“OEM”) and original brand manufacturing (“OBM”) basis. Meanwhile, the Group also sources slewing rings not manufactured by the Group for its customers. The Group’s business leverages on its in-depth market knowledge and know-how accumulated through years of experience since the Group’s inception. The Group is able to produce a diverse range of slewing rings for its customers. The Group can also manufacture slewing rings which have already ceased production.

Our business is primarily focused on manufacturing slewing rings for local and overseas customers on an ODM basis. Our ODM customers include companies in the wholesale and trading of heavy duty machineries and their related parts and components. They then re-sell our products to the end-users in the market. We work out the design as well as all technical specifications from start to finish for our ODM customers, based on their preliminary inputs. The products we sold are usually used to replace worn out slewing rings of existing machineries under usage, or for assembly of new machineries. In the case of slewing rings for replacement purpose, we are able to customise our production process to manufacture slewing rings which have already ceased production to suit old models of machineries. Being in a position to produce slewing rings up to the premium standard under JIS is of significant importance to our ODM customers and this standard is hence applicable to our slewing rings sold to our customers on ODM basis.

In addition, the Group manufactures for some overseas customers on OEM basis. Our OEM customers include leading Japanese manufacturers of various machineries and equipments or their affiliates. Our OEM business involves the manufacture and sale of products based on customers’ specifications and guidelines. In respect of our OEM customers, we are usually provided with technical drawings and we are not required to participate in the design of these products. Our OEM customers normally provide us with all specifications and standards they require and we have to strictly adhere to the standards required during the production process. Slewing rings so produced will be applied by our OEM customers directly on their heavy duty machineries. Most of our OEM customers are Japanese manufacturers or their affiliates, which require us to produce slewing rings in conformity to the JIS.

迴轉支承

本集團主要按原設計製造（「ODM」）、原設備製造（「OEM」）及原品牌製造（「OBM」）基準為本地及海外客戶製造迴轉支承。同時，本集團亦為其客戶採購非本集團製造的迴轉支承。本集團業務以其成立以來長年累積所得的深入市場知識及專業知識作為支持。本集團能夠為其客戶生產不同型號的迴轉支承。本集團亦可生產已經停產的迴轉支承。

我們的業務重心主要為按ODM基準為本地及海外客戶製造迴轉支承。ODM客戶包括從事批發及買賣重型機械及相關零部件的公司，彼等其後將我們的產品轉售予市場的終端用戶。我們根據ODM客戶的初步意見為彼等從頭到尾完成設計以及所有技術規格。我們出售的產品通常用於替換使用中的現有機器的已磨損迴轉支承，或用於組裝新機器。對於用作替換用途的迴轉支承，我們可以定制生產程序製造已經停產的迴轉支承，以適用於舊型號的機器。能夠生產出符合日本工業標準的優質迴轉支承對ODM客戶而言相當重要，因此該標準適用於我們按ODM基準出售予客戶的迴轉支承。

此外，本集團按OEM基準為部分海外客戶製造產品。我們的OEM客戶包括多種機械及設備的日本頂尖製造商或其聯屬公司。我們的OEM業務包括基於客戶的規格及指示製造及銷售產品。就OEM客戶而言，我們通常獲提供技術圖則，毋須參與該等產品的設計。OEM客戶通常向我們提供其所需的全部規格及標準，我們須在生產過程中嚴格遵循所需的標準。以此生產的迴轉支承將直接由我們的OEM客戶應用於其重型機械。我們大多數OEM客戶均為日本製造商或其聯屬公司，彼等要求我們生產符合日本工業標準的迴轉支承。

Management Discussion and Analysis

管理層討論及分析

The Group also derives its revenue from the sales of our proprietary branded products under OBM basis. We sold our OBM products under our own brands to customers located in six locations including the PRC, Hong Kong, Taiwan, Malaysia, the Philippines and Thailand. Our OBM customers are mainly wholesalers or traders. For slewing rings produced under OBM basis, we are in-charge of the product packaging including its design. Similar to our ODM products, the level of our participation in the design of slewing rings so produced depends on whether our OBM customers will provide us with the technical details. The slewing rings sold to our OBM customers commonly adopt a quenching standard of JIS.

The Group sources slewing rings not manufactured by the Group for its customers. These slewing rings are mainly models which we do not manufacture currently as (i) they maybe of lower quality and their production will require different raw materials which we do not have; or (ii) they are of small quantity and not commercially justifiable for us to spend efforts on product development for such small scale productions; or (iii) they are of size which we do not manufacture.

The Group has an international customer base and is able to produce slewing rings which on one hand conform to the JIS, and at the same time meet the requirements of both ODM and OBM customers. Because of the Group's edge over other suppliers, the Group attracted several new ODM customers which contributed to the increasing revenue of both the manufacturing and the sourcing business since 2021. These new customers included a nominated supplier of a theme park and resort in Hong Kong, which the Group sourced slewing rings for and delivered to the theme park as instructed by such nominated supplier and a subsidiary of a then listed company on the Singapore Exchange Limited which has been the Group's customer for over 10 years. Such group was principally engaged in the distribution of heavy machineries and diesel engine parts and has an international customer base. Furthermore, one of our largest customers has enlarged its customer base and increased the demand of our larger size slewing rings which led to the increase in our revenue and profits.

本集團亦在OBM基礎上從專有品牌產品的銷售中獲得收益。我們以自有品牌向位於包括中國、香港、台灣、馬來西亞、菲律賓及泰國等六個地方的客戶銷售我們的OBM產品。我們的OBM客戶主要是批發商或貿易商。對於按OBM基準生產迴轉支承，我們負責產品包裝，包括設計。與ODM產品類似，我們在迴轉支承的設計參與度取決於OBM客戶是否會向我們提供技術細節。出售予OBM客戶的迴轉支承一般採用日本工業標準的淬火標準。

本集團為顧客採購並非由本集團生產的迴轉支承。該等迴轉支承主要是我們目前不生產的型號，原因為(i)其可能品質較低，將需要不同的原材料來生產，而我們並沒有；或(ii)其數量較少，我們為此類小規模生產費力進行產品開發並非商業上合理的做法；或(iii)我們並無生產此尺寸的型號。

本集團具有國際客戶基礎，能夠生產符合日本工業標準又可滿足ODM及OBM客戶要求的迴轉支承。憑著本集團對其他供應商的優勢，本集團吸納數個新ODM客戶，彼等自二零二一年起為製造及採購業務持續貢獻收益。該等新增客戶包括香港一個主題公園及渡假村的獲提名供應商，本集團按該獲提名供應商的指示採購迴轉支承及運送至主題公園，以及一間當時於新加坡證券交易所上市的公司之附屬公司，已是本集團逾十年的現有客戶。該集團主要從事分銷重型機械及柴油機配件，並擁有國際客戶基礎。此外，我們的一名最大客戶已擴大其客戶基礎，並增加對較大尺寸的迴轉支承的需求，以致我們的收益及溢利增加。

Management Discussion and Analysis

管理層討論及分析

Mechanical parts and components

To implement our business strategy to expand our slewing rings business, we have utilised part of the net proceeds from the GEM Listing to acquire a number of new equipments which enabled us to expand our production capability to include manufacturing of mechanical parts and components such as sprocket, track shoes and rollers, which are commonly sought by our customers alongside our slewing rings. These mechanical parts and components are manufactured on ODM basis where our customers require mechanical parts and components to fulfil specific functions and specifications to suit their needs. The manufacturing of these mechanical parts and components requires production techniques and multiple production processes which are similar to the production of slewing rings. Depending on the quantities, our capabilities and availability of machines as well as marketing strategies, we may either fulfil customer's orders by procuring semi-finished parts and components for further manufacturing or sourcing the finished products from the market.

The expansion of our business into the sale of mechanical parts and components is complementary to our principal business of manufacturing and sales of slewing rings. It enables us to offer a comprehensive line of products to our customers which had further strengthened our business relationships with our customers, resulting in recurring purchase orders being placed with us. The mechanical parts and components we sourced were broad in range, including telescopic boom, clamshell, bolts, oil seal kits, etc. We sold over 10 different kinds of mechanical parts and components. Similar to the slewing rings, these mechanical parts and components are consumable parts which require routine replacement over a period of usage.

Machineries

As a supplier of slewing rings under OEM basis to a leading machinery and parts supplier in Japan for over 10 years, we have developed a long term business relationship with this leading Japanese heavy duty machinery brand and are in a position to source excavators and heavy duty machineries directly from its affiliates. We have also developed a long term business relationship with a long established second-hand heavy equipment wholesaler, for over five years. In catering to the needs of our customers, upon receiving their requests, we will source both brand new or used Japanese brand excavators for them for construction and/or mining purposes.

With the expansion of our customer and supplier base alongside our business operations over the years and as a supplier of slewing rings to a number of Japanese brand machinery manufacturers, we received requests from our customers from time to time when they were in need of other machineries such as pile drivers, trucks and wheel loaders. Depending on the availability of these products from our suppliers, we may procure these machineries for them on an ad-hoc basis. Our sourcing of machineries is driven by the demand of our customers and is not considered as a general trading business.

機械零部件

為落實擴展迴轉支承業務的業務策略，我們已動用部分來自GEM上市的所得款項淨額，購置多台新的生產設備，使我們能夠擴大我們的產能，包括製造機械零部件，如鏈輪、履帶鞋和滾輪，這些都是我們的客戶普遍在採購我們的迴轉支承時一併採購的。此等機械零部件按ODM基準製造，而我們的客戶要求機械零部件達到特定的功能及規格，以符合彼等需要。製造該等機械零部件需要與我們生產迴轉支承相似的生產技術及多種生產工藝。視乎數量、我們的能力和機器的可用性以及營銷策略，我們可能通過採購半成品零部件用於進一步製造或從市場採購成品來滿足客戶的訂單。

我們將業務擴展至銷售機械零部件與我們製造及銷售迴轉支承的主要業務相輔相成。我們可藉此向我們的客戶提供全面的產品線，從而進一步加強我們與客戶的業務關係，由此向我們下達經常性採購訂單。我們採購的機械零部件範圍廣泛，包括伸縮臂、蛤殼狀挖泥器、螺栓及油封套件等。我們銷售了超過10種不同機械零部件。與迴轉支承類似，此等機械零部件是消耗品，使用一段時間後需要定期更換。

機械

我們成為日本領先的機械和零件（按ODM基準）供應商已逾10年，與該日本領先的重型機械品牌已建立長期的業務關係，並且能夠直接向其聯屬公司採購挖掘機及重型機械。我們亦與歷史悠久的二手重型設備批發商發展長期業務關係已逾5年。為滿足客戶的需求，我們在收到客戶要求後，將為客戶採購全新或二手日本品牌挖掘機以供建築及／或採礦用途。

多年來，我們的客戶及供應商基礎隨著業務營運而擴大，而且作為多個日本品牌機械製造商的迴轉支承供應商，我們不時接獲客戶在需要其他機械（如打樁機、卡車及輪式裝載機）時提出的要求。視乎我們的供應商對該等產品的供應情況，我們可能按特定情況為彼等採購該等機械。我們的機器採購受客戶需求影響並不被視為一般貿易業務。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

REVENUE

The Group achieved remarkable performance in 2023. The revenue reached a new high of HK\$143.8 million. The Group's revenue increased by 12.6% to HK\$143.8 million for the year ended 31 December 2023 (the "Reporting Period"), as compared to HK\$127.7 million for the year ended 31 December 2022 ("FY2022"). Among our products, machineries recorded the most notable growth, while slewing rings and mechanical parts and components remained stable with a slight decline. The Group will continue its effort to promote its brand as well as providing high quality products and seize more business opportunities in various regions.

The following table sets forth the breakdown of quantities of products sold under different segments for the years ended 31 December 2022 and 2023:

財務回顧

收益

本集團於二零二三年取得驕人業績。收益創下143.8百萬港元新高。本集團收益增加12.6%至截至二零二三年十二月三十一日止年度（「報告期間」）的143.8百萬港元，而截至二零二二年十二月三十一日止年度（「二零二二財政年度」）則為127.7百萬港元。在我們的產品中，機械錄得最為顯著增長，而迴轉支承及機械零部件則保持穩定，輕微下跌。本集團會繼續努力，推廣旗下品牌，同時提供上乘產品，搶佔各地更多商機。

下表列載截至二零二二年及二零二三年十二月三十一日止年度不同分部產品的銷量明細：

		For the year ended 31 December 截至十二月三十一日止年度					
		2023 二零二三年		2022 二零二二年		+ / (-)	
		Sets 套	(%) (%)	Sets 套	(%) (%)	Sets 套	(%) (%)
Quantities sold	已售數量						
Slewing rings	迴轉支承						
— ODM	— ODM	4,043	9.3	3,813	3.0	230	6.0
— OEM	— OEM	86	0.2	112	0.1	(26)	(23.2)
— OBM	— OBM	147	0.3	85	0.1	62	72.9
— Others	— 其他	4,816	11.1	2,808	2.2	2,008	71.5
		9,092	20.9	6,818	5.4	2,274	33.4
Mechanical parts and components	機械零部件						
— ODM	— ODM	5,417	12.5	109,767	87.2	(104,350)	(95.1)
— Others	— 其他	28,768	66.4	9,291	7.4	19,477	209.6
		34,185	78.9	119,058	94.5	(84,873)	(71.3)
Machineries	機械						
— Machineries	— 機械	69	0.2	50	0.0	19	38.0
		69	0.2	50	0.0	19	38.0
Total	總計	43,346	100.0	125,926	100.0	(82,580)	(65.6)

Management Discussion and Analysis

管理層討論及分析

The following table sets forth the breakdown of our revenue by product segments for the years ended 31 December 2022 and 2023:

下表列載截至二零二二年及二零二三年十二月三十一日止年度按產品分部劃分的收益明細：

		For the year ended 31 December 截至十二月三十一日止年度					
		2023 二零二三年		2022 二零二二年		+ / (-)	
		HK\$'000 千港元	(%) (%)	HK\$'000 千港元	(%) (%)	HK\$'000 千港元	(%) (%)
Revenue	收益						
Slewing rings	迴轉支承						
— ODM	— ODM	56,718	39.5	56,759	44.4	(41)	(0.1)
— OEM	— OEM	276	0.2	362	0.3	(86)	(23.8)
— OBM	— OBM	2,325	1.6	996	0.8	1,329	133.4
— Others	— 其他支承	10,983	7.6	17,227	13.5	(6,244)	(36.2)
		70,302	48.9	75,344	59.0	(5,042)	(6.7)
Mechanical parts and components	機械零部件						
— ODM	— ODM	6,641	4.6	8,950	7.0	(2,309)	(25.8)
— Others	— 其他	16,972	11.8	16,116	12.6	856	5.3
		23,613	16.4	25,066	19.6	(1,453)	(5.8)
Machineries	機械						
— Machineries	— 機械	49,864	34.7	27,320	21.4	22,544	82.5
		49,864	34.7	27,320	21.4	22,544	82.5
Total	總計	143,779	100.0	127,730	100	16,049	12.6

Management Discussion and Analysis

管理層討論及分析

Slewing rings

The Group manufactures slewing rings for local and overseas customers primarily on ODM, OEM and OBM basis, and sources slewing rings not manufactured by the Group for its customers. Revenue from slewing rings decreased by approximately HK\$5.0 million from HK\$75.3 million to HK\$70.3 million for the year ended 31 December 2023, as compared to the year ended 31 December 2022, representing a decrease of 6.7%.

The slight decrease in the sales of slewing rings was mainly attributed to the decrease in the sourcing business, by approximately HK\$6.2 million, net off by the increase in OBM business, of approximately HK\$1.3 million. We have an international customer base and are able to produce slewing rings which are JIS-compliant and can at the same time meet the requirements of both OBM and ODM customers. Because of our competitive edge, the Group attracted several new OBM and ODM customers. The total revenue of our OBM business amounted to approximately HK\$2.3 million and HK\$1.0 million for the Reporting Period and FY2022, respectively. The increase in OBM business was mainly attributed to a new wholesale customer in Hong Kong which we secured in 2022 and the sales to this customer increased by approximately HK\$0.8 million during the Reporting Period. Under the brand name series of "NISSHO SEIKO", the revenue increased to HK\$1.1 million during the Reporting Period. The ODM business remained stable, with revenue amounted to HK\$56.7 million and HK\$56.8 million for the Reporting Period and FY2022, respectively. In our ODM business, we recorded an increase of quantity by 230 units. We have a total of 23 and 25 ODM customers for the Reporting Period and FY2022, respectively. There were seven new ODM customers which contributed approximately HK\$4.8 million to the revenue during the Reporting Period.

Meanwhile, as a comprehensive products provider, customers have approached us and used our sourcing service. These customers included a nominated supplier of a theme park and resort in Hong Kong. We sourced the slewing rings and delivered to the theme park as instructed by such nominated supplier. The revenue generated through the slewing rings that we sourced for our customers decreased by approximately HK\$6.2 million, or 36.2%, from approximately HK\$17.2 million for FY2022 to approximately HK\$11.0 million for the Reporting Period, which was mainly due to the switch from sourcing slewing rings from us to directly ordering slewing rings manufactured by us, as our self manufactured slewing rings was of a very high quality.

The sale of slewing rings manufactured by us accounted for approximately 48.9% and 59.0% in our total revenue for the Reporting Period and FY2022, respectively, and approximately 65.2% and 69.1% of the Group's total gross profit for the Reporting Period and FY2022, respectively.

迴轉支承

本集團主要按ODM、OEM及OBM基準為本地及海外客戶製造迴轉支承及為客戶採購並非由本集團生產的迴轉支承。與截至二零二二年十二月三十一日止年度相比，於截至二零二三年十二月三十一日止年度，迴轉支承的收益由75.3百萬港元減少約5.0百萬港元至70.3百萬港元，減幅為6.7%。

迴轉支承的銷售額略微減少，主要歸因於採購業務減少約6.2百萬港元，被OBM業務增加約1.3百萬港元抵銷。我們具有國際客戶基礎，能夠生產符合日本工業標準同時可滿足OBM及ODM客戶要求的迴轉支承。憑著我們的競爭優勢，本集團已吸納數個新OBM及ODM客戶。於報告期間及二零二二財政年度，我們的OBM業務總收益分別約為2.3百萬港元及1.0百萬港元。OBM業務增加，主要歸因於在二零二二年在香港獲得的一名新批發客戶，而向該客戶的銷售於報告期間增加約0.8百萬港元。我們的品牌系列「NISSHO SEIKO」於報告期間的收益增加至1.1百萬港元。ODM業務保持穩定，於報告期間及二零二二財政年度的收益分別為56.7百萬港元及56.8百萬港元。於我們的ODM業務中，我們錄得數量增加230套。我們於報告期間及二零二二財政年度的ODM客戶總數分別為23名及25名。於報告期間，新增七名ODM客戶，貢獻收益約4.8百萬港元。

同時，作為全方位產品供應商，客戶接觸我們及使用我們的採購服務。該等客戶包括香港一個主題公園及度假村的獲提名供應商。我們按該獲提名供應商的指示採購迴轉支承及運送至主題公園。我們為客戶採購的迴轉支承產生的收益由二零二二財政年度的約17.2百萬港元減少約6.2百萬港元或36.2%至報告期間的約11.0百萬港元，主要是由於我們的自產迴轉支承品質高，使得自我們採購迴轉支承轉為直接訂購我們生產的迴轉支承。

我們自產迴轉支承的銷售額佔報告期間及二零二二財政年度我們總收益分別約48.9%及59.0%，以及分別佔本集團於報告期間及二零二二財政年度毛利總額分別65.2%及69.1%。

Management Discussion and Analysis

管理層討論及分析

Mechanical parts and components

The Group manufactures and sources mechanical parts and components for customers. Such machineries and mechanical parts and components included but not limited to excavators and undercarriage parts such as track chains, rollers and track shoes. It complements the main line of our business which enables our customers to enjoy a comprehensive line of products. Revenue from the mechanical parts and components slightly decreased by approximately 5.8% year- on-year or HK\$1.5 million, from HK\$25.1 million for FY2022 to HK\$23.6 million for the Reporting Period.

The revenue of mechanical parts and components on ODM basis amounted to approximately HK\$6.6 million and HK\$8.9 million for the Reporting Period and FY2022, respectively. The slight decrease in revenue of ODM mechanical parts was mainly attributable to the customers in the Philippines, when they switch from purchasing ODM mechanical parts manufactured by us to mechanical parts sourced by us. Based on such reason, there was a slight increase in revenue of sourcing mechanical parts and components, amounted to approximately HK\$17.0 million and HK\$16.1 million for the Reporting period and FY2022, respectively. The newly developed and sourced products had enabled the Group to broaden the scope of its business with existing customers as well as the finding of new customers.

The mechanical parts and components accounted for approximately 16.4% and 19.6% in the total revenue of the Group for the Reporting Period and FY2022, respectively, and amounting to approximately 12.8% and 17.5% of the Group's total gross profit for the Reporting Period and FY2022, respectively.

Machineries

We source heavy duty machineries, which are mainly excavators, for our customers. Our revenue from such sales amounted to approximately HK\$49.9 million and HK\$27.3 million for the Reporting Period and FY2022, representing approximately 34.7% and 21.4% of the revenue of machineries, respectively. The revenue generated from the sales of other machineries that we sourced such as pile drivers, trucks and wheel loaders amounted to approximately HK\$4.9 million, HK\$0.4 million and HK\$0.3 million for the Reporting Period, representing approximately 9.8%, 0.8% and 0.6% of the revenue of machineries, respectively.

The sales of machineries that we sourced for our customers increased by approximately HK\$22.6 million, or 82.5%, from approximately HK\$27.3 million for FY2022 to approximately HK\$49.9 million for the Reporting Period which was mainly due to the increase in sales of other machineries that we sourced. During 2023, we were able to secure a sales order of four articulated haulers which bear a high sale price per unit from a new Hong Kong customer, which is a construction contractor. Such sales amounted to approximately HK\$4.4 million. Overall, the sales of machineries to the contractors in Hong Kong increased from HK\$17.6 million to HK\$22.3 million. In addition, the sales to wholesalers and manufacturers in the Philippines increased by HK\$5.0 million to HK\$18.7 million during the Reporting Period.

機械零部件

本集團為客戶生產及採購機械零部件。該等機械及機械零部件包括但不限於挖掘機及底盤部件，如履帶鏈、滾軸及履帶板。其輔助主要業務分支，讓客戶可享有全面的產品線。機械零部件的收益由二零二二財政年度的25.1百萬港元同比略微減少約5.8%或1.5百萬港元至報告期間的23.6百萬港元。

按ODM基準的機械零部件收益於報告期間及二零二二財政年度分別約為6.6百萬港元及8.9百萬港元。ODM機械部件收益略有下降主要是由於菲律賓客戶從採購我們自產的ODM機械部件轉向我們採購的機械部件。基於上述原因，採購機械零部件的收益略有增加，於報告期間及二零二二財政年度分別約17.0百萬港元及16.1百萬港元。新開發及採購的產品使本集團擴闊與現有客戶進行的業務範疇，以及物色新客戶。

機械零部件分別佔報告期間及二零二二財政年度本集團總收益約16.4%及19.6%以及分別佔本集團報告期間及二零二二財政年度毛利總額約12.8%及17.5%。

機械

我們為客戶採購重型機械，主要為挖掘機。於報告期間及二零二二財政年度，來自該等銷售的收益分別約為49.9百萬港元及27.3百萬港元，分別佔機械收益的約34.7%及21.4%。於報告期間，來自銷售我們所採購的其他機械（如打樁機、卡車及輪式裝載機）的收益約為4.9百萬港元、0.4百萬港元及0.3百萬港元，分別佔機械收益的約9.8%、0.8%及0.6%。

我們為客戶採購的機械的銷售額由二零二二財政年度的約27.3百萬港元增加約22.6百萬港元或82.5%至報告期間的約49.9百萬港元，主要由於我們採購的其他機械的銷售額增加。於二零二三年，我們從一家香港新客戶（為建築承包商）處獲得一份四輪鉸接式運輸車的銷售訂單，該等運輸車的單位售價通常較高。有關銷售額達約4.4百萬港元。總體而言，對香港承包商的機械銷售額由17.6百萬港元增加至22.3百萬港元。此外，對菲律賓批發商及製造商的銷售額增加5.0百萬港元至報告期間的18.7百萬港元。

Management Discussion and Analysis

管理層討論及分析

Geographical location

The following table sets forth a breakdown of our revenue by geographical location of our customers for the Reporting Period and FY2022:

地理位置

下表列載報告期間及二零二二財政年度按客戶地理位置劃分的收益明細：

		For the year ended 31 December 截至十二月三十一日止年度					
		2023 二零二三年		2022 二零二二年		+ / (-)	
		HK\$'000 千港元	(%) (%)	HK\$'000 千港元	(%) (%)	HK\$'000 千港元	(%) (%)
Singapore	新加坡	44,043	30.6	51,216	40.1	(7,173)	(14.0)
The Philippines	菲律賓	33,637	23.4	12,806	10.0	20,831	162.7
Hong Kong	香港	32,204	22.4	35,799	28.0	(3,595)	(10.0)
Malaysia	馬來西亞	18,906	13.1	18,676	14.6	230	1.2
Taiwan	台灣	4,326	3.0	912	0.7	3,414	374.3
The PRC	中國	4,261	3.0	1,064	0.8	3,197	300.5
Japan	日本	3,974	2.8	3,030	2.4	944	31.2
Vietnam	越南	1,670	1.2	2,482	2.0	(812)	(32.7)
Canada	加拿大	590	0.4	762	0.6	(172)	(22.6)
Thailand	泰國	137	0.1	-	-	137	100.0
New Zealand	新西蘭	31	0.0	983	0.8	(952)	(96.8)
		143,779	100.0	127,730	100.0	16,049	12.6

Association of Southeast Asian Nations (ASEAN) countries continue to be the key market for the Group, especially the Singaporean, the Filipino and Malaysian markets where the Group has footprints for over 10 years. Singapore, as an international trading centre with well-established networking is experiencing rapid urbanisation and there is a growing demand for smart machinery. Similarly, Malaysia also serves as an entreport in Southeast Asia. Most of the slewing rings and mechanical parts imported into Singapore and Malaysia are eventually re-exported to other regions such as the U.S, Europe, the Middle East, etc. We have built a strong foundation with customers in these countries. At the same time, the traditional demand for natural resources from forestry and mining activities for construction and heavy equipments also benefited our Group. Furthermore, construction machinery production in the Philippines has grown in recent years, along with the country serving as an entreport in re-exporting the slewing rings to other economies.

東南亞國家聯盟（「東盟」）的國家仍然為本集團的主要市場，尤其是新加坡、菲律賓及馬來西亞市場，本集團於該等市場已立足超過十年。新加坡作為一個擁有完善網絡的國際貿易中心，正在經歷快速的城市化進程，對智能機械的需求與日俱增。同樣，馬來西亞亦為東南亞的轉口港。新加坡及馬來西亞進口的大部分迴轉支承及機械部件最終轉口至美國、歐洲、中東等其他地區。我們已與該等國家的客戶建立穩固基礎。同時，建築及重型設備對來自林業及採礦活動的天然資源的傳統需求亦有利於本集團。此外，菲律賓的建築機械生產近年來有所增長，此外，菲律賓為向其他經濟體轉口迴轉支承的轉口港。

Management Discussion and Analysis

管理層討論及分析

Revenue generated from these three major countries in ASEAN markets increased from approximately HK\$82.7 million for FY2022 by approximately 16.8% or HK\$13.9 million to HK\$96.6 million for the Reporting Period. Revenue generated from the Filipino market increased from approximately HK\$12.8 million for FY2022 by approximately 162.7% or HK\$20.8 million to HK\$33.6 million for the Reporting Period. The revenue generated from the Malaysian market increased from HK\$18.7 million for FY2022 by approximately 1.2% or HK\$0.2 million to HK\$18.9 million for the Reporting Period. It was net off by the revenue generated from the Singaporean market which decreased from approximately HK\$51.2 million for FY2022 by approximately 14.0% or HK\$7.2 million to HK\$44.0 million for the Reporting Period.

Revenue generated from the Filipino market increased from approximately HK\$12.8 million for FY2022 to approximately HK\$33.6 million for the Reporting Period, which was mainly attributable to the increase in sales to two of our top 10 customers of approximately HK\$24.0 million in aggregate, mainly due to (i) the increase in sales of mechanical parts and components we sourced of approximately HK\$6.0 million as we expanded our product types sold as compared to that for FY2022 and (ii) the increase in sales of machineries of approximately HK\$18.0 million as we sourced which included but not limited to three fuel tanker trailers and other heavy machineries like bulldozer and tractor for the Reporting Period.

Singaporean market has been the Group's largest market for a while, three customers out of our top 10 customers are located in Singapore. They are mostly traders and wholesalers, when most of our slewing rings were onward sold to other countries such as the United States and the Netherlands through these customers. During the Reporting Period, contribution by these three major customers in Singapore decreased by approximately HK\$3.5 million, or 7.4%, from approximately HK\$47.0 million for FY2022 to approximately HK\$43.5 million for the Reporting Period. Another reason for the decrease in sales of ODM slewing rings was due to the absence of sales in Reporting Period from a customer as compared to sales of approximately HK\$4.2 million in FY2022.

來自東盟三個主要國家的收益由二零二二財政年度的約82.7百萬港元增加約16.8%或13.9百萬港元至報告期間的96.6百萬港元。來自菲律賓市場的收益由二零二二財政年度的約12.8百萬港元增加約162.7%或20.8百萬港元至報告期間的33.6百萬港元。來自馬來西亞市場的收入由二零二二財政年度的約18.7百萬港元增加約1.2%或0.2百萬港元至報告期間的18.9百萬港元。被來自新加坡市場的收入抵銷，該收益由二零二二財政年度的約51.2百萬港元減少約14.0%或7.2百萬港元至報告期間的44.0百萬港元。

來自菲律賓市場的收入由二零二二財政年度的約12.8百萬港元增加至報告期間的約33.6百萬港元，這主要歸因於對我們前十大客戶中的兩名客戶的銷售額增加，總計約24.0百萬港元，主要由於(i)與二零二二財政年度相比，隨著我們擴大銷售產品的類型，我們採購的機械零部件的銷售額增加約6.0百萬港元及(ii)報告期間，我們採購的機械銷售額增加約18.0百萬港元，包括但不限於三輛油罐拖車以及推土機及拖拉機等其他重型機械。

新加坡市場一度為本集團的最大市場，前10大客戶中有3家位於新加坡。其大多數為貿易商及批發商，而我們的大部分迴轉支承均透過該等客戶繼續售往美國及荷蘭等其他國家。於報告期間，新加坡的該三家主要客戶的貢獻由二零二二財政年度的約47.0百萬港元減少約3.5百萬港元或7.4%至報告期間的約43.5百萬港元。ODM迴轉支承銷售下降的另一個原因是，與二零二二財政年度約4.2百萬港元的銷售額相比，於報告期間並無來自客戶的銷售額。

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To meet the needs of diverse business activities of our customers, the Group has devoted a lot of resources to enhance our research and development for new products. The Group's sourcing business in Hong Kong plays an important role in this respect. This strategic adjustment initiative has proven to be beneficial to the Group in maintaining its competitive advantage as a "comprehensive products" provider, which helped to maintain revenue in recent years. Revenue generated from Hong Kong, and other overseas markets in Japan, Taiwan and Vietnam during the year amounted to approximately HK\$32.2 million, HK\$4.0 million, HK\$4.3 million and HK\$1.7 million, respectively. The decrease in revenue in Hong Kong was mainly attributed by the decrease in sales of excavators to a construction contractor of approximately HK\$4.3 million as a result of the decrease in sales, (the number of excavator sold to such customer decreased from 17 to 5) but partially offset by the sales of machineries including articulated hauler of approximately HK\$4.7 million to a new customer which is a construction contractor. On the other hand, the revenue generated from the market in Taiwan increased from approximately HK\$0.9 million for FY2022 by approximately 374.3% or HK\$3.4 million to HK\$4.3 million for the Reporting Period. The increase was mainly due to the increasing demand and sales of our slewing rings from a new customer under ODM basis during the Reporting Period which amounted to approximately HK\$3.9 million.

為滿足客戶各種業務活動的需求，本集團投入大量資源提升研發新產品。本集團於香港的採購業務在此方面發揮重要作用。此戰略調整計劃證明有利本集團保持作為「全方位產品」供應商的競爭優勢，有助於維持近年來的收益水平。本年度，來自香港以及日本、台灣及越南其他海外市場的收入分別約為32.2百萬港元、4.0百萬港元、4.3百萬港元及1.7百萬港元。香港收益減少主要由於銷售額減少（售予該客戶的挖掘機數量由17輛減少至5輛）而導致對一家建築承包商的挖掘機銷售額減少約4.3百萬港元，惟部分被對一名身為建築承包商的新客戶銷售包括銜接式運輸車在內的機械的銷售額約4.7百萬港元抵銷。另一方面，來自台灣市場的收入由二零二二財政年度的約0.9百萬港元增加約374.3%或3.4百萬港元至報告期間的約4.3百萬港元。增幅主要由於報告期間新客戶對我們ODM基準的迴轉支承的需求不斷增加，銷售額達約3.9百萬港元。

COST OF SALES

The following table sets out the breakdown of our costs of sales for the years ended 31 December 2023 and 2022:

銷售成本

下表列載截至二零二三年及二零二二年十二月三十一日止年度的銷售成本明細：

		For the year ended 31 December					
		截至十二月三十一日止年度					
		2023		2022		+ / (-)	
		二零二三年		二零二二年			
		HK\$'000	(%)	HK\$'000	(%)	HK\$'000	(%)
		千港元	(%)	千港元	(%)	千港元	(%)
Cost of sales	銷售成本						
Cost of inventories and consumables	存貨及消耗品成本	71,954	86.7	61,594	88.2	10,360	16.8
Depreciation	折舊	2,076	2.5	1,561	2.2	515	33.0
Overheads	間接成本	2,605	3.1	1,989	2.8	616	31.0
Direct labour costs	直接勞工成本	6,355	7.7	4,662	6.7	1,693	36.3
Total	總計	82,990	100.0	69,806	100.0	13,184	18.9

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管理層討論及分析

The cost of sales primarily consists of costs of inventories and consumables, depreciation on plant and machinery, overheads and direct labour costs relating to its production. The Group's cost of sales increased from approximately HK\$69.8 million for FY2022 by approximately 18.9% or HK\$13.2 million to HK\$83.0 million for the Reporting Period, which was primarily due to the increase in revenue and the need to produce a different product mix during the year.

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group increased from HK\$15.9 million for FY2022 by approximately 95.0% or HK\$15.1 million to approximately HK\$31.0 million for the Reporting Period. Such increase was attributed to an increase in depreciation charges of approximately HK\$1.0 million, an increase in office expense of approximately HK\$0.3 million, an increase in donation fee of approximately HK\$3.0 million, an increase in listing expenses related to the Transfer of Listing of approximately HK\$8.5 million, and a net increase in other administrative expenses of approximately HK\$2.3 million as compared to FY2022. Other administrative expenses mainly represent the provision for auditor's remuneration and the legal and professional fees, which assisted the Group to enhance its corporate governance and compliance aspects.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Profit attributable to equity holders of the Company was approximately HK\$22.0 million for the Reporting Period, as compared to approximately HK\$34.9 million for FY2022. Excluding the non-recurring listing expenses related to the Transfer of Listing of approximately HK\$12.4 million, being charged to the condensed consolidated statement of comprehensive income for the Reporting Period, profit attributable to shareholders of the Company would have been approximately HK\$34.4 million for the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has financed its business with internally generated cash flows and proceeds received from the Listing. As at 31 December 2023, the Group's cash and cash equivalents were HK\$60.0 million, increased by approximately 17.6% or HK\$9.0 million, as compared with HK\$51.0 million as at 31 December 2022. The increase was mainly attributable to the increase in profit and net off by utilisation of the one-off receipt of proceeds from the Listing in 2019 and dividend. Bank deposits and cash were principally denominated in Hong Kong dollars, United States dollars, Japanese Yen and Renminbi. The Group will continue to use the internally generated cash flows and proceeds received from the Listing as a source of funding for future developments.

銷售成本主要包括存貨及消耗品成本、廠房及機械折舊、與生產有關的間接成本及直接勞工成本。本集團的銷售成本由二零二二財政年度的約69.8百萬港元增加約18.9%或13.2百萬港元至報告期間的83.0百萬港元，主要由於年內收益及生產不同的產品組合的需求增加所致。

行政開支

本集團的行政開支由二零二二財政年度的15.9百萬港元增加約95.0%或15.1百萬港元至報告期間的約31.0百萬港元。有關增幅乃歸因於折舊費用增加約1.0百萬港元、辦公室開支增加約0.3百萬港元、捐贈費用增加約3.0百萬港元、有關轉板的上市開支增加約8.5百萬港元，而與二零二二財政年度相比，其他行政開支淨增加約2.3百萬港元。其他行政開支主要指核數師薪酬及法律及專業費用撥備，其協助本集團加強企業管治及合規層面。

本公司股東應佔溢利

於報告期間，本公司權益持有人應佔溢利約為22.0百萬港元，而二零二二財政年度則約為34.9百萬港元。剔除有關轉板上市的非經常性上市開支約12.4百萬港元（該筆款項於報告期間之簡明綜合全面收益表內扣除），於報告期間，本公司股東應佔溢利為約34.4百萬港元。

流動資金及財務資源

本集團以內部產生現金流及從上市收取的所得款項為其業務提供資金。於二零二三年十二月三十一日，本集團的現金及現金等價物為60.0百萬港元，較二零二二年十二月三十一日的51.0百萬港元增加約17.6%或9.0百萬港元。增幅乃主要由於溢利增加所致，被二零一九年動用從上市一次過收取的所得款項及股息抵銷。銀行存款及現金主要以港元、美元、日圓及人民幣計值。本集團將繼續以內部產生現金流及從上市收取的所得款項作為未來發展的資金來源。

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管理層討論及分析

As at 31 December 2023, the Group's total current assets and current liabilities were approximately HK\$140.0 million (as at 31 December 2022: HK\$122.8 million) and HK\$17.0 million (as at 31 December 2022: HK\$5.5 million) respectively, representing a current ratio of 8.2 times (as at 31 December 2022: 22.3 times). As at 31 December 2023, the Group had bank borrowings of approximately HK\$8.1 million (31 December 2022: Nil) and the gearing ratio of the Group was 5.5% (as at 31 December 2022: 0%). The gearing ratio equals total interest bearing bills payables divided by total equity and multiplied by 100%.

CAPITAL STRUCTURE

As at 31 December 2023, the share capital of the Group comprised only ordinary shares. The capital structure of the Group mainly consists of obligations under finance leases and equity attributable to owners of the Group, comprising issued share capital, share premium, retained profits and other reserves.

USE OF NET PROCEEDS FROM THE LISTING

On 15 November 2019, the Company issued a total of 100,000,000 shares by way of Hong Kong public offering and placing at a price of HK\$0.55 per share (the **"Share Offer"**), and successfully listed its shares on GEM of the Stock Exchange. The net proceeds of the Share Offer received by the Company in relation to the Listing after the deduction of underwriting fees and commissions and all related expenses were approximately HK\$28.4 million. Pursuant to the announcement dated 9 September 2020 issued by the Company (the **"Announcement"**), the Board announced and resolved to change the use of the net proceeds as set out in the prospectus. As at the report date, the Directors consider that these proceeds have been applied in accordance with the proposed application set out in the section headed "Future Plans and Proposed Use of Proceeds" in the prospectus of the Company dated 31 October 2019 (the **"Prospectus"**) and as amended in the Announcement.

於二零二三年十二月三十一日，本集團的流動資產及流動負債總額分別約為140.0百萬港元（於二零二二年十二月三十一日：122.8百萬港元）及17.0百萬港元（於二零二二年十二月三十一日：5.5百萬港元），流動比率為8.2倍（於二零二二年十二月三十一日：22.3倍）。於二零二三年十二月三十一日，本集團的銀行借款約8.1百萬港元（於二零二二年十二月三十一日：零），本集團的資產負債比率為5.5%（於二零二二年十二月三十一日：0%）。資產負債比率等於總計息應付票據除以總權益再乘以100%。

資本架構

於二零二三年十二月三十一日，本集團股本僅包括普通股股份。本集團的資本架構主要包括融資租賃項下的責任以及本集團擁有人應佔權益，由已發行股本、股份溢價、保留溢利及其他儲備構成。

上市所得款項淨額用途

於二零一九年十一月十五日，本公司透過香港公開發售及配售方式以每股0.55港元發行合共100,000,000股股份（「**股份發售**」），並成功於聯交所GEM上市。本公司就上市取得的股份發售所得款項淨額約為28.4百萬港元，已扣除包銷費用及佣金以及所有相關開支。根據本公司於二零二零年九月九日發佈的公告（「**該公告**」），董事會宣佈及議決更改招股章程中所列載所得款項用途。於報告日期，董事認為該等所得款項已按照本公司日期為二零一九年十月三十一日的招股章程（「**招股章程**」）「未來計劃及所得款項擬定用途」一節所載及該公告所修訂的計劃應用。

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管理層討論及分析

Details of the revised allocation of the net proceeds, the utilisation of the net proceeds as at 31 December 2023 and the remaining balance of the net proceeds as at 31 December 2023 are set out as follows:

所得款項淨額的經修訂分配、所得款項淨額於二零二三年十二月三十一日的動用情況及所得款項淨額於二零二三年十二月三十一日的餘額詳情載列如下：

Use of Net Proceeds

所得款項淨額用途

		Revised percentage of Net Proceeds	Revised allocation of Net Proceeds	Amount of Net Proceeds utilised between 15 November 2019 and 31 December 2022		Amount of Net Proceeds utilised during the year ended 31 December 2023		Total amount of Net Proceeds utilised up to 31 December 2023	Amount of Net Proceeds remaining as at 31 December 2023	Expected timeline for the intended use
				二零一九年十一月十五日	至二零二二年十二月三十一日期間動用之所得款項淨額	截至二零二三年十二月三十一日止年度動用之所得款項淨額	直至二零二三年十二月三十一日動用之所得款項淨額總額			
			佔所得款項淨額之經修訂百分比	所得款項淨額之經修訂分配	所得款項淨額	所得款項淨額	所得款項淨額	所得款項淨額	所得款項淨額	擬定用途之預期時間表
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元		
To acquire and replace machineries and equipment with an aim to enhance and expand our production capacity at our production facilities in Dongguan, the PRC	收購及更換機械及設備以提升及擴展中國東莞生產設施的產能	60.6%	17,210	17,210	0	17,210	-	N/A 不適用		
To enlarge our market share and strengthen our marketing efforts	擴大市場份額及加強營銷力度	4.4%	1,246	1,246	0	1,246	-	N/A 不適用		
To increase our level of automation	提高自動化水平	7.6%	2,158	2,158	0	2,158	-	N/A 不適用		
To establish our ERP system	設立ERP系統	6.0%	1,704	837	11	848	856	Q4 of 2024 二零二四年 第四季度		
To expand our finance department	拓展財務部門	5.0%	1,420	854	435	1,289	131	Q4 of 2024 二零二四年 第四季度		
To enhance staff training	加強員工培訓	0.8%	227	16	0	16	211	Q4 of 2024 二零二四年 第四季度		
Working capital	營運資金	15.6%	4,435	4,435	-	4,435	-	N/A 不適用		
		100%	28,400	26,756	446	27,202	1,198			

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管理層討論及分析

As at 31 December 2023, the Group has utilised approximately HK\$27.2 million of the net proceeds and has approximately HK\$1.2 million unutilised, which was deposited with licensed banks in Hong Kong. It is expected that the Group will utilise all the net proceeds in 2024.

於二零二三年十二月三十一日，本集團已動用約27.2百萬港元所得款項淨額，而約1.2百萬港元未動用，存放於香港的持牌銀行。預計本集團將於二零二四年動用全部所得款項淨額。

Comparison of business objectives and actual business progress

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

業務目標與實際業務進展之比較

以下為載於招股章程（於二零二零年九月九日經修訂）的本集團業務計劃及本集團報告期間實際業務進展：

Business plan as set out in the Prospectus 載於招股章程的業務計劃

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

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

Actual business progress as at 31 December 2023 於二零二三年十二月三十一日的實際業務進展

The Group purchased 21 units of machines and fully utilised the proceeds of HK\$17.2 million attributable for such purpose. 20 of them (including high speed milling machines and raceway quenching machines) are currently in use for our production, while one machine is currently being tested.

本集團已購置二十一台機械，並悉數動用所得款項17.2百萬港元用於此用途。其中二十台機器（包括高速鑽齒機床和滾道淬火機床）目前正用於我們的生產，而一台機械目前正在測試中。

In light of the COVID-19 outbreak in 2020 and the quarantine measures implemented and travel restrictions imposed by the PRC and other countries, the Group had withdrawn its enrolment to several trade exhibitions and will rework its future marketing plans.
鑑於二零二零年爆發COVID-19疫情，以及中國及其他國家實施隔離措施和施加旅遊限制，本集團已取消參與多個貿易展覽會，並將重新制定其未來營銷計劃。

During recent years and in 2023, the Group increased the workforce in the sales department to strengthen the sales support. In addition, the Group hired a consultant to design the web pages for the Group and to provide advice on promotion strategies.

於近年及二零二三年，本集團為銷售部增加人力，以加強協助在銷售事務。另外，本集團聘請顧問為我們設計網頁並提供宣傳策略的意見。

Management Discussion and Analysis

管理層討論及分析

Business plan as set out in the Prospectus 載於招股章程的業務計劃

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

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

To expand our finance department
擴充財務部門

Actual business progress as at 31 December 2023 於二零二三年十二月三十一日的實際業務進展

The Group is working out plans with service providers concerning the development of new equipments for automation and the redevelopment of the existing equipments to enhance the automation level. The plans included the integration of smart automation solutions in the production process. The Group has installed robotic arms to increase the automation level and production in gear chamfering. The Group has also acquired an automatic packaging machine and a CNC Coordinate Measuring Machine. The major goals of these plans are to facilitate production and quality control, and to reduce manual work and time needed.

本集團正與服務供應商擬定有關開發新自動化設備及重新開發現有設備的計劃，以提高自動化水準。計劃包括將智能自動化解決方案整合至生產過程。本集團已安裝機械手臂，以提升自動化水平及齒輪倒角生產。本集團亦購入一台自動包裝機及電腦數控坐標測量機。有關計劃的主要目標為促進生產及品質控制，並減少所需的人手工作及時間。

The Group appointed a system service provider to develop a system to enhance data management, especially in the areas of staff attendance, payroll accounting and other aspects such as document control, enabling the Group to track and monitor the production process. There are modules created for the system which are being tested and are expected to come into use in 2024.

本集團已委任系統服務供應商，以開發一套系統提升數據管理效率，尤其是員工考勤、工資核算及文控管理等其他方面，並可讓本集團追蹤及監察生產過程。為此系統而設的組件正進行測試，預期於二零二四年投入使用。

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

同時，本集團透過提升數據處理的能力和運算成效，改善現有系統。

The Group recruited a senior accountant and an accountant in the third quarter of 2020 and the second quarter of 2021 respectively to accommodate the increase in our business scale and production capacities. We will continue to watch out for high-quality candidates to strengthen the finance department, to cope with the expanded line of businesses and revenue.

本集團已分別在二零二零年第三季度及二零二一年第二季度招聘高級會計師及會計師，以應付業務規模及產能的增加。我們將繼續關注高素質候選人，加強財務部門的實力，以應對其業務及收益範圍的擴大。

Management Discussion and Analysis

管理層討論及分析

Business plan as set out in the Prospectus 載於招股章程的業務計劃

To enhance staff training
加強員工培訓

To maintain sound working capital for operation
維持穩健的營運資金

Actual business progress as at 31 December 2023 於二零二三年十二月三十一日的實際業務進展

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

於二零二零年及二零二一年，受培訓員工中有三人取得ISO質量管理體系證書。

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

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

In 2022, we engaged a training organisation in Dongguan, the PRC to provide training courses for our new employees. While some scheduled trainings have been put on hold, the trainings will recommence in 2024.

我們於二零二二年已委聘中國東莞一間培訓機構為新僱員提供培訓課程。而若干預定培訓則擱置，該等培訓將於二零二四年重啟。

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

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

As at 31 December 2023, the Group utilised approximately HK\$4.4 million as working capital for the research and development of on-going operations, including the development of new products and services by manufacturing mechanical parts and components for machineries besides slewing rings.

於二零二三年十二月三十一日，本集團已動用約4.4百萬港元，作為研發持續經營的營運資金，包括通過製造除迴轉支承外的機件及部件，開發新產品及服務。

Management Discussion and Analysis

管理層討論及分析

SIGNIFICANT INVESTMENTS

As at 31 December 2023, the Group did not hold any significant investment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group had no material acquisition or disposal of subsidiaries, associates or joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had 96 employees (as at 31 December 2022: 82 employees). Remuneration is determined with reference to the prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The emoluments of the Directors are recommended by the Remuneration Committee of the Company, with reference to their respective contribution of time, effort and expertise on the Company's matters. In addition, employees are entitled to performance and discretionary year-end bonuses.

CHARGES ON ASSETS

As at 31 December 2023, the Group is required to maintain an aggregate amount of bank deposits of at least HK\$10,000,000 (as at 31 December 2022: approximately HK\$5,000,000) for the Group's banking facilities of which HK\$5,000,000 was charged pursuant to the terms of the banking facilities (as at 31 December 2022: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

FOREIGN EXCHANGE RISK

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

重大投資

於二零二三年十二月三十一日，本集團並無持有任何重大投資。

重大收購及出售附屬公司、聯營公司及合營公司

於報告期間，本集團概無重大收購或出售附屬公司、聯營公司或合營公司。

僱員及薪酬政策

於二零二三年十二月三十一日，本集團擁有96名僱員（於二零二二年十二月三十一日：82名僱員）。薪酬乃經參考現行市場條款並根據各僱員的個人表現、資歷及經驗釐定。董事之酬金乃經參考彼等各自對本公司事宜所投入時間、精力及專長根據本公司薪酬委員會之推薦意見釐定。此外，僱員有權享有表現及酌情年終花紅。

資產質押

於二零二三年十二月三十一日，根據銀行融資條款（於二零二二年十二月三十一日：無），本集團須就本集團的銀行融資維持總額至少為10,000,000港元的銀行存款（於二零二二年十二月三十一日：約5,000,000港元），當中5,000,000港元已抵押。

重大投資及資本資產的未來計劃

除招股章程所披露者外，本集團並無其他重大投資及資本資產計劃。

外匯風險

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

Management Discussion and Analysis

管理層討論及分析

Any material fluctuation in the exchange rates of HKD or RMB may have an impact on the operating results of the Group. The exchange rate of RMB to HKD is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

With respect to USD, the management considers that the foreign exchange risk is not significant as HKD is pegged to USD and transactions denominated in USD are mainly carried out by entities with the same functional currency.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any material contingent liabilities.

DIVIDEND

During the year, no interim dividend was paid. (2022: an interim dividend of HK2.0 cents per share amounting to HK\$8,000,000, was paid on 12 December 2022).

The Board now recommends the payment of final dividend HK4.0 cents per share to the shareholders, amounting to a total sum of HK\$16,000,000 for the year ended 31 December 2023 (2022: final dividend HK4.0 cents per share to the shareholders, amounting to a total sum of HK\$16,000,000, was paid on 5 July 2023).

PROSPECTS

On 29 September 2023, the Company has been successfully transferred listing from GEM to the Main Board of the Stock Exchange. This remarkable success facilitated our Group in raising public awareness and profile as well as our recognition from existing and new customers. The Group has achieved business growth and expanded sources of income since the GEM Listing. The Directors consider that the Main Board generally enjoys a premium status and recognition by the public investors and customers and that the Transfer of Listing will further promote the Group's corporate profile and position in the industry which will assist the Company in obtaining outside financing and on better commercial terms. It has also greatly assisted the Group in its business development.

港元或人民幣匯率的任何重大波動會影響本集團的經營業績。人民幣兌港元的匯率須受中國政府頒佈的外匯管制規例及法規所限。本集團密切監察匯率變動以管理外匯風險。

至於美元，管理層認為有關美元的外匯風險並不重大，因為港元與美元掛鈎及以美元計值的交易主要由功能貨幣相同的實體進行。

或然負債

於二零二三年十二月三十一日，本集團並無任何重大或然負債。

股息

年內，並無派付中期股息（二零二二年：中期股息每股2.0港仙，金額達8,000,000港元於二零二二年十二月十二日派付）。

現時董事會建議於截至二零二三年十二月三十一日止年度向股東派付末期股息每股4.0港仙，總金額達16,000,000港元（二零二二年：於二零二三年七月五日向股東派付末期股息每股4.0港仙，總金額達16,000,000港元）。

前景

於二零二三年九月二十九日，本公司已成功由聯交所GEM轉往主板上市。該卓越成就有利於提高公眾對本集團的認知及形象以及現有和新客戶的認可。本集團自GEM上市以來已取得業務增長且擴大了收入來源。董事認為主板通常享有較高地位，深得公眾投資者及客戶認可且轉板上市將進一步提升本集團的企業形象和行業地位，從而將有助於本公司以最佳的商業條款獲得外部融資。同時，亦促進本集團的業務發展。

Management Discussion and Analysis

管理層討論及分析

The Group's goal is to strengthen its position as a premium slewing rings manufacturer, and to leverage on its competitive advantages as a provider of other mechanical parts and components and machineries so as to expand the scale of its operation and increase profit margin. The Group also aims to increase its competitiveness in the fragmented slewing ring manufacturing industry by (i) increasing the Group's efficiency and productivity; (ii) raising the quality of the Group's products; and (iii) reducing the Group's costs of production and the Group's reliance on manpower. To achieve such objectives, the Group will continue to implement the following strategies:

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

The Group is also positioned as one of the fastest growing "comprehensive products" providers in the field. Despite there remain many uncertainties in the global economy including high interest rate, slow down of development in China, the upcoming U.S. Presidential election in November, the Directors do anticipate that the Group's sourcing business will continue to grow. With a proven track record and strong foothold in the industry, the Group will remain cautious and endeavor to maintain a steady growth in its sourcing business and continue to broaden its business scope to maximize the return for the Company's shareholders in the present challenging environment. In the foreseeable future, the Group intends to expand its products coverage in sourcing to include minerals and related products to enhance revenue and profitability.

本集團的目標是鞏固其作為迴轉支承優質製造商的地位，同時利用作為其他機械零部件及機械供應商的競爭優勢擴大其業務規模及提高利潤率。本集團亦有意於分散的迴轉支承製造行業中提升競爭力，方法為(i)提高本集團效率及生產力；(ii)提高本集團產品質素；及(iii)減低本集團生產成本及本集團人力依賴。為達成該等目標，本集團將繼續實施以下策略：

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

本集團亦被定位為該領域發展最快的「全方位產品」供應商。儘管全球經濟仍存在許多不確定因素，當中包括高利率、中國發展放緩、即將於十一月舉行的美國總統大選，惟董事預期本集團的採購業務將持續增長。憑藉業內佳績與穩固地位，本集團將抱持謹慎態度，於目前荊棘滿途的勢態下致力維持採購業務穩定增長，同時繼續拓展業務領域，為本公司股東帶來最大回報。於可預見未來，本集團擬擴大其產品採購範圍，以涵蓋礦物及相關產品，從而增加收益以及提升盈利能力。

Directors and Senior Management

董事及高級管理層

As at 19 March 2024, the date of the Report of the Directors, the biographical details of the directors (the “**Director(s)**”) and senior management of Best Linking Group Holdings Limited (the “**Company**”) are as follows:

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Yuk Pan (陳煜彬先生) (“**Mr. YP Chan**”), aged 44, is the executive Director, chief executive officer and chairman of our Board, and one of the Controlling Shareholders of our Company. He is also the chairman of the Nomination Committee. Since 2007, Mr. YP Chan has been responsible for the overall management of our Group, including sales and business development as well as strategic planning. He was appointed director of Wing Fung, Kyoei Seiki and Best Linking in June 2007, August 2007 and December 2018 respectively and was appointed Director on 26 October 2018 and was re-designated as an executive Director on 12 March 2019.

Mr. YP Chan is an entrepreneur with over 16 years of operational experience. He was involved in the trading of machineries and spare parts in Hong Kong and manufacture and sales of spare parts in the PRC. After completing the advanced Japanese language course at the Japanese Language Institute of Sapporo in Sapporo, Japan in 2004, Mr. YP Chan worked as a sales and marketing executive in a company engaged in distribution and exportation of confectionery and related products from December 2004 to December 2005 in Sapporo, Japan, which enabled him not only to further his Japanese language skill, but also gave him the opportunity to develop his network within the Japanese business community. After returning to Hong Kong, starting from January 2006, Mr. YP Chan worked in South Wing Machinery Company Limited, a company which specialised in the trading of new and used construction machineries, with his last position as a sales and marketing executive and gained experience in the sale and supply of heavy duty equipment and parts industry. In September 2007, he founded Kyoei Seiki through Wing Fung which is principally engaged in the manufacturing and sales of slewing rings. Mr. YP Chan has then established and maintained business relationship with general wholesalers or traders of machineries or parts in Asia, USA, Europe and Japan and gained valuable experience in the manufacture and sale of spare parts for machineries.

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

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

於二零二四年三月十九日(董事會報告日期)，永聯豐集團控股有限公司(「**本公司**」)董事(「**董事**」)及高級管理層的履歷詳情如下：

董事會

執行董事

陳煜彬先生(「**陳煜彬先生**」)，44歲，為本集團的執行董事、行政總裁及董事會主席及本公司控股股東之一。彼亦為提名委員會主席。自二零零七年起，陳煜彬先生負責本集團整體管理，包括銷售及業務發展以及策略規劃。彼分別於二零零七年六月、二零零七年八月及二零一八年十二月獲委任為榮豐、共榮精密機械及永聯豐的董事，並於二零一八年十月二十六日獲委任為董事及於二零一九年三月十二日調任為執行董事。

陳煜彬先生為擁有逾16年營運經驗的企業家。彼從事於香港買賣機械及備用零件及於中國從事製造及買賣備用零件。於二零零四年在日本札幌的札幌國際日本語學院完成進階日語課程後，陳煜彬先生於二零零四年十二月至二零零五年十二月在日本札幌一間從事分銷及出口糕點及相關產品的公司擔任銷售及營銷人員，不僅讓彼提升日語能力，亦令彼有機會於日本商業圈中建立網絡。回港後，自二零零六年一月起，陳煜彬先生於南榮機械有限公司任職，該公司專門買賣全新及二手建築機械，讓彼於銷售及供應重型設備及零件行業累積經驗，而彼離任前的職位為銷售及營銷人員。於二零零七年九月，彼透過榮豐創辦共榮精密機械，該公司主要從事製造及銷售迴轉支承。陳煜彬先生其後與亞洲、美國、歐洲及日本的機械或零部件一般批發商或貿易商建立及維持穩固的業務關係，並在機械備用零件的製造及銷售上累積了寶貴的經驗。

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

陳煜彬先生亦為本公司執行董事陳龍彬先生的兄長。

Directors and Senior Management 董事及高級管理層

Mr. Chan Lung Pan (陳龍彬先生) (“**Mr. LP Chan**”), aged 42, was appointed an executive Director on 12 March 2019. He first joined our Group in November 2005 as director and shareholder of Wing Fung, an investment holding company incorporated in Hong Kong. Mr. LP Chan resigned from his directorship in Wing Fung in April 2011 to pursue other career development and rejoined our Company in March 2019 as an executive Director. He is also the chairman of the Corporate Governance Committee and a member of the Remuneration Committee. He is responsible for human resources management of our Group.

Mr. LP Chan has over 19 years of experience in procurement and management. He commenced his career in South Wing Machinery Company Limited, a company which specialised in the trading of new and used construction machineries, in September 2003 as a trainee. He was subsequently promoted to the post of purchase and sales manager from 1 April 2009 to 30 September 2011, being responsible for purchase management, inventory control, contract negotiations, department co-ordination and complaints handling. Between 1 January 2012 and 12 March 2019, Mr. LP Chan worked as a manager overseeing purchasing and human resources management at Pacific Infinity Resources Holdings Limited and was a consultant of the same company from 13 March 2019 to 12 April 2019.

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

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

Independent non-executive Directors

Mr. Chan Wan Tsun Adrian Alan (陳弘俊先生) (“**Mr. Adrian Chan**”), aged 45, was appointed an independent non-executive Director on 21 October 2019. He is also the chairman of the Audit Committee and a member of the Nomination Committee and the Corporate Governance Committee. He is responsible for overseeing the areas with regard to the strategy, policy, performance, accountability, internal control, corporate governance and providing independent advice to our Group.

陳龍彬先生(「**陳龍彬先生**」)，42歲，於二零一九年三月十二日獲委任為執行董事。彼最初於二零零五年十一月加入本集團擔任榮豐董事及股東，該公司為一間在香港註冊成立的投資控股公司。陳龍彬先生於二零一一年四月辭任榮豐的董事職位以追求其他職業發展，並於二零一九年三月重返本集團擔任執行董事。彼亦為企業管治委員會主席及薪酬委員會成員。彼負責本集團的人力資源管理。

陳龍彬先生於採購及管理方面擁有逾19年經驗。彼於二零零三年九月在南榮機械有限公司展開事業，該公司專門買賣全新及二手建築機械，職位為實習人員。其後，彼獲晉升及於二零零九年四月一日至二零一一年九月三十日擔任採購及銷售經理，負責採購管理、存貨控制、合約磋商、部門協調及處理投訴。於二零一二年一月一日至二零一九年三月十二日，陳龍彬先生於太平洋礦產控股有限公司擔任經理，負責監督採購及人力資源管理，並於二零一九年三月十三日至二零一九年四月十二日擔任該公司顧問。

陳龍彬先生曾就讀新西蘭奧克蘭的雅芳戴爾中學(Avondale College)，彼於一九九八年二月至一九九九年十一月以國際留學生身分就讀十二年級。彼於一九九九年在新西蘭的新西蘭資歷局取得學校證書，其後於二零零零年十月至二零零二年三月在日本東北外語觀光專門學校修讀日語課程。

陳龍彬先生為陳煜彬先生的孺弟，亦為本公司執行董事。

獨立非執行董事

陳弘俊先生(「**陳弘俊先生**」)，45歲，於二零一九年十月二十一日獲委任為獨立非執行董事。彼亦為審計委員會主席及提名委員會和企業管治委員會成員。彼負責監督策略、政策、表現、問責、內部監控及企業管治等事宜並向本集團提供獨立意見。

Directors and Senior Management 董事及高級管理層

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

Mr. Adrian Chan has over 10 years of experience in the field of corporate finance. He started his career with Deloitte Touche Tohmatsu and worked in the audit department of the firm from January 2000 to March 2000. Mr. Adrian Chan then worked in various financial institutions and investment banks between April 2000 and November 2009, including DBS Vickers Securities from April 2000 to December 2001, with his last position as an executive in the corporate finance department, DBS Asia Capital Limited from January 2002 to July 2005, with his last position as assistant vice president in equity capital markets, wholesale banking-global financial markets, and UOB Asia (Hong Kong) Limited from July 2005 to November 2009, with his last position as associate director.

After leaving UOB Asia (Hong Kong) Limited in November 2009, Mr. Adrian Chan switched his career from corporate finance to financial management. From November 2009 to June 2015, he was the chief financial officer of Enviro Energy International Holdings Limited (stock code: 1102), where he was responsible for overall financial management, internal control function and accounting function. Since July 2015, Mr. Adrian Chan has served as the chief financial officer of Sun Ray Capital Investment Corporation, a private investment company based in Hong Kong, since July 2018, Mr. Adrian Chan has served as the chief financial officer of LabyRx Immunologic Therapeutics Limited a bio-medical company focused on developing a comprehensive platform for treating adenocarcinomas. Since August 2018, Mr. Adrian Chan has served as the chief financial officer of Lifespans Limited, a medical device start-up company, and since January 2021, Mr. Adrian Chan has served as a regional director of The CFO (HK) Limited, a company providing part-time chief financial officers services.

陳弘俊先生於二零零零年四月在澳洲新南威爾斯大學畢業，獲得會計及金融商學士學位。彼分別自二零零六年六月及二零零九年十一月為澳洲會計師公會及香港會計師公會會員。

陳弘俊先生於企業融資範疇擁有逾10年經驗。彼於德勤·關黃陳方會計師行展開事業，自二零零零年一月至二零零零年三月在該會計師行審計部任職。於二零零零年四月至二零零九年十一月，陳弘俊先生其後於多間金融機構及投資銀行任職，包括於二零零零年四月至二零零一年十二月在星展唯高達證券任職，最後職位為企業融資部執行人員；於二零零二年一月至二零零五年七月在星展亞洲融資有限公司任職，最後職位為股本市場、大額銀行全球金融市場助理副總裁及於二零零五年七月至二零零九年十一月在新加坡大華亞洲(香港)有限公司任職，最後職位為副董事。

於二零零九年十一月離開新加坡大華亞洲(香港)後，陳弘俊先生的事業由企業融資轉為財務管理。於二零零九年十一月至二零一五年六月，彼為環能國際控股有限公司(股份代號：1102)的財務總監，彼負責整體財務管理、內部監控職能及會計職能。自二零一五年七月起，陳弘俊先生擔任Sun Ray Capital Investment Corporation(一間香港的私募投資公司)的財務總監，自二零一八年七月起，陳弘俊先生擔任LabyRx Immunologic Therapeutics Limited(一間專注發展全面腺癌治療平台的生物醫藥公司)的財務總監。自二零一八年八月起，陳弘俊先生擔任Lifespans Limited(一間醫療儀器初創公司)的財務總監；及自二零二一年一月起，彼擔任CFO (HK) Limited(一間提供兼職財務總監服務的公司)的地區總監。

Directors and Senior Management 董事及高級管理層

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

陳弘俊先生於其他公眾上市公司擔任董事的詳情載列如下：

Company name 公司名稱	Principal business activities of the company 公司的主要業務活動	Stock Code 股份代號	Stock Exchange 證券交易所	Position 職位	Duration 期間
Grand Baoxin Auto Group Limited 廣匯寶信汽車集團有限公司	Sales and service of motor vehicles 汽車銷售及服務	01293	Main Board of the Stock Exchange 聯交所主板	Independent non-executive director 獨立非執行董事	November 2011 to June 2021 二零一一年十一月至二零二一年六月
Petromin Resources Ltd.	Petroleum and natural gas exploration and production	PTR.H	Toronto Venture Stock Exchange	Director, chief financial officer and corporate secretary	December 2015 to March 2018
Petromin Resources Ltd.	石油及天然氣勘探及生產	PTR.H	多倫多風險證券交易所	董事、財務總監及公司秘書	二零一五年十二月至二零一八年三月
Cheerwin Group Limited 朝雲集團有限公司	Development and manufacturing of household care, pet product and personal care 家居護理、個人護理及寵物護理產品生產	06601	Main Board of the Stock Exchange 聯交所主板	Independent non-executive director 獨立非執行董事	February 2021 to present 二零二一年二月至今
Regent Pacific Group Limited (formerly known as Endurance RP Limited) 勵晶太平洋集團有限公司 (前稱為壽康集團有限公司*)	Healthcare and life sciences investments 保健及生命科學投資	00575	Main Board of the Stock Exchange 聯交所主板	Independent non-executive director 獨立非執行董事	April 2023 to present 二零二三年四月至今

Directors and Senior Management 董事及高級管理層

Ms. Tsang Hau Lam (曾巧臨女士) (“**Ms. Tsang**”), aged 50, was appointed an independent non-executive Director on 21 October 2019. She is also a member of the Audit Committee and the Remuneration Committee. She is responsible for overseeing the areas with regard to the strategy, policy, performance, accountability, internal control, corporate governance and providing independent advice to our Group.

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

Ms. Tsang has over 26 years of experience in the field of taxation. She started her career in PricewaterhouseCoopers in Hong Kong and had worked with the firm from February 1997 to March 2003, with her last position as senior consultant, where she obtained experience in tax compliance matters. Between November 2004 and February 2007, Ms. Tsang worked in Ross Melville PKF in Auckland, New Zealand with her last position as tax consultant. She then rejoined PricewaterhouseCoopers in Hong Kong as senior consultant in February 2007 and stayed with the firm until April 2010 with her last position as manager. Between April 2010 and April 2015, Ms. Tsang was employed by BDO Limited with her last position as tax principal of Hong Kong tax team. Since April 2015, Ms. Tsang held different positions in Phoenix Property Investors (H.K.) Limited, a private equity real estate investment group and was responsible for overseeing the tax matters, which she was a vice president from April 2015 to May 2020, and then a consultant since June 2020.

Ms. Tam Ho Ting (譚可婷女士) (“**Ms. Tam**”), aged 45, was appointed an independent non-executive Director on 21 October 2019. She is also a member of the Audit Committee and the Nomination Committee and the chairlady of the Remuneration Committee. She is responsible for overseeing the areas with regard to the strategy, policy, performance, accountability, internal control, corporate governance and providing independent advice to our Group.

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

曾巧臨女士(「**曾女士**」)，50歲，於二零一九年十月二十一日獲委任為獨立非執行董事。彼亦為審計委員會及薪酬委員會成員。彼負責監督策略、政策、表現、問責、內部監控及企業管治等事宜並向本集團提供獨立意見。

曾女士於一九九六年十二月畢業於澳洲墨爾本大學，持有商業學士學位，並於二零零零年十一月獲得澳洲蒙納士大學會計學碩士學位。彼自二零零一年七月為澳洲會計師公會會員。

曾女士於稅務範疇擁有逾26年經驗。於一九九七年二月至二零零三年三月，彼於香港羅兵咸永道會計師事務所工作，自此展開其職業生涯，最後職位為高級顧問，彼於在職期間獲得稅務合規事宜方面的經驗。於二零零四年十一月至二零零七年二月，曾女士於新西蘭奧克蘭的Ross Melville PKF任職，最後職位為稅務顧問。其後，彼於二零零七年二月重返香港羅兵咸永道會計師事務所任職高級顧問，並任職至二零一零年四月，最後職位為經理。於二零一零年四月至二零一五年四月，曾女士受聘於香港立信德豪會計師事務所有限公司，最後職位為香港稅務團隊的稅務主管。二零一五年四月起，曾女士於一家私募股權房地產投資集團豐泰地產投資有限公司歷任多個職位，負責監督稅務事宜，彼於二零一五年四月至二零二零年五月擔任該公司的副總裁，其後自二零二零年六月起擔任其顧問至今。

譚可婷女士(「**譚女士**」)，45歲，於二零一九年十月二十一日獲委任為獨立非執行董事。彼亦為審計委員會及提名委員會成員和薪酬委員會主席。彼負責監督策略、政策、表現、問責、內部監控及企業管治等事宜並向本集團提供獨立意見。

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

Directors and Senior Management 董事及高級管理層

Ms. Tam has over 24 years of work experience in the accounting and financial work sector. Before joining our Group, Ms. Tam worked in various accounting firms and multi-national companies. She started her career in the assurance and business advisory department in Moores Rowland (HK) CPA Limited and worked there from September 2000 to December 2002, with her last position as associate III. From December 2002 to March 2004, Ms. Tam worked as an assistant manager in KPMG, Hong Kong. From April 2004 to June 2007, she worked in Hutchison Telecommunications (Hong Kong) Limited, a wholly-owned subsidiary of Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 215), a company listed on the Main Board of the Stock Exchange with her final position as senior accountant in the finance and administration division. From June 2007 to August 2010, Ms. Tam worked in Avery Dennison Hong Kong, B.V., with her last position as finance manager in the production and costing sector of the financial planning and analysis department. Ms. Tam then worked as manager in the financial analysis department in Hasbro Far East Limited from August 2011 to August 2013. Since November 2013, Ms. Tam has provided accounting and book-keeping services to private companies engaged in various sectors of industries in Hong Kong, including pharmacy services and other services. In September 2018, Ms. Tam established CT Business Services Limited which was principally involved in the provision of accounting and book-keeping services.

譚女士於會計及財務工作行業擁有逾24年工作經驗。加入本集團之前，譚女士曾於多間會計師行及跨國公司工作。彼於二零零零年九月至二零零二年十二月在Moores Rowland (HK) CPA Limited的鑒證及業務諮詢部門工作，自此展開其職業生涯，最後職位為會計師III。於二零零二年十二月至二零零四年三月，譚女士在香港畢馬威會計師事務所任職助理經理。於二零零四年四月至二零零七年六月，彼在和記電訊(香港)有限公司工作，最後職位為財務及行政部高級會計師，該公司為聯交所主板上市公司和記電訊香港控股有限公司(股份代號：215)全資附屬公司。於二零零七年六月至二零一零年八月，譚女士在Avery Dennison Hong Kong, B.V.工作，最後職位為財務規劃及分析部的生產及成本分部的財務經理。譚女士其後於二零一一年八月至二零一三年八月在孩之寶遠東有限公司財務分析部任職經理。自二零一三年十一月起，譚女士為從事不同行業的香港私人公司提供會計及簿記服務，包括藥房服務及其他服務。於二零一八年九月，譚女士成立思天商業服務有限公司，該公司主要從事提供會計及簿記服務。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Mr. Chan Ho Chee Gilbert (陳浩賜先生) (“**Mr. Chan**”), aged 36, joined our Group as the chief financial officer on 1 November 2018. He was later appointed the chief operation officer and company secretary of our Group on 12 March 2019. He is also a member of the Corporate Governance Committee. He is primarily responsible for overseeing overall accounting, financial management, operation and compliance functions and company secretarial matters.

Mr. Chan obtained a bachelor degree in commerce (accounting) from Macquarie University in Australia in September 2009. He further obtained a master's degree in financial analysis from The University of New South Wales in Australia in August 2010. Mr. Chan has been a member of CPA Australia since December 2013.

Mr. Chan has over 12 years of work experiences in accounting and finance covering a vast range of clientele including manufacturing and food and beverage industries. From December 2010 to October 2013, Mr. Chan worked in BDO Limited, with his last position as senior associate, where he participated in the annual audit and special engagement of listed companies in Hong Kong. From October 2013 to July 2018, Mr. Chan worked in PricewaterhouseCoopers, with his last position as manager in assurance practice, where he has been involved in audits for public, sizable private and multinational companies as well as initial public offerings.

Ms. Chen Fang (陳芳女士) (“**Ms. Chen**”), aged 52, is our financial controller and assistant to the chief executive officer. Ms. Chen joined the finance department of our Group in September 2007. She is primarily responsible for overseeing the financial and accounting management of Kyoei Seiki.

Ms. Chen graduated from Shaanxi Labor College (陝西工運學院) in the PRC in July 1998 with a diploma in computing and accounting (計算機與會計專業) and has over 17 years of experience in accounting work. Prior to joining our Group, between January 2002 and December 2003, Ms. Chen worked in Guangzhou Baiji Engineering Machinery Parts Co., Ltd* (廣州市柏基工程機械配件有限公司), a company which is specialised in the sales of engineering machinery parts in Guangzhou, the PRC in the accounting department.

高級管理層

陳浩賜先生(「**陳先生**」)，36歲，於二零一八年十一月一日加入本集團擔任財務總監。彼其後於二零一九年三月十二日獲委任為營運總監及公司秘書。彼亦為企業管治委員會成員。彼主要負責監督整體會計、財務管理、營運及合規職能及公司秘書事宜。

陳先生於二零零九年九月在澳洲麥覺理大學取得商業(會計)學士學位。彼另於二零一零年八月在澳洲新南威爾士大學取得財務分析碩士學位。陳先生自二零一三年十二月起成為澳洲會計師公會會員。

陳先生於會計及財務方面擁有逾12年工作經驗，涵蓋製造及餐飲業的各式客戶。於二零一零年十二月至二零一三年十月，陳先生於香港立信德豪會計師事務所有限公司任職，最後職位是高級會計師，彼參與香港上市公司年度審計及特別委聘工作。於二零一三年十月至二零一八年七月，陳先生於羅兵咸永道會計師事務所任職，最後職位是核證實務經理，期間彼負責公眾、私人及跨國公司的審計以及首次公開發售。

陳芳女士(「**陳女士**」)，52歲，為財務監控官及行政總裁助理。陳女士於二零零七年九月加入本集團財務部。彼主要負責監督共榮精密機械的財務及會計管理。

陳女士於一九九八年七月在中國陝西工運學院畢業，取得計算機與會計專業文憑，於會計工作擁有逾17年經驗。於加入本集團前，於二零零二年一月至二零零三年十二月，陳女士於中國廣州廣州市柏基工程機械配件有限公司會計部任職，該公司專門銷售工程機械配件。

Report of the Directors

董事會報告

The directors of the Company submit their annual report together with the audited consolidated financial statements for the year ended 31 December 2023.

USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFER

The aggregate net proceeds from the Share Offer (after deducting listing related expenses borne by the Company) amounted to approximately HK\$28.4 million. The proposed application of net proceeds as stated in the Prospectus has been adjusted according to the principles and proposed percentage of utilisation as specified in the section headed "Future Plans and Use of Proceeds" of the Prospectus and amended pursuant to the announcement of the Company dated 9 September 2020. The use of net proceeds from the Listing Date to 31 December 2023 is included in the section "Management Discussion and Analysis" on pages 12 to 31.

PRINCIPAL ACTIVITIES

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

董事會欣然提呈本年報連同本集團截至二零二三年十二月三十一日止年度經審核綜合財務報表。

本公司股份發售所得款項用途

股份發售所得款項淨額(經扣除本公司承擔的上市相關開支後)合共為約28.4百萬港元。招股章程所述所得款項淨額的擬定用途已根據招股章程內「未來計劃及所得款項用途」一節所述的原則及建議動用百分比作出調整並根據本公司日期為二零二零年九月九日的公告作出修訂。由上市日期至二零二三年十二月三十一日的所得款項淨額用途載於第12至31頁「管理層討論及分析」一節。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務載於綜合財務報表附註1。

Report of the Directors

董事會報告

BUSINESS REVIEW

Business review of the Group for the Year as required by Schedule 5 of the Hong Kong Companies Ordinance, including a fair review of the Group's business, a description of the principal risks and uncertainties faced by the Group and an indication of likely future development in the Group's business, can be found in the "Management Discussion and Analysis" set out on pages 12 to 31 of this annual report and the section headed "Risk Management and Internal Control" on page 65 of the Corporate Governance Report in this annual report. In addition, discussion on Group's environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Environmental, Social and Governance Report on pages 71 to 121 of this annual report. The discussion forms part of this directors' report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated statement of comprehensive income in page 129.

During the year, no interim dividend was paid. (2022: an interim dividend of HK2.0 cents per share, amounting to HK\$8,000,000, was paid on 12 December 2022).

The Board now recommends the payment of final dividend HK4.0 cents per share to the shareholders, amounting to a total sum of HK\$16,000,000 for the year ended 31 December 2023 (the **"Final Dividend"**) (2022: final dividend HK4.0 cents per share to the shareholders, amounting to a total sum of HK\$16,000,000, was paid on 5 July 2023). The Final Dividend, if approved, shall be payable on Friday, 7 June 2024 and is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting on Friday, 17 May 2024. The shareholders whose names appear on the register of members of the Company at the close of business on Friday, 24 May 2024 will be entitled to the Final Dividend.

業務回顧

香港公司條例附表五規定的本集團本年度業務回顧(包括本集團業務的公正回顧、本集團面對的主要風險及不確定因素概況及本集團業務潛在未來發展的闡述)，載於本年報第12至31頁的「管理層討論及分析」及本年報內企業管治報告第65頁「風險管理及內部監控」一節。另外，有關本集團的環境政策及對本集團有重大影響的相關法律及法規遵守情況的討論載於本年報第71至121頁環境、社會及管治報告。該討論構成本董事會報告的一部分。

業績及股息

本集團本年度的業績載於第129頁綜合全面收益表內。

年內，並無派付中期股息。(二零二二年：於二零二二年十二月十二日派付中期股息每股2.0港仙，金額為8,000,000港元。

董事會現建議向股東派付截至二零二三年十二月三十一日止年度的末期股息每股4.0港仙，合共16,000,000港元(「**末期股息**」)(二零二二年：於二零二三年七月五日向股東派付末期股息每股4.0港仙，合共16,000,000港元)。如獲批准，末期股息將於二零二四年六月七日(星期五)派發，惟須經本公司股東在於二零二四年五月十七日(星期五)舉行的應屆股東週年大會上批准方告作實。於二零二四年五月二十四日(星期五)營業時間結束時，名列本公司股東名冊的股東將有權獲得末期股息。

Report of the Directors

董事會報告

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM to be held on Friday, 17 May 2024, the register of members of the Company will be closed from Monday, 13 May 2024 to Friday, 17 May 2024 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement to attend and vote at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 10 May 2024.

The register of members of the Company will be closed from Thursday, 23 May 2024 to Friday, 24 May 2024 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement in the proposed Final Dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 22 May 2024.

PROPERTY, PLANT AND EQUIPMENT

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

PRE-EMPTIVE RIGHTS

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

DONATION

Charitable donations of approximately HK\$3.0 million were made by the Group during the year (2022: HK\$12,500).

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 21 to the consolidated financial statements.

暫停辦理股份過戶登記手續

為確保有權出席將於二零二四年五月十七日(星期五)舉行的股東週年大會及於會上投票,本公司將於二零二四年五月十三日(星期一)至二零二四年五月十七日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續。為合資格出席股東週年大會及於會上投票,務請在二零二四年五月十日(星期五)下午四時三十分前,將所有過戶文件連同相關股票送達本公司的香港股份過戶登記分處卓佳證券登記有限公司,地址為香港夏慤道16號遠東金融中心17樓。

本公司將於二零二四年五月二十三日(星期四)至二零二四年五月二十四日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續。為合資格享有建議末期股息,務請在二零二四年五月二十二日(星期三)下午四時三十分前,將所有過戶文件連同相關股票送達本公司的香港股份過戶登記分處卓佳證券登記有限公司,地址為香港夏慤道16號遠東金融中心17樓。

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於綜合財務報表附註15。

優先認購權

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

捐贈

年內,本集團作出慈善捐贈約3.0百萬港元(二零二二年:12,500港元)。

股本

本集團的股本變動詳情載於綜合財務報表附註21。

Report of the Directors

董事會報告

RESERVES AND DISTRIBUTABLE RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and Notes 22 and 32 to the consolidated financial statements.

As at 31 December 2023, the Company had reserves available for distribution amounting to HK\$23.9 million (2022: HK\$22.6 million).

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

Reference is made to the announcements dated 18 June 2021 and 14 July 2022 issued by the Company with regard to a trading facility granted by DBS Bank (Hong Kong) Limited (“DBS”).

On 14 July 2022, DBS has pursuant to its periodic review agreed to increase the trading facility of up to HK\$15,000,000 for Best Linking Limited, which is an indirect wholly-owned subsidiary of the Company. Best Linking Limited and the Company, as borrower and corporate guarantor respectively, entered into a revised banking facility letter with DBS (the “**Facility Letter A**”) on terms and conditions contained therein, including right of DBS to review the facility from time to time, customary overriding right of DBS to demand repayment any time, as well as the right to call for cash cover on demand for prospective or contingent liability.

Pursuant to the terms of the Facility Letter A, among other things, during the term of the Facility Letter A, (i) Best Linking Limited shall remain an indirect wholly-owned subsidiary of the Company; (ii) the Company shall procure Mr. YP Chan to remain as the director of the Company and Best Linking Limited; and (iii) Mr. YP Chan shall continue to be the single largest shareholder and hold not less than 50% of the beneficial interest of the Company and Best Linking Limited. As at the date of this report, Mr. YP Chan’s beneficial interest in each of the Company and Best Linking Limited is 75%. Please refer to the announcement of the Company dated 14 July 2022 for more details.

儲備及可分派儲備

本集團及本公司的儲備變動載於綜合權益變動表及綜合財務報表附註22及32。

於二零二三年十二月三十一日，本公司的可供分派儲備為23.9百萬港元（二零二二年：22.6百萬港元）。

貸款協議連同與控股股東的特定履約責任有關的契諾

茲提述本公司日期為二零二一年六月十八日及二零二二年七月十四日的公告，內容涉及星展銀行（香港）有限公司（「星展銀行」）授出的貿易融資。

在二零二二年七月十四日，星展銀行已根據其定期審查，同意為本公司的間接全資附屬公司永聯豐有限公司提供最多15,000,000港元的貿易融資。永聯豐有限公司與本公司（分別作為借方及企業擔保人）已與星展銀行訂立經修訂銀行融資函件（「**融資函件A**」），當中所載條款及條件包括星展銀行有權不時審查融資、要求隨時還款的慣常凌駕性權利，以及就潛在或或然負債要求現金保障的權利。

根據融資函件A的條款，（其中包括）於融資函件A年期內，(i)永聯豐有限公司將仍為本公司的間接全資附屬公司；(ii)本公司將促使陳煜彬先生留任本公司及永聯豐有限公司董事；及(iii)陳煜彬先生將繼續成為單一最大股東，並持有本公司及永聯豐有限公司不少於50%的實益權益。於本報告日期，陳煜彬先生於本公司及永聯豐有限公司各自的實益權益分別為75%。更多詳情，請參閱本公司日期為二零二二年七月十四日的公告。

Report of the Directors

董事會報告

On 28 February 2023, The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) as lender and the Company as corporate guarantor, entered into a banking facility letter (the “**Facility Letter B**”) under which HSBC agreed to make available to Best Linking a trading facility of up to HK\$16,000,000, on the terms and conditions contained therein, including HSBC’s right to review the facility from time to time, HSBC’s customary overriding right to demand repayment any time, as well as the right to call for cash cover on demand for prospective or contingent liability.

Pursuant to the terms of the Facility Letter B, among other things, during the term of the Facility Letter B, (i) Best Linking Limited shall remain an indirect wholly-owned subsidiary of the Company; (ii) the Company shall procure Mr. YP Chan to remain as the director of the Company and Best Linking Limited; and (iii) Mr. YP Chan shall continue to be the major shareholder holding more than 50% of the beneficial interest of the Company and Best Linking Limited. As at the date of this report, Mr. YP Chan’s beneficial interest in each of the Company and Best Linking Limited is 75%. Please refer to the announcement of the Company dated 28 February 2023 for more details.

DIRECTORS

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

Executive Directors

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

Mr. Chan Lung Pan

Independent Non-Executive Directors

Mr. Chan Wan Tsun Adrian Alan

Ms. Tsang Hau Lam

Ms. Tam Ho Ting

Biographical details of the directors are set out in pages 32 to 38 of this annual report.

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

在二零二三年二月二十八日，香港上海滙豐銀行有限公司（「滙豐銀行」）（作為貸方）及本公司（作為企業擔保人）訂立銀行融資函件（「**融資函件B**」），據此，滙豐銀行同意向永聯豐有限公司提供最多16,000,000港元的貿易融資，當中所載條款及條件包括滙豐銀行有權於不時審查融資、滙豐銀行要求隨時還款的慣常凌駕性權利，以及就潛在或或然負債要求現金保障的權利。

根據融資函件B的條款，（其中包括）於融資函件B年期內，(i) 永聯豐有限公司仍為本公司的間接全資附屬公司；(ii) 本公司將促使陳煜彬先生留任本公司及永聯豐有限公司董事；(iii) 陳煜彬先生將繼續為主要股東，持有本公司及永聯豐有限公司50%以上的實益權益。於本報告日期，陳煜彬先生於本公司及永聯豐有限公司各自的實益權益分別為75%。更多詳情，請參閱本公司日期為二零二三年二月二十八日的公告。

董事

於本年度及直至本報告日期為止的在任董事如下：

執行董事

陳煜彬先生 (*主席兼行政總裁*)

陳龍彬先生

獨立非執行董事

陳弘俊先生

曾巧臨女士

譚可婷女士

董事的履歷詳情載於本年報第32至38頁。

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

Report of the Directors

董事會報告

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

The Company confirms that it has received written annual confirmation from each independent non-executive Director concerning his/her independence pursuant to Rule 3.13 of the Listing Rules and all independent non-executive Directors are considered independent having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

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

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

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

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of Directors and the five highest paid individuals of the Group are set out in Notes 7 and 10 to the consolidated financial statement.

據此，陳煜彬先生及陳龍彬先生須在應屆股東週年大會上退任及合資格膺選連任。

本公司確認已接獲各獨立非執行董事根據上市規則第3.13條規定所作出有關其獨立身份的年度確認書，根據上市規則第3.13條所載獨立性標準，所有獨立非執行董事為獨立。

董事服務合約

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

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

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

董事及五名最高薪金個人的酬金

本集團董事及五名最高薪金個人的酬金詳情載於綜合財務報表附註7及10。

Report of the Directors

董事會報告

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

Directors' and Chief Executive Interests in Shares and Share Options

As at 31 December 2023, the interests or short positions of the Directors and the chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 to the Listing Rules are as follows:

權益披露 — 董事及最高行政人員的權益

董事及最高行政人員於股份及購股權中擁有的權益

於二零二三年十二月三十一日，本公司董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有：(a) 根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關規定當作或視為擁有的權益及淡倉）；(b) 根據證券及期貨條例第352條須記錄於該條所指登記冊的權益或淡倉；或(c) 根據上市規則附錄C3所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

Long position in shares and underlying shares of the Company 於本公司股份及相關股份的好倉

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

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

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

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

附註2：字母「L」指於相關股份的好倉。

Save as disclosed above, as at 31 December 2023, none of the directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which he was taken or deemed to have under provision of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to the Model Code in Appendix C3 to the Listing Rules.

除上文所披露者外，於二零二三年十二月三十一日，概無董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司或聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文當作或視為擁有的權益及淡倉），或須記錄於根據證券及期貨條例第352條須存置的登記冊的權益或淡倉，或根據上市規則附錄C3標準守則所述的董事交易規定標準須另行知會本公司及聯交所的權益或淡倉。

Report of the Directors

董事會報告

Share Option Scheme

Our Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”), which was approved by written resolutions passed by its shareholders on 21 October 2019 and became unconditional on 15 November 2019. Our directors consider the purpose of the Share Option Scheme is to reward the participants defined under the Share Option Scheme for their past contribution to the success of the Group and to provide incentive to them to further contribute to our Group. The principal terms of the Share Option Scheme are summarised under the paragraph headed “13. Share Option Scheme” in Appendix IV to the Prospectus and in accordance with the provisions of Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the Share Option Scheme.

1. Purpose and Participants of the Share Option Scheme

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

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

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

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

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

購股權計劃

本公司已有條件採納一項購股權計劃（「**購股權計劃**」），其於二零一九年十月二十一日獲股東以書面決議案形式批准，並於二零一九年十一月十五日成為無條件。董事認為購股權計劃旨在獎勵購股權計劃所界定的參與者過往對本集團的成功所作貢獻及激勵彼等繼續為本集團作出貢獻。購股權計劃的主要條款的概要載於招股章程附錄四「13. 購股權計劃」一段及符合上市規則第17章的條文。下文為購股權計劃的主要條款概要。

1. 購股權計劃的目的及參與者

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

購股權計劃已生效，由授出購股權日期起計十年期間有效。

2. 根據購股權計劃可發行的股份總數

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

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

3. Maximum entitlement of Shares of each eligible participant

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

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

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

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

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

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

The amount payable by the grantee to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

7. The basis of determining the exercise price

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

3. 各合資格參者可獲的股份配額上限

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

4. 須按購股權認購股份的期間

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

5. 購股權獲行使前必須持有的最短期間

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

6. 接納購股權時須支付的款項及須作出付款的期間

承授人於接納授出購股權的要約時應向本公司支付的款項為1.00港元。

7. 釐定行使價的基準

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

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8. The remaining life of the Share Option Scheme

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

As at the date of this report, no share option was granted, exercised, lapsed or cancelled for the year ended 31 December 2022.

Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the year ended 31 December 2023 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable any of the Company's directors or members of its management (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, or had exercise any such rights in the Company or other body corporate.

Directors' Interests in Transaction, Arrangement or Contracts of Significance

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding company was a party and in which any of the Company's Directors or members of its management had a material interest, whether directly or indirectly, subsisted in the year ended 31 December 2023 or at any time during the year.

8. 購股權計劃的餘下年期

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

於本報告日期，概無購股權已於截至二零二二年十二月三十一日止年度授出、行使、失效或註銷。

收購股份或債權證的權利

除上文所披露者外，於截至二零二三年十二月三十一日止年度內任何時間，本公司或其任何控股公司、附屬公司或其同系附屬公司概無參與任何安排，致令本公司董事或其管理層成員（包括其配偶及18歲以下子女）可藉購入本公司或其他法人團體的股份或債券而獲益。

董事於重大交易、安排或合約的權益

本公司或其任何附屬公司或控股公司並無訂有任何對本集團業務而言屬重大以及本公司任何董事或其管理層成員於當中擁有重大權益（不論直接或間接）且於截至二零二三年十二月三十一日止年度或本年度內任何時間存續的交易、安排或合約。

DISCLOSURE OF INTERESTS — SUBSTANTIAL SHAREHOLDER'S INTERESTS

Substantial Shareholder's Interests in Shares and Share Options

As at 31 December 2023, so far as known by the Directors, the following persons/entities (not being a Director or Chief Executive of the Company) had interest or short position in shares or underlying shares and debentures of Company and its associated corporation which would be required to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

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

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

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

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

Save as disclosed above, as at 31 December 2023, no other person (other than director or chief executive of the Company) had any interest or short position in the Shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

權益披露 — 主要股東的權益

主要股東於股份及購股權中擁有的權益

於二零二三年十二月三十一日，就董事所知，下列人士／實體（並非本公司董事或最高行政人員）於本公司及其相聯法團的股份或相關股份及債權證中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露或須記錄於根據證券及期貨條例第336條本公司須存置的登記冊的權益或淡倉，載列如下：

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

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

附註 3：字母「L」指於相關股份的好倉。

除上文所披露者外，於二零二三年十二月三十一日，概無其他人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有任何根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或須記錄於根據證券及期貨條例第336條本公司須存置的登記冊的權益或淡倉。

Report of the Directors

董事會報告

PURCHASE, SALES AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2023 and up to the date of this report.

EQUITY-LINKED AGREEMENTS

Save as disclosed, no other equity-linked agreement was entered into by the Group, or existed during the year ended 31 December 2023.

SUBSIDIARIES

Details of subsidiaries of the Company as at 31 December 2023 are set out in Note 14 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in Note 29 to the consolidated financial statements. The Directors consider that those related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. The Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2023.

購買、出售及贖回股份

於截至二零二三年十二月三十一日止年度，本公司及其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

董事於競爭業務的權益

於截至二零二三年十二月三十一日止年度及直至本報告日期的任何時間，董事或彼等各自的緊密聯繫人現時或過往概無於除本集團的業務以外與本集團的業務直接或間接構成競爭或在現時或過往可能構成競爭的業務中擁有權益。

股權掛鈎協議

除已披露者外，本集團於截至二零二三年十二月三十一日止年度概無訂立或不存在其他股票掛鈎協議。

附屬公司

本公司的附屬公司於二零二三年十二月三十一日的詳情載於綜合財務報表附註14。

關聯方交易

本集團進行的關聯方交易的詳情載於綜合財務報表附註29。董事認為該等關聯方交易並非上市規則第14A章所界定遵守上市規則項下任何申報、公佈或獨立股東批准的規定的「關連交易」或「持續關連交易」。本集團已遵守上市規則第14A章的披露規定。

管理合約

除董事服務合約外，於截至二零二三年十二月三十一日止年度，概無訂立或存在任何有關本公司全部或任何重大部分業務管理及行政的合約。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

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

Sales	出售	Percentage 百分比
The largest customer	最大客戶	19%
Five largest customers combined	五大客戶合計	57%

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

Purchases	購買	Percentage 百分比
The largest supplier	最大供應商	15%
Five largest suppliers combined	五大供應商合計	56%

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

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

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

PERMITTED INDEMNITY PROVISION

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

PUBLIC FLOAT

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

主要客戶及供應商

本集團的主要客戶應佔年內收益的百分比如下：

本集團的主要供應商應佔年內採購額的百分比如下：

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

與供應商、客戶及其他持份者的關係

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

獲准許的彌償條文

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

公眾持股量

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

Report of the Directors

董事會報告

CODE ON CORPORATE GOVERNANCE

The Company recognises that good corporate governance is vital to the success of the Group and to sustain the development of the Group. The Company aims at complying with, where appropriate, all code provisions (“**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

The Company’s corporate governance practices are based on the principles and the Code Provisions set out in the CG Code of the Listing Rules. Throughout the Reporting Period, the Company has complied, to the extent applicable and permissible, with all Code Provisions set out in CG Code with the exception of Code Provision C.2.1. Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. YP Chan currently holds both positions during the Reporting Period and up to the date of this report. As Mr. YP Chan has been responsible for the overall management of the Group, including strategic planning as well as sales and business development, the Board considered that Mr. YP Chan is the most suitable candidate to hold these two positions.

Reference is made to an announcement dated 31 March 2022 issued by the Company. The Board has established the Corporate Governance Committee with effect from 31 March 2022 to continue the review of the corporate governance policy and the practices of the Company and to ensure the Company is up to date with the latest practices. The appointment of LY Capital Limited as the Company’s compliance adviser has come to an end on 31 March 2022.

Details of the principal corporate governance practices as adopted by the Company are set out in the corporate governance report in pages 53 to 70 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

The Company has proposed to implement a share subdivision on the basis the each existing Share of par value of HK\$0.01 each be subdivided into two subdivided Shares of par value of HK\$0.005 each (the “**Share Subdivision**”). And conditional upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange be changed from 5,000 to 2,000.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2023 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the appointment of PricewaterhouseCoopers will be proposed at the forthcoming AGM of the Company.

On behalf of the Board

Chan Yuk Pan

Chairman and Chief Executive Officer

Hong Kong, 19 March 2024

企業管治守則

本公司明瞭良好企業管治對本集團的成功及維持本集團的發展非常重要。本公司擬遵守(如合適)上市規則附錄C1所載企業管治守則(「**企業管治守則**」)的所有守則條文(「**守則條文**」)。

本公司的企業管治常規乃以上市規則企業管治守則所載原則及守則條文為基礎。於報告期間，本公司已在適用及可行的情況下遵守所有企業管治守則所載的守則條文，惟有關守則條文第C.2.1條的情況除外。企業管治守則之守則條文第C.2.1條規定，主席及行政總裁的職責應予區分，且不應由同一人士擔任。陳煜彬先生目前於報告期間及直至本報告日期兼任兩個職位。由於陳煜彬先生一直負責本集團的整體管理，包括戰略規劃以及銷售及業務發展，董事會認為陳煜彬先生為兼任兩個職位的最適當人選。

茲提述本公司日期為二零二二年三月三十一日的公告。董事會已成立企業管治委員會，自二零二二年三月三十一日起生效，以繼續審視本公司的企業管治政策及慣例，確保本公司與最新的慣例保持一致。委任絡繹資本有限公司為本公司合規顧問的任期已於二零二二年三月三十一日結束。

本公司採納的主要企業管治常規詳情載於本年報第53至70頁的企業管治報告。

報告期後事件

本公司建議實施股份拆細，基準為將每股面值0.01港元的每一股現有股份拆細為兩股每股面值0.005港元的拆細股份(「**股份拆細**」)。待股份拆細生效後，於聯交所買賣的每手買賣單位由5,000股更改為2,000股股份。

核數師

羅兵咸永道會計師事務所已審核本公司截至二零二三年十二月三十一日止年度綜合財務報表，並將退任，且符合資格並願意膺選連任。本公司應屆股東週年大會將提呈有關委任羅兵咸永道會計師事務所的決議案。

代表董事會

陳煜彬

主席兼行政總裁

香港，二零二四年三月十九日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2023 (the “**Reporting Period**”). The Company wishes to highlight the importance of the Board in ensuring effective leadership and control of the Company, transparency and accountability of all aspects of operations and that the business is conducted in accordance with applicable laws and regulations.

The Company recognises that good corporate governance is vital to the success of the Group and to sustain the development of the Group. The Company aims at complying with, where appropriate, all code provisions (“**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

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

DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted a code regulating the securities transactions of Directors and executive officers named in this annual report, on terms no less exacting than the required standard of dealing as set out in the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules.

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

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

董事會欣然提呈截至二零二三年十二月三十一日止年度（「**報告期間**」）的本企業管治報告。本公司謹此表明，董事會確保本公司有效領導及監控，在各方面營運的透明度及問責性的重要性，以及根據適用法律及法規進行其業務。

本公司明瞭良好企業管治對本集團的成功及維持本集團的發展非常重要。本公司擬遵守（如合適）上市規則附錄C1所載企業管治守則（「**企業管治守則**」）的所有守則條文（「**守則條文**」）。

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

董事的證券交易

本集團已採納規管董事及名列本年報的行政人員進行本公司之證券交易守則，其條款不會較上市規則附錄C3所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）所載的訂明買賣標準寬鬆。

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

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

Corporate Governance Report

企業管治報告

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

THE BOARD

Responsibilities

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

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

The Board has complied with the requirements of the Listing Rules to have at least three independent non-executive Directors (the "INEDs", each an "INED") who represent more than one-third of the Board with at least one of them who possesses appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 3.13 of the Listing Rules.

The Board has received from each INED a written annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Nomination Committee has assessed the independence of each INED. The Company is of the view that all INEDs fulfil the relevant independence requirement throughout the Reporting Period. Each INED will inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his/her independence.

本公司主要企業管治原則及常規概述如下：

董事會

職責

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

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

董事會已遵守上市規則之規定，根據上市規則第3.13條委任最少三名獨立非執行董事（「獨立非執行董事」），各為一名「獨立非執行董事」，佔董事會人數超過三分之一，其中最少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專長。

董事會已收到各獨立非執行董事根據上市規則第3.13條之規定提交確認其符合獨立性之週年確認函，而提名委員會已評核各獨立非執行董事之獨立性。本公司認為，於報告期間，所有獨立非執行董事已滿足相關獨立規定。倘出現任何可能會影響其獨立性的變動情況，各獨立非執行董事將於實際可行情況下盡快書面通知本公司。

Corporate Governance Report

企業管治報告

Composition

The Board has a balance of skills, wealth of experiences and diversity of perspectives appropriate to the requirements of the business of the Group.

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

The Board currently comprises the following Directors:

Executive Directors

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

Mr. Chan Lung Pan

Independent Non-Executive Directors

Mr. Chan Wan Tsun Adrian Alan

Ms. Tsang Hau Lam

Ms. Tam Ho Ting

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

Appointment, Re-Election and Removal of Directors

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

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

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

組成

董事會根據本集團之業務需要具備適當的技巧、豐富的經驗及多元化的視野。

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

董事會現由以下董事組成：

執行董事

陳煜彬先生 (*主席及行政總裁*)

陳龍彬先生

獨立非執行董事

陳弘俊先生

曾巧臨女士

譚可婷女士

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

委任、重選及罷免董事

本公司已制定正式且具透明度的董事委任及繼任規劃程序。

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

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

Corporate Governance Report

企業管治報告

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

Continuing Professional Development

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

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

Directors' and Officers' Liabilities

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

Board Meetings and Directors' Attendance

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

During the year, four regular Board meetings were held quarterly for, among others, (i) reviewing and approving the financial and operating performance, including the final results for the year ended 31 December 2022, quarterly results for the three months ended 31 March 2023, interim results for the six months ended 30 June 2023 and results for the nine months ended 30 September 2023, (ii) the transfer of listing, and (iii) considering, reviewing and/or approving the overall strategies and policies of the Company.

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

持續專業發展

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

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

董事及高級職員的責任

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

董事會會議及董事出席情況

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

於本年度，四次常規董事會會議約每季度舉行一次，以（其中包括）(i) 檢討及審批財務及營運表現，包括截至二零二二年十二月三十一日止年度的全年業績、截至二零二三年三月三十一日止三個月的季度業績、截至二零二三年六月三十日止六個月的中期業績及截至二零二三年九月三十日止九個月的業績，(ii) 轉板上市，及(iii) 考慮、檢討及／或審批本公司的整體策略及政策。

Corporate Governance Report

企業管治報告

All individual Directors have attended the four regular quarterly Board meetings (not including other ad hoc Board meetings held from time to time and any other meeting(s) of members of the Board in compliance with the CG Code), committee meetings and general meeting during the year ended 31 December 2023. Attendance includes physical attendance and attendance by telephone or video conference.

During the year, the Chairman also held a meeting with the INEDs without the presence of other Directors.

Practices and Conduct of Board Meetings

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

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

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

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

於截至二零二三年十二月三十一日止年度，全部個別董事均已出席四次季度常規董事會會議（不包括不時舉行的其他臨時董事會會議及任何其他符合企業管治守則的董事會成員會議）、委員會會議及股東大會。出席情況包括親身出席及通過電話或視像會議出席。

於本年度，主席亦與獨立非執行董事舉行一次並無其他董事在場的會議。

董事會會議常規及程序

董事會會議日期的時間表乃於上一年度計劃。所有常規董事會會議將向全體董事給予最少7日正式通知期及全體董事有機會將事項納入議程以供討論。每次會議的議程及董事會會議文件會於每次常規董事會會議前最少3日寄發給全體董事。

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

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

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

Corporate Governance Report

企業管治報告

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

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee on 21 October 2019, for overseeing specific aspects of the Company's affairs. The Board has also established the Corporate Governance Committee on 31 March 2022 to take full account of the Group's policies and practices on corporate governance, legal and regulatory compliance and professional development of the Group's management team. Each committee was established with defined written terms of reference setting out its authorities and duties and requiring the Committees to report back to the Board on their decisions or recommendations (unless otherwise restricted by applicable legal or regulatory requirements). To provide transparency, the terms of reference of the Board committees are posted on the Company's and the Stock Exchange's websites and hard copies of the same are available to shareholders upon request.

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

董事會委員會

董事會於二零一九年十月二十一日設立三個委員會：審計委員會、提名委員會及薪酬委員會，以掌管本公司特定事務。董事會亦於二零二二年三月三十一日成立企業管治委員會，全面負責本集團企業管治、法律及監管合規以及本集團管理層團隊持續發展的政策及常規。各委員會均設有明確書面職權範圍，載列其要求委員會向董事會報告其決定或意見的權限及職責（適用法律或監管規定限制者除外）。為提供透明度董事會委員會的職權範圍於本公司及聯交所網站刊載，其複印件亦可供股東索閱。

Corporate Governance Report

企業管治報告

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

Corporate Governance Committee

Mr. Chan Lung Pan (*Chairman*)**
Mr. Chan Wan Tsun Adrian Alan*
Mr. Chan Ho Chee Gilbert***

* Independent non-executive Director
** Executive Director
*** Senior management

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

Chairman and Chief Executive Officer

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. YP Chan currently holds both positions for the year ended 31 December 2023 and up to the date of this report. As Mr. YP Chan has been responsible for the overall management of the Group, including strategic planning as well as sales and business development, the Board considered that Mr. YP Chan is the most suitable candidate to hold these two positions.

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

審計委員會

陳弘俊先生 (*主席*) *
譚可婷女士 *
曾巧臨女士 *

薪酬委員會

譚可婷女士 (*主席*) *
陳龍彬先生 **
曾巧臨女士 *

提名委員會

陳煜彬先生 (*主席*) **
陳弘俊先生 *
譚可婷女士 *

企業管治委員會

陳龍彬先生 (*主席*) **
陳弘俊先生 *
陳浩賜先生 ***

* 獨立非執行董事
** 執行董事
*** 高級管理層

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

主席及行政總裁

企業管治守則的守則條文第C.2.1條規定，主席及行政總裁的職責應予區分，且不應由同一人士擔任。陳煜彬先生目前於截至二零二三年十二月三十一日止年度及直至本報告日期兼任兩個職位。由於陳煜彬先生一直負責本集團的整體管理，包括戰略規劃以及銷售及業務發展，董事會認為陳煜彬先生為兼任兩個職位的最適當人選。

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Audit Committee

Our Company established an Audit Committee on 21 October 2019 with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and Code Provisions D.3.3 and D.3.7 of the CG Code. The Audit Committee comprises three INEDs; namely Mr. Adrian Chan, Ms. Tam and Ms. Tsang. Mr. Adrian Chan, who has appropriate professional qualification and experience in accounting matters, was appointed to serve as the chairman of the Audit Committee.

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

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

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

審計委員會

本公司於二零一九年十月二十一日成立審計委員會，並遵照上市規則第3.21條至3.23條及企業管治守則守則條文第D.3.3條及D.3.7條擬備了書面職權範圍。審計委員會由三位獨立非執行董事：陳弘俊先生、譚女士及曾女士組成。陳弘俊先生於會計方面擁有合適的專業資格及經驗，獲委任為審計委員會主席。

根據職權範圍，審計委員會的主要職責其中包括：

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

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

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The Audit Committee held four meetings during the year ended 31 December 2023 to review quarterly, half-yearly and final financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, effectiveness of internal audit function, the auditor's independence and objectivity. Full minutes of the meetings are duly kept by the Company Secretary and draft and final versions of the same have been sent to all committee members for comments and records, within reasonable time afterwards in accordance with the relevant Code Provisions. The Audit Committee also met with the Company's auditor, PricewaterhouseCoopers, twice during the year and recommended its re-appointment as the Company's external auditor to the Board, which has taken no different view in respect of the Audit Committee's recommendation.

During the Reporting Period and up to the date of this report, there was no material uncertainty relating to events or conditions that might cast significant doubt on the Company's ability to continue as a going concern. The Company's annual results for the year ended 31 December 2023 have been reviewed by the Audit Committee.

Nomination Committee

Our Company established a nomination committee on 21 October 2019 with written terms of reference in compliance with Rule 3.27 of the Listing Rules and Code Provision B.3.1 of the CG Code. The nomination committee comprises two INEDs and one executive Director: Mr. Adrian Chan, Ms. Tam and Mr. YP Chan. Mr. YP Chan was appointed the chairman of the Nomination Committee. The primary functions of the Nomination Committee are (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement our Company's corporate strategy; (ii) to identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship; (iii) to assess the independence of our INEDs; and (iv) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular our chairman and the chief executive officer of the Company.

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

於截至二零二三年十二月三十一日止年度，審計委員會舉行四次會議，以審閱季度、半年度及全年財務業績及報告，財務申報及合規程序、內部監控及風險管理制度、內部審核職能的有效性、核數師的獨立性及客觀性。會議記錄全文由公司秘書妥為保存，而會議記錄的初稿及最終定稿亦已根據相關守則條文於會後合理時間內送交全體委員會成員，以供置評及作記錄。審計委員會亦於本年度與本公司核數師羅兵咸永道會計師事務所舉行兩次會議，並向董事會建議續聘其為本公司的外聘核數師，而董事會對審計委員會的建議並無異議。

於報告期間及直至本報告日期，並無有關可能對本公司按持續基準經營的能力產生重大疑問的事件或情況。本公司截至二零二三年十二月三十一日止年度的年度業績已經由審計委員會審閱。

提名委員會

本公司於二零一九年十月二十一日成立提名委員會，並遵照上市規則第3.27條及企業管治守則守則條文第B.3.1條擬備了書面職權範圍。提名委員會由兩位獨立非執行董事及一位執行董事：陳弘俊先生、譚女士及陳煜彬先生組成。陳煜彬先生獲委任為提名委員會主席。提名委員會的主要職責是(i)至少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗)，並就任何為配合本公司策略而擬對董事會作出的變動提出建議；(ii)物色具備合適資格可加入董事會的人選，並進行甄選和就董事的人選提名向董事會提出建議；(iii)評估獨立非執行董事的獨立性；以及(iv)就委任或重新委任董事以及董事(尤指本公司主席及行政總裁)繼任計劃向董事會提出建議。

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

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

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

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

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

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— convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a Director.

The Nomination Committee held one meeting during the year ended 31 December 2023 to, amongst others, (i) review the structure, size, diversity and composition of the Board; (ii) assess the independence of the independent non-executive Directors; and (iii) review and recommend the continuing adoption of the Diversity Policy.

Remuneration Committee

Our Company established a remuneration committee on 21 October 2019 with written terms of reference in compliance with Rules 3.25 to 3.27 of the Listing Rules and Code Provision E.1.2 of the CG Code. The remuneration committee comprises two INEDs and one executive Director: Mr. LP Chan, Ms. Tam and Ms. Tsang. Ms. Tam was appointed chairlady of the remuneration committee. The primary functions of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors is in a position to determine his own remuneration.

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

The Remuneration Committee held one meeting during the year ended 31 December 2023 to review and recommend the remuneration packages of the Directors and the senior management, to establish a formal and transparent procedure for developing policy for the remuneration of the Directors, assess the performance of the executive Directors and approve the terms of their respective service contracts.

— 召開董事會議以考慮委任或重新委任候選人為董事。

於截至二零二三年十二月三十一日止年度，提名委員會舉行一次會議，以（其中包括）(i) 檢討董事會架構、規模、多元化及組成；(ii) 評估獨立非執行董事的獨立性；及(iii) 檢討及建議繼續採納多元化政策。

薪酬委員會

本公司於二零一九年十月二十一日成立薪酬委員會，並遵照上市規則第 3.25 條至 3.27 條及企業管治守則守則條文第 E.1.2 條擬備了書面職權範圍。薪酬委員會由兩位獨立非執行董事及一名執行董事：陳龍彬先生、譚女士及曾女士組成。譚女士獲委任為薪酬委員會主席。薪酬委員會的主要職責是，就整體薪酬政策和本集團全體董事及高級管理層的架構提供建議、審視與表現掛鈎的薪酬，以及確保董事不得釐定其本人的薪酬。

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

於截至二零二三年十二月三十一日止年度，薪酬委員會舉行一次會議，以檢討董事及高級管理層的薪酬待遇並提出建議，就制定董事薪酬政策訂立正規而具透明度的程序及評估執行董事表現及批准其各自服務合約條款。

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The remuneration payable to the members of the senior management by band for the year ended 31 December 2023 is set out below:

截至二零二三年十二月三十一日止年度按組別劃分的應付高級管理層成員薪酬載列如下：

Remuneration bands	薪酬組別	Number of individuals 人數
Nil to HK\$500,000	零至 500,000 港元	1
HK\$500,001 to HK\$1,500,000	500,001 港元至 1,500,000 港元	1

Further particulars relating to Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in Note 7 and Note 10 to the consolidated financial statements.

根據上市規則附錄D2須予披露有關董事酬金及五名最高薪人士的進一步詳情，載於綜合財務報表附註7及附註10。

Corporate Governance Committee

Reference is made to an announcement dated 31 March 2022 issued by the Company. The Board has established a corporate governance committee (the "CG Committee") with effect from 31 March 2022 to continue the review of the corporate governance policy and the practices of the Company and to ensure the Company is up to date with the latest practices. The CG Committee is responsible for performing the corporate governance duties and determining the relevant policies of the Company, which includes i) developing and reviewing the Group's policies and practices on corporate governance and making recommendations to the Board; ii) reviewing and monitoring the training and continuous professional development of the Directors and the senior management; iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; iv) developing, reviewing and monitoring the code of conduct, compliance manual (if any) applicable to employees and Directors; v) reviewing the Group's compliance with the CG Code and disclosures in this Corporate Governance Report, reviewing the shareholders communication policy and making recommendations to the Board where appropriate to enhance effective communications between the Company and its shareholders; and vii) reviewing and monitoring the evaluation and management of issues related to the Company's Environmental, Social and Governance ("ESG") matters.

According to the terms of reference of the CG Committee, meeting of the CG Committee shall be held on a regular basis. The CG Committee held one meeting during the year ended 31 December 2023. The CG Committee reviewed and discussed the corporate governance policy of the Company and was satisfied the effectiveness of its corporate governance policy.

企業管治委員會

茲提述本公司日期為二零二二年三月三十一日的公告。董事會已成立企業管治委員會（「企業管治委員會」），自二零二二年三月三十一日起生效，以繼續審視本公司的企業管治政策及慣例，確保本公司與最新的慣例保持一致。企業管治委員會負責履行本公司的企業管治職責及決定相關政策包括i) 制定及檢討本集團於企業管治方面的政策及常規，並向董事會作出推薦建議；ii) 檢討及監察董事及高級管理層的培訓及持續專業發展；iii) 檢討及監察本集團的政策及常規是否符合法律及監管要求；iv) 制定、檢討及監察員工及董事的操守準則、合規手冊（如有）；及v) 檢討本集團遵守企業管治守則的情況及在本企業管治報告內所作的披露；vi) 檢討股東溝通政策，並適時向董事會提出建議，以加強本公司與其股東之間的有效溝通；及vii) 檢討及監督與本公司的環境、社會及管治（「環境、社會及管治」）事項有關的問題的評估及管理。

根據企業管治委員會的職權範圍，企業管治委員會應定期舉行會議。企業管治委員會於截至二零二三年十二月三十一日止年度舉行一次會議。企業管治委員會已審閱及討論本公司的企業管治政策，並對其企業管治政策的效用感到滿意。

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RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board and the Directors

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

The Directors also acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2023.

Auditor's Statement

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" in pages 122 to 128.

Senior Management

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

有關財務報表的責任

董事會及董事

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

董事亦明瞭彼等編製本公司截至二零二三年十二月三十一日止年度財務報表的責任。

核數師聲明

本公司的外聘核數師有關彼等申報財務報表責任的聲明載於第122至128頁「獨立核數師報告」。

高級管理層

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

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

風險管理及內部監控

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

Corporate Governance Report

企業管治報告

Risk Management

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

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

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

- The sales and profitability of the Group's products are dependent on its customers' business performance. The Group's five largest customers accounted for an aggregate of 57% and 55% of its revenue for the two years ended 31 December 2023 and 2022, respectively, and if there is any decrease in its business or if the Group fails to maintain its relationship with them or any of them or other key customers, this could adversely affect its business, results of operations, financial condition and prospects. To diversify the business risk, the Group has been active in seeking new markets and clients during the Reporting Period.
- The Group's profitability may be adversely affected by the fluctuations of raw material prices. The raw materials the Group uses in the manufacturing process are primarily forged rings, steel balls and spacers, of which forged rings accounted for most of the Group's total purchases. For the year ended 31 December 2023, the total purchases of forged rings accounted for approximately 58% of the total purchases of raw materials for the year. The Group's forged rings are primarily made from gear steel and carbon round steel. Nearly all of the Group's raw materials are sourced from suppliers based in the PRC. There are many factors which can cause fluctuation in the price of raw materials from time to time, in particular the economic conditions in the PRC, supply and demand of raw materials and international trade. To diversify the business risk, the Group has been taking some proactive approaches to unexpected change in raw material prices such as understanding the actual production capacity and the historical record of price change.

風險管理

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

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

於報告期間，本集團已識別下列風險及實施相關風險緩減計劃，詳情列載如下：

- 本集團產品的銷售及盈利能力依賴於客戶的業務表現。截至二零二三年及二零二二年十二月三十一日止兩個年度，本集團的五大客戶分別佔其收益合共57%及55%，倘本集團的業務有任何下降或本集團未能與任何該等客戶或其他主要客戶維持關係，本集團的業務、經營業績、財務狀況及前景將受到不利影響。為分散業務風險，本集團於報告期間一直積極尋找新市場及客戶。
- 本集團的盈利能力可能受到原材料價格波動的不利影響。本集團在生產過程中使用的原材料主要為環鍛件、鋼球及墊片，其中環鍛件佔大部分的總採購額。於截至二零二三年十二月三十一日止年度，環鍛件的總採購佔本年度原材料總採購額的約58%。本集團的環鍛件主要由齒輪鋼及碳圓鋼製成。本集團的所有原材料幾乎均採購自中國的供應商。導致原材料價格不時波動的因素有許多，當中以中國經濟狀況、原材料供需情況及國際貿易尤甚。為分散業務風險，本集團已採取若干方法主動處理預料之外的原材料價格變動，譬如了解實際產能及過往價格變動記錄。

Corporate Governance Report

企業管治報告

Internal Control

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

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

Handling and Dissemination of Inside Information

The Company has established and maintained procedures and internal controls for the handling and dissemination of insider information. The Company has adopted a code of conduct for dealing in the securities of the Company by the directors in accordance with Appendix C3 to the Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company.

內部監控

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

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

內幕消息的處理及傳播

本公司已建立並維持處理及傳播內幕消息的程序及內部控制。本公司已根據上市規則附錄C3採納董事買賣本公司證券的行為守則。本集團其他可能擁有本公司內幕消息的僱員亦須遵守有關交易限制。任何可能構成內幕消息的內幕消息及任何資料將即時識別、評估並上報董事會，以供董事會決定是否須予披露。內幕消息及其他根據上市規則須予披露的資料將在聯交所及本公司各自的網站上公佈。

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

During the year ended 31 December 2023, the remuneration paid/payable to the Company's external auditor, PricewaterhouseCoopers, is set out below:

核數師酬金

於截至二零二三年十二月三十一日止年度，本公司向外聘核數師羅兵咸永道會計師事務所已付／應付的新酬載列如下：

Service Category	服務種類	HK\$'000 千港元
Annual audit services:	年度審計服務：	
— Consolidated financial statements audit and Hong Kong Subsidiaries statutory audit	— 綜合財務報表審計及香港子公司法定審計	1,250
Non-audit services:	非審計服務：	
— Transfer of listing services (Note)	— 轉板服務(附註)	
— Reporting accountant	— 申報會計師	1,550
— Transfer pricing consultation	— 移轉定價顧問	138
— Agreed-upon procedures	— 商定程序	
— Preliminary announcement	— 初步業績公告	50
— Tax compliance services	— 稅務合規服務	35
Total	總額	3,023

Note: The amount for transfer of listing services are recognised within "Administrative expenses — listing expenses" in the consolidated statement of comprehensive income.

附註：就轉板服務支付的金額於綜合全面收益表「行政開支 — 上市開支」內確認。

COMPANY SECRETARY

The Company has appointed Mr. Chan Ho Chee Gilbert, who is an employee of the Company, as its Company Secretary. He is a member of CPA Australia. He confirmed that he has taken no less than 15 hours of relevant professional training for the year ended 31 December 2023. The biography of Mr. Chan Ho Chee Gilbert is set out in the section headed "Directors and Senior Management" of this report.

公司秘書

本公司已委任本公司員工陳浩賜先生為公司秘書。彼為澳洲會計師公會會員。彼已確認，截至二零二三年十二月三十一日止年度，彼已接受至少15小時的相關專業培訓。陳浩賜先生的履歷載於本報告「董事及高級管理層」一節。

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

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

股東權利及投資者關係

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

Corporate Governance Report

企業管治報告

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

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

(b) Procedures for putting forward proposals at General Meetings

There is no provision allowing shareholders to move new resolutions at the general meetings under the Companies Act (2023 Revision) (as consolidated or revised from time to time) of the Cayman Islands. However, pursuant to the Articles of Association, shareholders who wish to make proposals or move a resolution may convene an EGM in accordance with the “Procedures for Shareholders to convene an EGM” set out above.

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

Shareholders may send their enquiries and concerns to the Board and/or the Company Secretary by addressing them to the principal place of business of the Company in Hong Kong at Unit No. 1119, 11th Floor, The Metropolis Tower, No. 10 Metropolis Drive, Kowloon, Hong Kong by post for the attention of the Board and/or the Company Secretary.

(d) Communication with Shareholders and Investors

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

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

Share registration matters shall be handled by the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(a) 股東召開股東特別大會（「股東特別大會」）的程序

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

(b) 於股東大會上提呈建議的程序

開曼群島公司法（二零二三年修訂）（經不時綜合或修訂）並無條文准許股東於股東大會上動議新決議案。根據組織章程細則，有意提呈建議或動議決議案的股東可根據上文所載「股東召開股東特別大會的程序」召開股東特別大會。

(c) 股東向董事會提出查詢的程序

股東如欲向董事會及／或公司秘書提出查詢及疑問，可發送至本公司的香港主要營業地點（香港九龍都會道10號都會大廈11樓1119室），並註明收件人為董事會及／或公司秘書。

(d) 與股東及投資者溝通

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

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

股份過戶登記事宜由本公司之香港股份過戶登記分處卓佳證券登記有限公司處理，地址為香港夏愨道16號遠東金融中心17樓。

Corporate Governance Report

企業管治報告

DIVIDEND POLICY

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

- (a) In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:
- the Group's financial conditions;
 - the Group's actual and expected financial performance;
 - the Group's cash flow, working capital requirements, capital expenditure requirements and future expansion plans;
 - the Group's retained earnings and distributable reserves;
 - the Group's liquidity position;
 - general economic conditions, future prospects of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
 - other factors that the Board may consider appropriate.
- (b) The payment of the dividend by the Company is also subject to restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company.
- (c) The Board endeavours to strike a balance between the Shareholders' interests and prudent capital management with a sustainable Dividend Policy.

Constitutional Documents

The Articles of Association of the Company was amended and restated pursuant to the special resolutions passed at the AGM held on 16 June 2023. Except for the said amendments, there has been no change in the Company's constitutional documents during the Reporting Period and up to the date of this report.

On behalf of the Board

CHAN Yuk Pan

Chairman and Chief Executive Officer

Hong Kong, 19 March 2024

股息政策

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

- (a) 於決定是否建議派付股息及釐定股息金額時，董事會須考慮（其中包括）：
- 本集團財務狀況；
 - 本集團實際及預期財務表現；
 - 本集團現金流量、所需營運資金、所需資本開支及未來擴展計劃；
 - 本集團保留盈利及可供分派儲備；
 - 本集團流動資金狀況；
 - 一般經濟狀況、本集團前景以及其他可能對本集團營運及財務表現構成影響的內部及外部因素；及
 - 董事會認為適合的其他因素。
- (b) 本公司派付股息亦受開曼群島公司法及細則之任何限制所規限。
- (c) 董事會致力執行可持續股息政策，於股東利益與審慎資本管理之間取得平衡。

章程文件

本公司組織章程細則已根據在二零二三年六月十六日舉行的股東週年大會上通過的特別決議案修訂及重列。除上述修訂外，於報告期間及直至本報告日期，本公司的章程文件並無任何更改。

代表董事會

主席兼行政總裁

陳煜彬

香港，二零二四年三月十九日

Environmental, Social and Governance Report

環境、社會及管治報告

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Environmental, Social and Governance Report

環境、社會及管治報告

DEFINITION AND INTERPRETATION

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

- **Group** : refers to Best Linking Group Holdings Limited and its subsidiaries
- **ESG** : Environmental, social and governance
- **Appendix C2 or ESG Reporting Guide** : refers to the Appendix C2 — Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules
- **Main Board** : Main Board of the Stock Exchange of Hong Kong Limited
- **Hong Kong** : The Hong Kong Special Administrative Region of the People's Republic of China, including Hong Kong Island, Kowloon and the New Territories
- **PRC** : The People's Republic of China
- **KPIs** : Key Performance Indicators
- **Main Board Listing Rules** : The Rules Governing the Listing of Equity Securities on Main Board of the Stock Exchange
- **Stock Exchange** : The Stock Exchange of Hong Kong Limited

釋義及詮釋

於本報告內，除文義另有所指外，下列詞彙具以下涵義：

- **本集團** : 永聯豐集團控股有限公司及其附屬公司
- **環境、社會及管治** : 環境、社會及管治
- **附錄C2或環境、社會及管治報告指引** : 主板上市規則附錄C2 — 《環境、社會及管治報告指引》
- **主板** : 香港聯合交易所有限公司
- **香港** : 中華人民共和國香港特別行政區，包含香港島、九龍及新界
- **中國** : 中華人民共和國
- **關鍵績效指標** : 關鍵績效指標
- **主板上市規則** : 聯交所主板證券上市規則
- **聯交所** : 香港聯合交易所有限公司

Environmental, Social and Governance Report

環境、社會及管治報告

OVERVIEW

(I) Purpose

Best Linking Group Holdings Limited (the “**Company**”), together with its subsidiaries (together, the “**Group**”), successfully transferred the listing of its shares from GEM to the Main Board of the Stock Exchange on 29 September 2023. In accordance with the requirements of the Stock Exchange, listed companies are required to provide an Environmental, Social and Governance Report (“**ESG Report**”). This is the first ESG Report since the transfer of listing on the Main Board which mainly introduces the Group’s vision, policies and measures by establishing the key performance indicators (“**KPIs**”) and reports its performance regarding environmental and social issues for internal assessment and management control, and communicating to the internal and external stakeholders.

(II) Reporting Period

This report is for the period from 1 January 2023 to 31 December 2023 (the “**2023 Reporting Period**”).

(III) Scope of Report

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

概覽

(I) 目的

永聯豐集團控股有限公司（「**本公司**」）聯同其附屬公司（統稱為「**本集團**」）於二零二三年九月二十九日成功由聯交所GEM轉往主板上市。上市公司必須按香港聯交所要求提交環境、社會及管治報告（「**環境、社會及管治報告**」）。此為本集團轉往主板上市以來第一份環境、社會及管治報告，主要藉訂立關鍵績效指標（「**關鍵績效指標**」）以介紹本集團願景、政策及措施，同時報告其於環境及社會問題上的表現，藉此進行內部評估及管理控制，並向內部及外部持份者提供資訊。

(II) 報告期

本報告的報告期為二零二三年一月一日至二零二三年十二月三十一日（「**二零二三年報告期**」）。

(III) 報告範圍

本集團主要從事迴轉支承製造，迴轉支承乃用於建造機械及設備、風力發動機、機械人及軍事設備等大型機械設備的旋轉滾動體軸承。本集團於中華人民共和國（「**中國**」）廣東省東莞市的生產設施（「**東莞工廠**」）以原設計製造（「**ODM**」）、原設備製造（「**OEM**」）及原品牌製造（「**OBM**」）形式生產產品，本集團符合日本工業標準及ISO 9001：2015品質標準。產品均售予中國的一般批發商、貿易商、承包商及分銷商，以及海外領先的設備製造商。本集團亦從事機械零部件以及主要用於建築地盤及採礦場的機械的貿易。本集團各業務分部對環境及社會的影響各有不同。就本報告而言，本集團將從環境及社會目標、政策及慣例以及相關影響及表現的角度對核心業務活動及營運進行檢討。

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The administrative office of the Group in Hong Kong (the “**Hong Kong Office**”) relocated during the 2023 Reporting Period. The Hong Kong Office directly uses electricity, while the supply of freshwater for general hygiene needs of its employees is supplied through the common facilities in the leased office spaces. The Hong Kong Office produces, emits, or discharges negligible amounts of polluted water, hazardous, and non-hazardous wastes. Therefore, this ESG report covers the main operations and activities of the Dongguan Factory unless otherwise specified.

(IV) Basis of Preparation

Our ESG Report is prepared in accordance with the ESG Reporting Guide (the “**ESG Reporting Guide**”) outlined in Appendix C2 of the Main Board Listing Rules. This report covers two main areas, as outlined and required by the ESG Reporting Guide, namely Area A — Environmental and Area B — Social. This report also includes the climate-change related issues, which have or may impact our Group.

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

(V) Corporate Goals and Visions

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

本集團的香港行政辦事處（「**香港辦事處**」）於二零二三年報告期搬遷。香港辦事處直接用電，而員工的一般衛生需求的淡水供應則透過在租賃的辦公室空間的公共設備供給。香港辦事處產生、排放或排出的廢水、有害及無害廢物的數量可忽略不計。因此，除非另有說明，本環境、社會及管治報告涵蓋東莞工廠的主要營運及活動。

(IV) 編製基準

我們的環境、社會及管治報告，根據主板上市規則附錄C2所載列《環境、社會及管治報告指引》（「**環境、社會及管治報告指引**」）編製。本報告內容涵括環境、社會及管治報告指引所載列及要求的兩個主要主題範疇，即範疇A — 環境及範疇B — 社會。本報告亦載列對本集團已經或可能造成影響的相關氣候變化問題。

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

(V) 企業目標及願景

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

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(VI) Governance Structure

Throughout the 2023 Reporting Period, the Group maintained the same ESG management structure and process as the last reporting period (from 1 January 2022 to 31 December 2022, “2022” or “2022 Reporting Period”). The Board of the Group is responsible for formulating and setting goals and targets, approving strategic direction and policies, and monitoring performance including ESG issues. Our ESG strategies, management policy and approach are based on compliance with relevant legal and regulatory requirements, the principle of sustainability and opinions from our key stakeholders. The Group’s visions and goals, and the ESG management policy and approach can be summarized in the following statements:

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

(VI) 管治架構

於整個二零二三年報告期，本集團保持與上一個報告期（自二零二二年一月一日至二零二二年十二月三十一日，「二零二二年」或「二零二二年報告期」）相同的環境、社會及管治管理架構及程序。本集團董事會負責制定及設定目標及指標，批准戰略方向及政策，並監督包括環境、社會及管治問題在內的表現。本集團的環境、社會及管治策略、管理政策及方針以符合相關法律及法規要求、可持續性原則以及主要持份者意見為基礎。下文概述本集團的願景、目標以及環境、社會及管治管理政策及方針。

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

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

BOARD STATEMENT

The Board is committed to the sustainable development of the Group and the performance of its corporate social responsibilities. The Board believes that focusing on resources management, occupational safety, health, and ESG management can enhance the Group's corporate image, reduce ESG risks, and improve compliance with relevant laws and regulations. This, in turn, can boost the Group's competitiveness and promote its sustainable business development.

The Group's ESG philosophy is to create long-term value for its stakeholders in alignment with the strategic development and sustainability of its business. The Group is committed to maintaining a rigorous corporate governance framework to promote and safeguard the interests of shareholders and other stakeholders, thereby upholding the Group's credibility and reputation.

The Board continuously enhances its supervision over the Company's ESG governance and increases its engagement efforts. The Company sets annual environmental targets related to its business, and the Board regularly reviews and discusses the establishment and progress of these targets. The Company has adopted the Hong Kong Stock Exchange Environmental, Social, and Governance Reporting Guide, under which it carries out sustainability tasks in environmental protection, employee welfare, and production safety.

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

董事會聲明

董事會致力於本集團的可持續發展並履行其企業社會責任。董事會認為，專注於資源管理、職業安全、健康，及環境、社會及管治管理可以提升本集團的企業形象，降低環境、社會及管治風險，提高對相關法律法規的合規性。從而提升本集團的競爭力，促進本集團業務的可持續發展。

本集團的環境、社會及管治理念與其業務的策略發展及可持續發展相互配合，為持份者創造長期價值。本集團致力維持嚴謹的企業管治架構，以促進及保障股東及其他持份者的利益，從而維護本集團的信譽及聲譽。

董事會不斷加強對本公司環境、社會及管治的監督並加大參與力度。本公司制定與其業務相關的年度環境目標，且董事會定期對該等目標的設立及進展進行審閱及討論。本公司已採用香港聯交所環境、社會及管治報告指引，根據該指引，本公司在環境保護、員工福利及安全生產方面執行可持續發展任務。

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STAKEHOLDERS COMMUNICATION AND MATERIALITY

The Group maintains regular contacts with the internal and external stakeholders to gauge their view and opinions regarding the Group's operations and performance. After collecting the view and opinions, the CEO and/or COO will carry out materiality assessments internally with the related managers and externally with related stakeholders through the communication channels as listed below:

持份者溝通及重要議題

本集團與內部及外部持份者保持定期聯繫，以評估彼等對本集團營運及表現的意見。行政總裁及／或營運總監會於收集有關觀點及意見後，將通過以下所列的溝通渠道，與內部的相關經理及外部的相關持份者進行重要性評估。

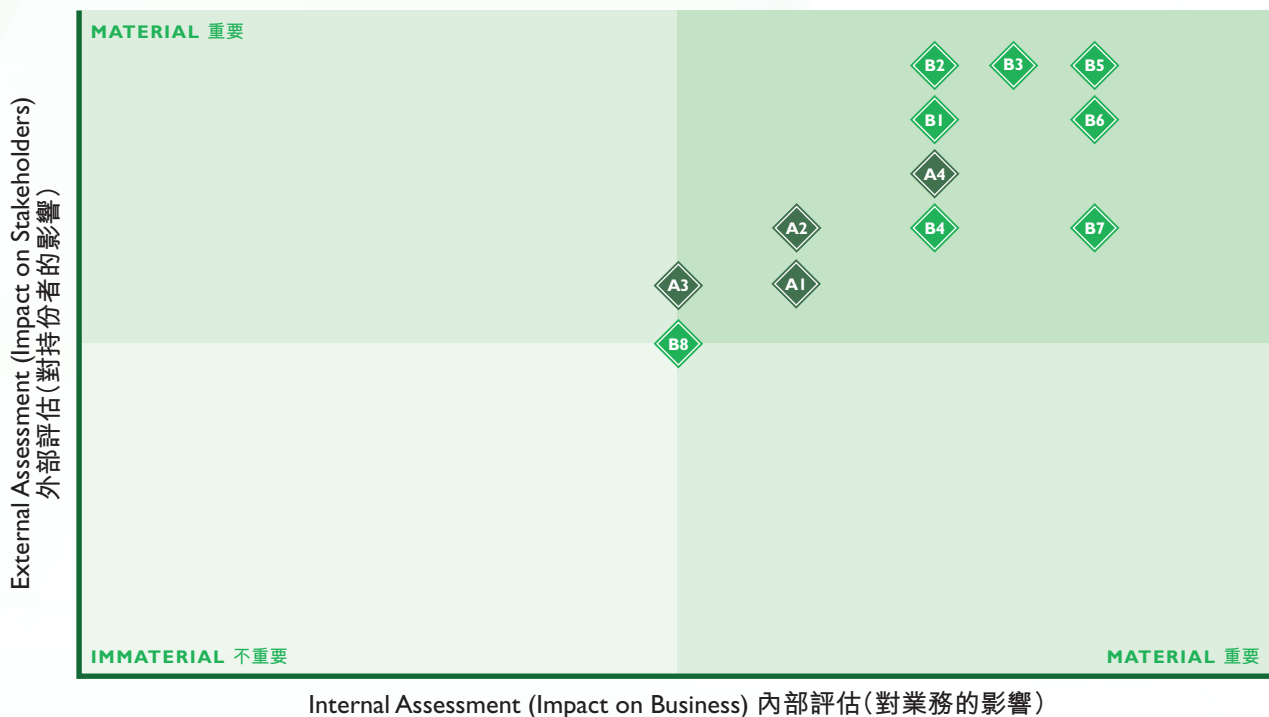
Stakeholders 持份者	Communication Channels 溝通渠道
Shareholders/Investors 股東／投資者	<ul style="list-style-type: none"> • General meetings • 股東大會 • Information published on websites of the Group and the Stock Exchange • 在本集團及聯交所網站上公佈資料 • Direct emails or phone enquiries • 直接發送電郵或電話查詢 • Despatch documents • 寄發文件
Employees 僱員	<ul style="list-style-type: none"> • Direct meetings with the management executives • 與管理行政人員直接會面 • Emails • 電郵 • Annual and regular appraisal • 年度及定期考核 • Organized functions and activities for the employees • 為員工組織各種職能及活動
Customers 客戶	<ul style="list-style-type: none"> • Day-to-day communication through front line staff • 通過前線員工進行日常溝通 • Emails • 電郵 • Official websites • 官方網站
Suppliers/Service providers/ Professional advisors 供應商／服務供應商／專業顧問	<ul style="list-style-type: none"> • Day-to-day communication through front line staff • 通過前線員工進行日常溝通 • Regular review of the signed arrangements by the management • 管理層對簽署的安排進行定期審查
NGO partners 非政府組織夥伴	<ul style="list-style-type: none"> • Volunteer activities • 義工活動 • Sponsors and donations • 贊助及捐款
Industry associations 行業協會	<ul style="list-style-type: none"> • Participation in annual and regular meetings, conferences, events, etc. • 參加年會、定期會議、大會及活動等

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The Group and the stakeholders identified the following material areas and aspects in 2023:

於二零二三年，本集團及持份者已釐定以下重要範疇及層面：



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Subject Areas 主要範疇		Subject Aspects 主要層面
Environmental 環境	Environmental 環境	<ul style="list-style-type: none"> A1. Emissions A1. 排放物 A2. Use of Resources A2. 資源利用 A3. Environment and Natural Resources A3. 環境及自然資源 A4. Climate Change A4. 氣候變化
Social 社會	Employment and Labour Practices 僱傭及勞工常規	<ul style="list-style-type: none"> B1. Employment B1. 僱傭 B2. Health and Safety B2. 健康及安全 B3. Development and Training B3. 發展及培訓 B4. Labour Standards B4. 勞工標準
	Operating Practices 營運慣例	<ul style="list-style-type: none"> B5. Supply Chain Management B5. 供應鏈管理 B6. Product Responsibility B6. 產品責任 B7. Anti-corruption B7. 反貪污
	Community 社區	<ul style="list-style-type: none"> B8. Community Investment B8. 社區投入

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

A. ENVIRONMENTAL AREAS AND ASPECTS

1.1 Environmental Areas Overview

Understanding its obligations, the Group has implemented a company-wide "Environmental Protection and Sustainability Policy and Procedures" which aims to achieve a balance between undertaking business, maximizing returns to our shareholders, ensuring our operations and activities to have minimal adverse impact to the environment, and our operation being energy, water and resource efficient.

Our "Environmental Protection and Sustainability Policy and Procedures" is summarised below:

Purpose

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

- Environmental Protection Law of the PRC (中華人民共和國環境保護法);
- Law of the PRC on Environmental Impact Assessment (中華人民共和國環境影響評價法);
- Water Pollution and Control Law of the PRC (中華人民共和國水污染防治法);
- Atmospheric Pollution and Control Law of the PRC (中華人民共和國大氣污染防治法);
- Law of the PRC on the Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法);
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法);

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

A. 環境範疇及層面

1.1 環境範疇概覽

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

我們的「環境保護及可持續發展政策及程序」概述如下：

目的

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

- 《中華人民共和國環境保護法》；
- 《中華人民共和國環境影響評價法》；
- 《中華人民共和國水污染防治法》；
- 《中華人民共和國大氣污染防治法》；
- 《中華人民共和國環境噪聲污染防治法》；
- 《中華人民共和國固體廢物污染環境防治法》；

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- Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例); and
- Cleaner Production Promotion Law of the PRC (中華人民共和國清潔生產促進法).

Procedure

- (i) The Management Team shall identify and evaluate the environmental aspects for all activities that will most likely give rise to significant environmental impacts.
- (ii) The Management Team shall hold brainstorming meetings both internally and externally with other related parties and classify the work activities under normal, unusual and emergency situation as follows:
 - Normal is defined as a routine activity or work that is carried out daily and is part of a process;
 - Unusual refers to non-routine work that occurs under unexpected circumstances; and
 - Emergency refers to an occurrence of an event that will cause a drastic impact or severity to the environment and immediate action has to be taken. For example: major leakage and spillage, fire, etc.
- (iii) When identifying the environmental aspects, all activities which may cause environmental impact or improve general sustainability will be considered including but not limited to:
 - Gas emissions;
 - Water discharge;
 - Waste disposal;
 - Land contamination;
 - Sustainability and the efficient use of raw materials, energy, water and other natural resources;

- 《建設項目環境保護管理條例》；及
- 《中華人民共和國清潔生產促進法》。

程序

- (i) 管理團隊應就最有可能對環境造成嚴重影響的所有活動的環境層面進行識別及評估。
- (ii) 管理團隊應與其他相關方舉行內部及外部頭腦風暴會議，並將所有工作活動劃分為正常、異常及緊急情況，具體如下：
 - 正常指日常進行的常規活動或工作，屬程序一部分；
 - 異常指於意外情況下出現的非常規工作；及
 - 緊急指發生會造成嚴重環境災害，且須採取即時行動的事故，如重大洩漏或火災等。
- (iii) 於識別環境層面時，所有可能影響環境或增進整體可持續性的活動均有計及，包括但不限於：
 - 廢氣排放；
 - 污水排放；
 - 廢物處置；
 - 土地污染；
 - 可持續性以及有效利用原材料、能源、水及其他自然資源；

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- Other local environmental issues; and
 - National and local laws and regulations.
- (iv) The Management Team will review the environmental aspects at least once every year. They will also update regularly the new laws and regulations, organizational work activities and processes or production systems or equipment, based on updated knowledge obtained through educational learning, incidents/accidents, organizational or other requirements.
- (v) For each environmental aspect, the Management Team will identify and assess the environmental impacts, and the following will be considered:
- Global warming;
 - Water pollution;
 - Air pollution;
 - Waste generation;
 - Land/soil contamination;
 - Noise pollution; and
 - Natural resources conservation.
- 其他本地環境問題；及
 - 自然資源保育。
- (iv) 管理團隊應最少每年檢視環境層面一次，並將根據透過教育學習、事故／意外獲得的最新知識、機構內或其他要求，定期更新新增法律及規定、機構內工作活動及程序或生產系統及設備。
- (v) 管理團隊將參照以下各項，於各環境相關層面識別及評估其環境影響：
- 全球暖化；
 - 水污染；
 - 空氣污染；
 - 廢物產生量；
 - 土地／泥土污染；
 - 噪音污染；及
 - 自然資源保護。

1.2 Environmental Aspects

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

1.2 環境層面

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

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During the 2023 Reporting Period, the Group was not subject to any case concerning the breach of environmental legislation in relation to emissions and waste discharge or other environmental issues that could have an adverse impact on the local environment.

A1: Emissions and Wastes

(i) Air Emissions

Indirect Emissions

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

The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant indirect air pollutant emissions:

二零二三年報告期內，本集團概不存在任何涉及違反有關排放及廢物棄置或其他可能對當地環境造成負面影響的環境問題的環境法規的案件。

A1：排放及廢物

(i) 廢氣排放

間接排放

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

下表記錄及比較二零二三年報告期及二零二二年報告期所產生的間接空氣污染物排放量：

Items of emissions 排放項目	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		Changes 變動
		2023 二零二三年	2022 二零二二年	
CO ₂ indirect emission 二氧化碳間接排放				
— Dongguan Factory ^{Note (1)} — 東莞工廠 ^{附註(1)}	Tonnes 噸	734.15	388.28	+89.08%
— Hong Kong Office ^{Note (2)} — 香港辦事處 ^{附註(2)}	Tonnes 噸	0.40	不適用	不適用
Intensity 密度				
— CO ₂ /employee in Dongguan Factory — 東莞工廠二氧化碳/僱員		8.25	4.85	+70.10%
— CO ₂ /employee in Hong Kong Office — 香港辦事處二氧化碳/僱員		0.04	不適用	不適用

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Note 1: Emission factors for purchased electricity sourced from 中國產品全生命週期溫室氣體排放系數庫。

Note 2: Unless otherwise specified, factors for the calculation of emission in this ESG Report were based on the factors listed in the "How to prepare an ESG Report-Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 25 March 2022)" by The Stock Exchange of Hong Kong Limited.

When compared to the 2022 Reporting Period, there was a significant increase in the indirect CO₂ emissions at the Dongguan Factory during the 2023 Reporting Period. The increase was due to the update of the emission factor for electricity and is also attributed to the addition of newly acquired machineries and equipments.

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

Direct emissions

During the 2023 Reporting Period, we directly produced CO₂ and hazardous sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") gas, and particulate matters ("PM"), from the use of fossil fuels including diesel fuel, petrol fuel, lubricating oil, and liquefied petroleum gas for forklift cars, vehicles, machine tool cooling and welding.

附註1：外購電力的排放系數乃基於「中國產品全生命週期溫室氣體排放系數庫」。

附註2：除非另有說明，本環境、社會及管治報告中排放係數的計算乃參考聯交所的「如何準備環境、社會及管治報告—附錄二：環境關鍵績效指標匯報指引（二零二二年三月二十五日更新版本）」載列的係數。

與二零二二年報告期相比，二零二三年報告期東莞工廠的間接二氧化碳排放量大幅增加。該增幅乃由於更新電力排放係數及亦歸因於添置新購置的機械及設備。

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

直接排放

二零二三年報告期內，我們因使用包括堆高機、車輛、機械工具冷卻及焊接機床用柴油、汽油、潤滑油及液化石油氣在內的化石燃料而直接產生二氧化碳，以及有害的硫氧化物（「**硫氧化物**」）、氮氧化物（「**氮氧化物**」）和懸浮粒子（「**懸浮粒子**」）。

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The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant direct air pollutant emissions:

下表記錄及比較二零二三年報告期及二零二二年報告期產生的直接空氣污染物排放量：

Items of emissions ^{Note (3)} 排放項目 ^{附註(3)}	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		Changes 變動
		2023 二零二三年	2022 二零二二年	
Nitrogen Oxide (NO _x) 氮氧化物	Kilograms 千克	30.40	26.62	+14.20%
Sulfur Oxides (SO _x) 硫氧化物	Kilograms 千克	0.06	0.04	+50.00%
Particulate Matter (PM) 懸浮粒子	Kilograms 千克	2.98	2.63	+13.31%
CO ₂ direct emission 二氧化碳直接排放	Kilograms 千克	48,638.09	28,834.36	+68.68%
	Tonnes 噸	48.64	28.83	+68.68%

Note 3: As a result of our effort to improve data management, we have separated the oxygen usage from the gas usage for production purposes since 2023. This separation allows for better comparability and performance tracking. As our data management has improved, the 2022 figure has been restated.

附註3：由於我們努力改善數據管理，我們已將二零二三年以來用於生產目的氧氣使用量與煤氣使用量分離。此分離容許更好的進行比較及進行性能追蹤。隨著我們數據管理的改善，二零二二年的數據已被重列。

Compared to the 2022 Reporting Period, the increase in direct emissions can be attributed to two factors: the addition of a new private car, purchased by the Group for internal operations, and an increase in fossil fuel consumption during the 2023 Reporting Period.

與二零二二年報告期相比，直接排放量增加可歸因於兩項因素：添置一輛新私家車，由本集團購買用於內部營運，及於二零二三年報告期化石燃料消耗增加所致。

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The Group sub-contracted all of our logistical needs to external transport operators and increased the utilization of electric driven production equipment. We have been reviewing and planning a gradual reduction of the use of fossil fuels to reduce hazardous gas emissions by utilising more electricity or other forms of sustainable energy. For the coming year, we target to reduce direct emissions especially those hazardous SO_x, NO_x, PM, and CO₂ by 1-2%.

然而，本集團已將所有的物流需求分包予外部運輸營運商，並提高電力驅動生產設備的使用率。我們一直在審查及計劃逐步減少使用化石燃料，以便通過使用更多電力或其他形式的可持續能源減少有害氣體排放。來年，我們的目標是將直接排放物，特別是有害的硫氧化物、氮氧化物、懸浮粒子及二氧化碳減少1至2%。

Greenhouse Gas Emissions

Greenhouse gases (GHG) include CO₂ and its non-hazardous equivalents including nitrous oxide and methane (collectively with CO₂, "CO₂e"). Greenhouse gas emissions comprise Scope 1 direct emissions, which is direct emissions from the fuel combustion in vehicles, machine tool cooling and welding, and Scope 2 energy indirect emissions, which is emissions resulting from the use of purchased electricity. The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's greenhouse gas emissions:

溫室氣體排放

排放溫室氣體（溫室氣體）包括二氧化碳及其無害等價物，包括一氧化二氮及甲烷（連同二氧化碳統稱「**二氧化碳當量**」）。溫室氣體排放包括範圍1直接排放，即車輛、機械工具冷卻及焊接機床燃料燃燒的直接排放，及範圍2能源間接排放，即使用外購電力產生的排放。下表記錄及比較二零二三年報告期及二零二二年報告期的溫室氣體排放：

Greenhouse Gas Emission ^{Note (3)} 溫室氣體排放 ^(附註3)	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2023 二零二三年	2022 二零二二年	Changes 變動
Scope 1 (CO ₂ e) 範圍1 (二氧化碳當量)	Tonnes 噸	49.04	28.86	+69.92%
Scope 2 (CO ₂ e) 範圍2 (二氧化碳當量)	Tonnes 噸	734.55	388.28	+89.18%
Total (CO₂e) 總計 (二氧化碳當量)	Tonnes 噸	783.59	417.14	+87.85%
Intensity 密度				
— CO ₂ e/employee — 二氧化碳當量/僱員		7.92	4.79	+65.34%

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Note 3: As a result of our effort to improve data management, we separated the oxygen usage from the gas usage for production purposes since 2023. This separation allows for better comparability and performance tracking. As our data management has improved, the 2022 figure has been restated.

附註3：由於我們努力改善數據管理，我們已將二零二三年以來用於生產目的氧氣使用量與煤氣使用量分離。此分離容許更好的進行比較及進行性能追蹤。隨著我們數據管理的改善，二零二二年的數據已被重列。

Our Group is dedicated to reduce GHG emissions by gradually transitioning from fossil fuels to sustainable energy sources. To achieve this goal, our Group has purchased electric forklifts starting from 2021 to minimise the use of the diesel forklift. As the diesel forklift is planned to be decommissioned in 2024, it is expected to reduce the consumption of fossil fuels by 10% by 2024.

本集團致力於通過從化石燃料逐步向可持續能源轉型，減少溫室氣體排放。為達致此目標，本集團自二零二一年起已購置電動叉車，以儘量減少使用柴油叉車。由於柴油叉車計劃於二零二四年退役，預計於二零二四年前，化石燃料的消耗量將減少10%。

We target to reduce the greenhouse gas emission by 1–2% in the coming year through the transition from fossil fuels to sustainable energy sources and by monitoring our employees' energy saving practices.

我們的目標是於來年將溫室氣體排放減少1至2%，從化石燃料向可持續能源轉型並監督員工的節能行為。

(ii) *Water Pollution and Discharge*

As explained in the aforementioned "Scope of Report" section during the 2023 Reporting Period, water consumption fees of the Hong Kong Office is included in the office management fees. Accordingly we do not have the consumption data for the Hong Kong Office.

(ii) *水污染及排放*

如上文「報告範圍」一節所解釋，於二零二三年報告期，香港辦事處的用水費已納入辦公室管理費。因此我們並無香港辦事處的用水數據。

Cooling water used in our production process used to constitute a large part of the Group's wastewater. We adopted a closed circulating water recycling system, so most of the cooling water will be reused with minimal wastage.

生產過程中使用的冷卻水曾佔本集團廢水的很大一部分。我們已採用密閉式循環水回收系統，大部分冷卻水均被重複使用並將浪費減至最少。

Our Group does not hold any polluted water discharge data concerning our Dongguan Factory. All excess wastewater was required to be handled by a third-party licensed wastewater treatment and disposal specialist under PRC laws and regulations.

本集團概無有關東莞工廠的任何污水排放資料。根據中國法律及法規，所有多餘廢水均須由第三方持牌廢水處理及處置專家處理。

Meanwhile, water used for general living purposes in employees' dormitories, canteens and offices would be discharged through the public sewage system.

同時，員工宿舍、食堂及辦公室的一般生活用途用水將經公共排污系統排出。

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(iii) *Noise and Light Pollution Emission*

The Group does not generate any noise and light pollution to the surrounding neighbors as our business operations and activities are conducted inside our factory and offices. Although noise is generated, for part of our operation in our factory, the extent is below the national and industry limits. To be cautious and to protect our workers, protective equipment must be worn by our workers at all times during production. During the 2023 Reporting Period, no complaint nor warning notice was received.

(iv) *Hazardous and Non-Hazardous Wastes*

The Group has developed a natural and pollution-free philosophy in its business where possible and has adopted the 3-R principle — to reduce, reuse and recycle. All employees are constantly reminded to adopt the 3-R principle in their handling and use of resources. Consideration is given to recycle and reuse in the various processes and stages of production. Procedures are in place for properly sorting out and storing the unused materials for resale or reuse. For example, in respect of the scrap metal produced from our production process, through new and improved production processes, we reduced the amount of scrap materials produced, we then recycled the scraps by selling them to approved scrap metal recyclers.

(iii) *噪音及光污染排放*

本集團業務營運及活動於廠房及辦公室內進行，因此並無對鄰近社區造成任何噪音及光污染。儘管部分工廠營運會產生噪音，惟程度遠低於國家及行業上限。為謹慎起見，亦為保護員工，我們的員工進行生產活動時必須時刻穿戴防護裝備。於二零二三年報告期，概無收到投訴或警告通知。

(iv) *有害及無害廢物*

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

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The amount of hazardous wastes generated from our manufacturing operations is insignificant and poses no material impact to the environment. Non-hazardous wastes generated from the production processes are mainly scrap metal and packaging materials —namely affixed labels, plastic film, and kraft paper. An insignificant amount of non-hazardous materials is also generated from non-production areas, such as supporting offices, dormitories, and canteens.

製造營運產生的有害廢物數量微不足道，未有對環境造成重大影響。生產過程產生的無害廢物主要為廢金屬及包裝物料，即標籤貼紙、塑膠薄膜及牛皮紙。於支援辦公室、宿舍及食堂等非生產營運區域亦有產生少量的無害廢物。

The amount of paper and packaging material usage is stated in *Section A2(iii)*. The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's non-hazardous waste:

紙張及包裝材料的使用量見第A2(iii)節。下表記錄及比較二零二三年報告期間及二零二二年報告期的無害廢物：

Wastes 廢物	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2023 二零二三年	2022 二零二二年	Changes 變動
Non-hazardous waste (scrap metal) 無害廢物 (廢金屬)	Tonnes 噸	210.06	150.40	+39.67%
Intensity of non-hazardous waste per employee 每名僱員無害廢物密度		2.36	1.88	+25.53%

We use a lot of steel metal and generate metal scraps in our production process. The use of steel is in direct proportion to our business turnover. The generation of metal scrap can be reduced through new and improved production processes. The scrap metal produced by us will be sold to approved scrap metal recyclers. We commissioned a third-party solid waste disposal operator to dispose of the solid waste.

我們於生產程序中使用大量鋼材並產生廢金屬。鋼材用量與營業額成正比。廢金屬生產量可藉經改良的新生產程序減少。我們產生的廢金屬將轉售予認可廢金屬回收商。我們已委託第三方固體廢物處理營運商處理固體廢物。

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(v) *Mitigation Measures and Reduction Initiatives*

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

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

(v) *緩解措施及減低產生量計劃*

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

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

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During the 2023 Reporting Period, same as the 2022 Reporting Period, the Group has not committed any act in contravention of the emission of hazardous or non-hazardous air and wastes disposal, polluted water discharges and we are determined to take all necessary measures to achieve the same results for the coming years.

A2: Use of Resources

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

During each of the reporting periods, we have not recorded any material non-compliance in respect of any applicable laws and regulations on environmental protection. Our Group continues to uphold our established environmental protection and management system. During the 2023 Reporting Period, we also did not record any material non-compliance issue with the applicable PRC laws and regulations in relation to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes that resulted in prosecution, conviction or penalty being brought, made or imposed against us.

二零二三年報告期內，與二零二二年報告期相同，本集團未發生任何違反有害或無害廢氣排放及廢物處置及排放污水的行為，且致力採取一切必要措施務求來年取得相同成果。

A2: 資源利用

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

於各報告期內，我們並無記錄任何有關環境保護的適用法律和法規的重大違規情況。本集團繼續堅持既定的環境保護和管理制度。於二零二三年報告期，我們亦無記錄任何有關空氣及溫室氣體排放、向水和土地排放以及產生有害及無害廢物的適用中國法律和法規的重大違規問題而導致我們被起訴、定罪或處罰。

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(i) *Electricity, Gas & Fuel Consumption*

Electricity is the only source of energy for our offices and dormitories operations and activities and is supplied by the local electricity grid.

The Group also used fossil fuels including diesel fuel, petrol fuel, lubricating oil, and liquefied petroleum gas for forklift cars, vehicles, machine tool cooling and welding. The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant energy consumption:

(i) 電力、煤氣及燃料用量

電力為辦公室及宿舍營運及活動的唯一能源來源，並由地方電網供應。

本集團亦使用堆高機、車輛、機械工具冷卻及焊接機床所用的包括柴油、汽油、潤滑油及液化石油氣在內的化石燃料。下表記錄及比較二零二三年報告期及二零二二年報告期產生的能源消耗：

Energy Consumption ^{Note (3)} 能源消耗 (附註3)		Year ended 31 December 截至十二月三十一日止年度		
		2023 二零二三年	2022 二零二二年	Changes 變動
— Electricity	Consumption (kWh) 消耗量 (千瓦時)	1,289,009.00	940,140.00	+37.11%
— 電力	Intensity (kWh/employee) 密度 (千瓦時/僱員)	13,020.29	11,751.75	+10.79%
— Gas	Consumption (m ³) 消耗量 (立方米)	44.00	92.00	-52.17%
— 煤氣	Consumption (kWh) 消耗量 (千瓦時)	3,196.29	6,683.15	-52.17%
	Intensity (kWh/employee) Note (4) 密度 (千瓦時/僱員) (附註4)	35.91	83.54	-57.01%
— Diesel, petrol and lubricating oil	Consumption (Tonnes) 消耗量 (噸)	13.65	7.94	+71.91%
— 柴油、汽油及潤滑油	Consumption (kWh) 消耗量 (千瓦時)	198,190.56	115,982.89	+70.88%
	Intensity (kWh/employee) Note (4) 密度 (千瓦時/僱員) (附註4)	2,226.86	1,449.79	+53.60%
Total	Consumption (kWh) 消耗量 (千瓦時)	1,490,395.85	1,062,806.04	+40.23%
總計				

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Note 3: As a result of our efforts to improve data management, we have separated the oxygen usage from the gas usage for production purposes since 2023. This separation allows for better comparability and performance tracking. As our data management has improved, the 2022 figure has been restated..

附註3：由於我們努力改善數據管理，我們已將二零二三年以來用於生產目的氧氣使用量與煤氣使用量分離。此分離容許更好的進行比較及進行性能追蹤。隨著我們數據管理的改善，二零二二年的數據已被重列。

Note 4: Only include employees located in the Dongguan Factory.

附註4：僅包括位於東莞工廠的僱員。

Compared to the 2022 Reporting Period, the utilization of electricity in the 2023 Reporting Period increased by 37.11%. The increase can be attributed to the addition of newly acquired machineries and equipment, as well as the relocation of the Hong Kong Office during the 2023 Reporting Period.

與二零二二年報告期相比，二零二三年報告期的電力利用率增加37.11%。該增幅可歸因於添置新購入的機械及設備，以及於二零二三年報告期香港辦事處搬遷。

In contrast, the gas usage in the Dongguan Factory decreased by approximately 52.17% during the 2023 Reporting Period when compared to the 2022 Reporting Period. Gas is consumed during the induction heat manufacturing process for several products. The reduction in gas consumption resulted from the decrease in the manufacture of products that require such process.

反之，與二零二二年報告期相比，二零二三年報告期東莞工廠的天然氣用量減少約52.17%。多款產品的感應加熱製造工序消耗氣體。氣體消耗減少乃由於減少製造需要該工序的產品所致。

Furthermore, the Group's fuel usage increased by approximately 71.91% in the 2023 Reporting Period. This was due to the increase in lubricating oil usage and the addition of a new private car purchased by the Group for internal operations. The Group conducts regular equipment service, routine checks, repair work, and replacement of worn or non-functional parts every year. According to the Company's policy, level 3 maintenance, which includes changing lubricating oil, is conducted annually or after 7,200 hours of operation. Therefore, the usage of lubricating oil is subject to volatility based on operational conditions.

此外，於二零二三年報告期，本集團的燃料用量增加約71.91%。其乃由於潤滑油用量增加及本集團為內部營運添置一輛新私家車。本集團每年定期進行設備服務、例行檢查、維修工作，以及更換磨損或無法使用的零件。根據本公司政策，三級維護（包括更換潤滑油）會於每年或運行7,200小時後進行。因此，潤滑油的使用量會根據運行情況而有所波動。

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We have plans in the coming years to gradually replace fossil fuels by electricity or other forms of sustainable energy in order to reduce the generation of hazardous gases emissions. For the coming year, we will continue to encourage and monitor our employees on energy saving practices, and target to lower the energy consumption by 1-2%.

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

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

未來數年，我們已計劃逐步以電力或其他形式的可持續能源取代化石燃料，以減少有害氣體的產生。來年，我們將繼續鼓勵及監督員工的節能行為，並以降低1-2%的能源消耗為目標。

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

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

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(ii) *Freshwater Consumption and Sourcing*

The main consumption of water in our Dongguan Factory relates to the cooling of hot metal in the production process. Water is also used personally by employees in the dormitory. We use fresh water supplied by the cities' central water supply network in our factory, offices and dormitories. There has not been any incident of water shortage during the 2023 Reporting Period.

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

As part of our ESG policies, we have: (i) introduced a closed circulating water recycling system that allows us to reuse most of the cooling water with minimal wastage; (ii) constantly monitored water usage patterns through the use of smart meters and our inspection teams to ensure there is no unwarranted use or waste of water; (iii) conducted regular leakage tests on water pipes; and (iv) installed water-saving devices across our office premises in our Dongguan Factory to enhance water efficiency.

(ii) 淡水消耗及採購

我們東莞工廠的耗水量主要與生產程序中冷卻高溫金屬有關。宿舍亦產生員工的個人用水。我們的廠房、辦公室及宿舍均使用由所處城市之中央供水網絡供應的淡水。於二零二三年報告期內亦無發生缺水事件。

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

作為我們環境、社會及管治政策的一部分，我們已：(i) 引入了封閉式循環水回收系統，使我們能夠重複使用大部分冷卻水，將浪費降到最低；(ii) 通過使用智慧水錶及指派的檢查小組不斷監察用水模式，以確保無不必要使用或浪費水；(iii) 定期對水管進行洩漏測試；及(iv) 在東莞工廠的整個辦公場所安裝節水設備，以提高用水效率。

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The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's resultant water consumption in the Dongguan Factory:

下表記錄及比較二零二三年報告期及二零二二年報告期在東莞工廠產生的耗水量：

Water Consumption by Operation 按營運劃分的耗水量	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		Changes 變動
		2023 二零二三年	2022 二零二二年	
— Dongguan Factory — 東莞工廠	m ³	10,429.00	12,850.00	-18.84%
Intensity 密度				
— m ³ /employee in Dongguan Factory — 東莞工廠立方米／僱員		117.18	160.63	-27.05%

The Group utilizes freshwater for both industrial production and daily usage in offices and dormitories. Through conducting regular checks on water pipes and taps, we have successfully identified leakages in the water pipes at our Dongguan Factory. Once leakages were identified, repairs were carried out immediately. As a result, the Group recorded a decrease of approximately 18.84% in freshwater consumption during the 2023 Reporting Period.

本集團將淡水用於工業生產以及辦公室與宿舍日常使用。透過定期檢查水管及水龍頭，我們已成功於東莞工廠發現水管有滲漏之處。一旦發現洩漏，我們將立即進行修復。因此，本集團於二零二三年報告期錄得淡水消耗量減少約18.84%。

For the coming year, we will continue to mobilize our staff and workers to save freshwater consumption. Notwithstanding of the expansion of our operations, we target to reduce 1-2% in freshwater consumption.

我們來年將繼續動員我們的員工及工人節約用水。儘管營運不斷擴大，我們的目標是將淡水消耗量減少1至2%。

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

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

The table below recorded and compared the 2023 Reporting Period and the 2022 Reporting Period's raw material usage in the Dongguan Factory:

(iii) 紙張及包裝物料與其他原材料消耗量

我們將標籤貼紙、塑膠薄膜及牛皮紙等包裝物料視為重要項目。

下表記錄及比較二零二三年報告期及二零二二年報告期在東莞工廠的原材料使用量：

Raw Materials Consumption 原材料消耗量	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2023 二零二三年	2022 二零二二年	Changes 變動
— Paper — 紙張	Tonnes 噸	0.35	0.11	+218.18%
— Packaging Material — 包裝物料	Tonnes 噸	4.38	3.59	+22.01%
Total 總計	Tonnes 噸	4.73	3.70	+27.84%

The higher amount of non-hazardous waste consumed during the 2023 Reporting Period when compared to the 2022 Reporting Period can be attributed to the increase in shipments, which lead to a corresponding increase in the utilization of packaging materials.

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

與二零二二年報告期相比，二零二三年報告期消耗的無害廢物數量較多，可歸因於出貨量增加導致包裝材料使用率相應增加。

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

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

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

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

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

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

誠如上文所述，我們於生產程序中使用大量鋼材並產生廢金屬。鋼材用量與營業額成正比。廢金屬生產量可藉經改良的新生產程序減少，我們持續監察並已實施有關程序，嘗試達成廢金屬的減少。與此同時，廢金屬將轉售予認可廢金屬回收商，故此我們未有就其造成任何浪費。

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A3: Environment and Natural Resources

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

During the 2023 Reporting Period, freshwater, fossil fuels, electricity and paper-based packaging materials for normal production operation were the key elements which were considered to have an impact on the environment. We have continued to support all measures to reduce, reuse, recycle, and replace as far as possible and practicable as laid down in our Environmental Policy and Measures. The Group has not received any warning or complaint notice from any environmental agencies, clients or business partners concerning the violation of any environmental rules and regulations, the act of polluting the environment or causing any environmental trouble. For the coming year, we will continue to achieve zero complaints and no pollution occurrences, and to explore new avenues and means to accomplish our goals of conserving natural resources and protecting the environment.

A3：環境及自然資源

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

二零二三年報告期內，正常生產程序所用淡水、化石燃料、電力及紙製包裝物料被視為對環境構成影響的重要因素。於可能情況下，我們盡可能於切實可行情況下持續支援所有根據本集團環境政策及措施制定的減少使用、重複使用、回收使用及替代使用措施。本集團未有因違反任何環境法例或規定、污染環境行為或造成環境問題而接獲由任何環境機構、客戶或業務伙伴發出的任何警告或投訴通知。我們將於來年繼續實現零投訴及零污染狀況的記錄，並探索新途徑及方法以達致節約自然資源及保護環境的目標。

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A4: Climate Change

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

- Potential disruption to our operations due to extreme weather events and changing weather patterns;
- Changing customer behaviours and requirements as demand moves to other new machinery and equipment such as wind turbines;
- Changes in cost and availability of raw materials (carbon neutral steel etc) and utilities such as renewable electricity, water and gas and relevant costs of securing and maintaining sufficient supply;
- Changes to government policy, law and regulation (including pricing carbon, renewable electricity pricing etc), which could result in increased operational costs and potential for litigation; and
- Failure to meet expectations of stakeholders.

A4: 氣候變化

本集團明白，持份者希望我們根據地方及全球的承諾及建議，管理並緩解氣候變化的風險。我們深知氣候變化的影響多變且持久，已識別的風險亦可能妨礙我們實現戰略目標，對營運、合規情況及財務產生不利影響。因此，董事會視氣候變化風險為重大風險，並就此督促審計委員會制定一項總體氣候變化對策，藉相關政策及程序管理此類潛在風險，以期減少溫室氣體排放，相關風險包括：

- 極端天氣事件及氣候模式轉變或會對業務造成干擾；
- 需求轉移至其他新的機械及設備（如風力渦輪機），而客戶行為及要求隨之改變；
- 原材料（如碳中性鋼等）及公用事業（如可再生能源、水及煤氣）的成本及供應量及為確保及維持充足供應的相關開支改變；
- 政府政策、法律及規定（包括碳定價、可再生能源定價等）改變，導致營運成本及訴訟機會增加；及
- 未能滿足持份者期望。

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

Energy

During the 2023 Reporting Period, the Group generated direct and indirect greenhouse gas — CO₂ emissions, through the use of fossil fuel and electricity. As explained previously, we have implemented policies and procedures to reduce the use of fossil fuel as well as electricity in our operation and we will continue to invest in energy efficient equipments and processes in our manufacturing process. We are currently investigating the cost-benefit of partial self-generation of renewable energy via solar panel installation etc.

Water

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

Logistics

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

For the 2023 Reporting Period, the Group's business operations and activities, except for the above three aspects, did not lead to any event or issue that might impact the climate or result in the change of the climate significantly. The Group also has already taken measures to lower indirect CO₂ emissions and freshwater consumption for the coming year.

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

能源

二零二三年報告期，本集團因利用化石燃料及電力而產生直接及間接溫室氣體（二氧化碳）排放。如上文所述，我們已實施政策及程序，藉此於營運中減少使用化石燃料及耗電，並將於我們的生產過程中繼續投資於更具能源效益的設備及程序。我們現正研討透過可再生能源自行生產部分電力的成本效益，方法包括安裝太陽能電池板等。

水

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

物流

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

二零二三年報告期內，除上述三個層面外，本集團業務營運及活動未有造成任何可能影響氣候或導致重大氣候變化的事件或問題。本集團亦已採取措施，務求於來年減少二氧化碳的間接排放及淡水消耗。

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B. SOCIAL ASPECTS

1.1 Social Areas Overview

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

1.2 Employment and Labour Practices Aspects

B1: Employment

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

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

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

B. 社會層面

1.1 社會範疇概覽

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

1.2 僱傭及勞工常規層面

B1：僱傭

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

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

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

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

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

Employment of the Group:

For the year ended 31 December 2023, the Group had the following employment breakdown:

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

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

本集團僱用情況：

截至二零二三年十二月三十一日止年度，本集團有以下僱用的明細：

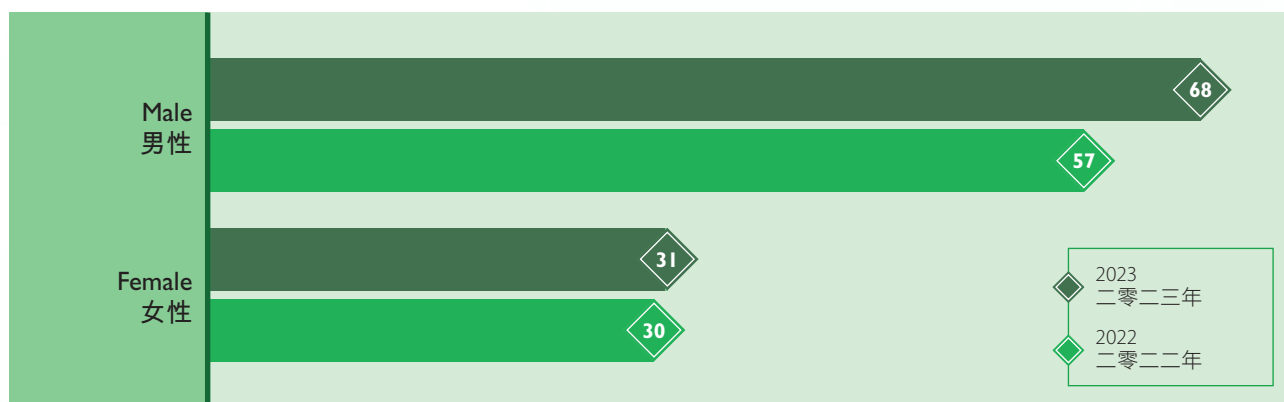


Figure 1: Number of Employees by Gender
圖一：按性別劃分的僱員數目

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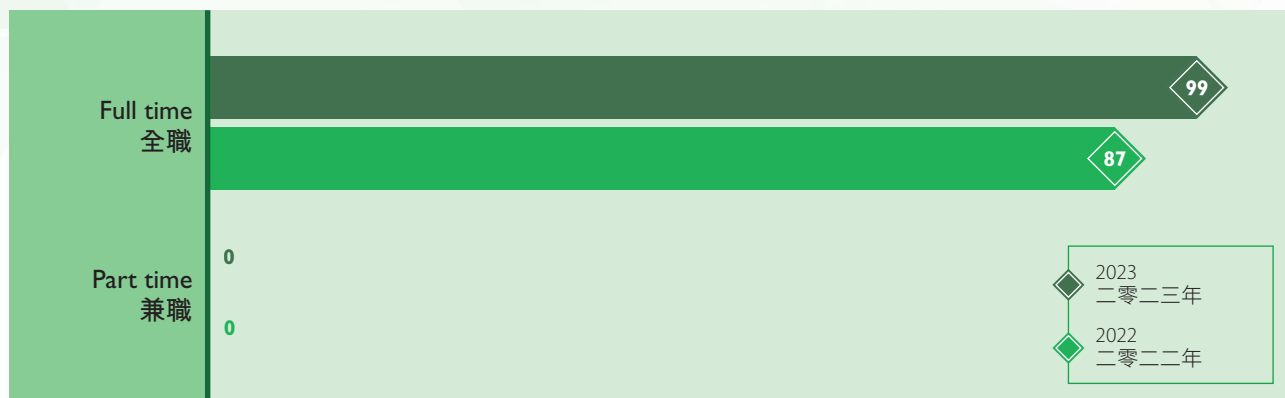


Figure 2: Number of Employees by Employment Type
圖二：按僱傭類別劃分的僱員數目

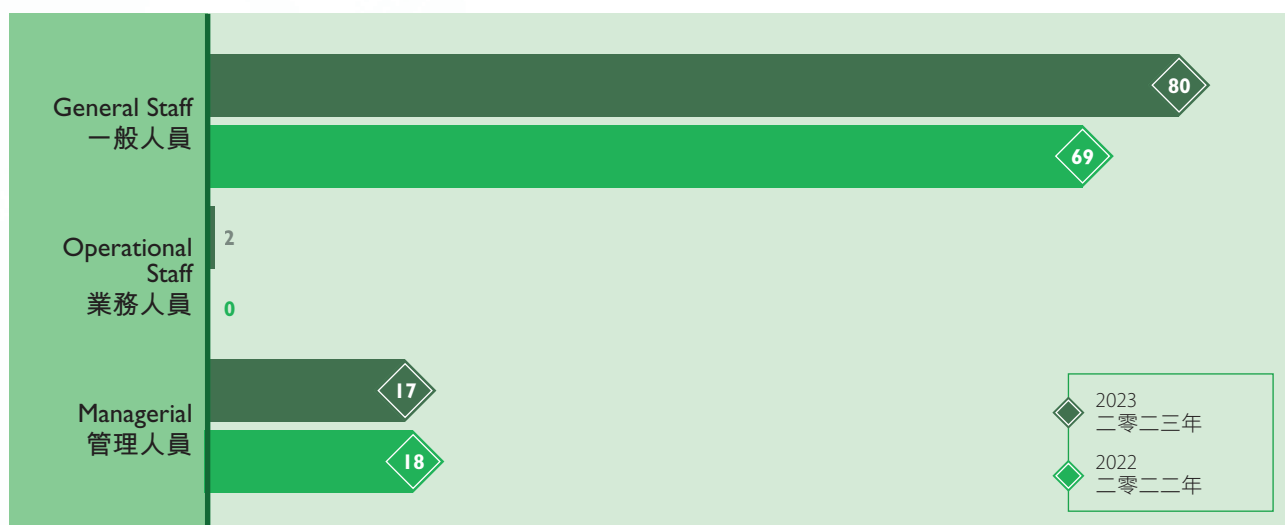


Figure 3: Number of Employees by Role
圖三：按職務劃分的僱員數目

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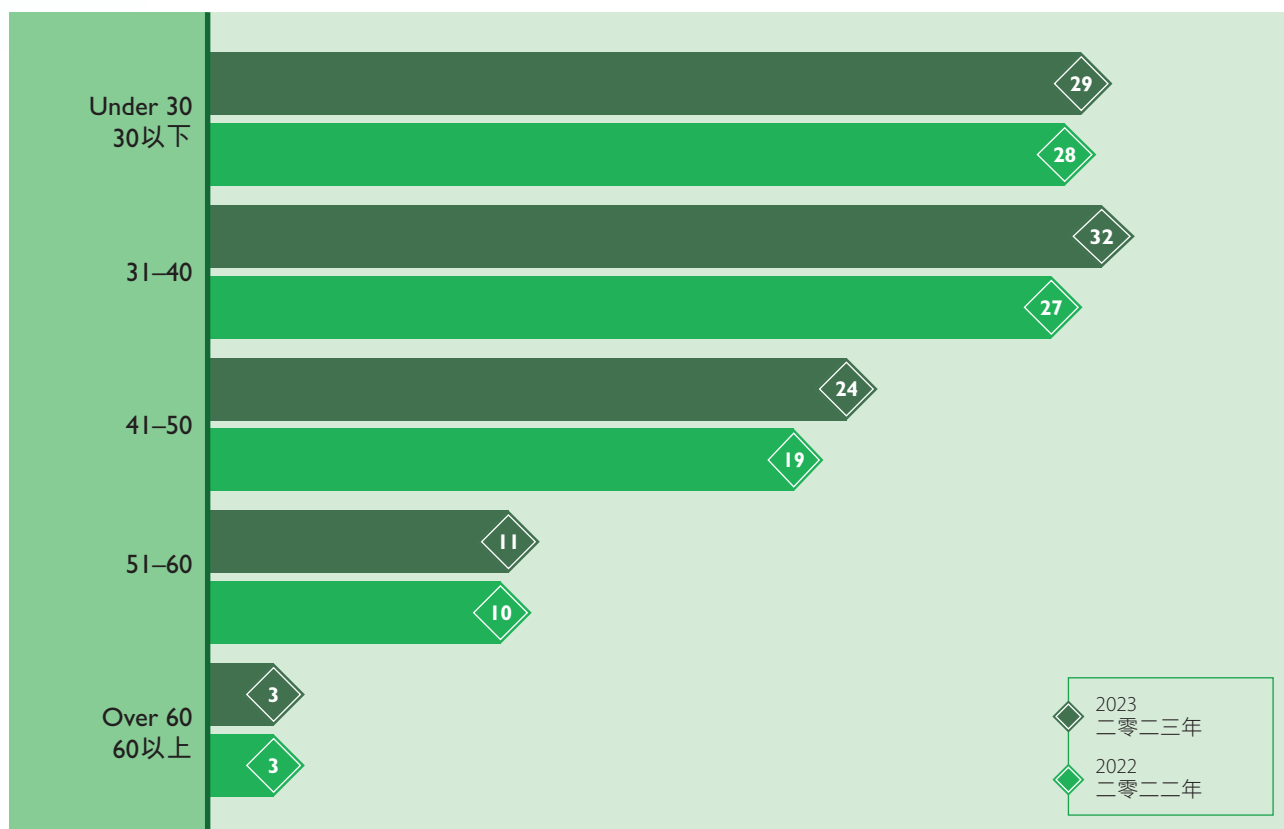


Figure 4: Number of Employees by Age
圖四：按年齡劃分的僱員數目



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

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During the 2023 Reporting Period, the Group did not have any incident of non-compliance with relevant laws and regulations that may have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. We are confident that the Group will achieve the same result for the coming year.

Employment Turnover of the Group:

For the 2023 Reporting Period, a total of 39 employees left for various reasons such as personal and further career development. A breakdown of the employment turnover rates of the Group are broken down as follows:

二零二三年報告期內，概無發生任何可能對本集團構成重大影響，有關補償及辭退、招聘及晉升、工作時數、休息時間、平等機會、多元化、反歧視以及其他福利的相關法律及規定的不合規事件。我們相信本集團將於來年取得相同成果。

本集團僱員流失情況：

於二零二三年報告期，合共39名僱員因其他如個人或其他事業發展的理由而離職。僱員流失率的明細如下：

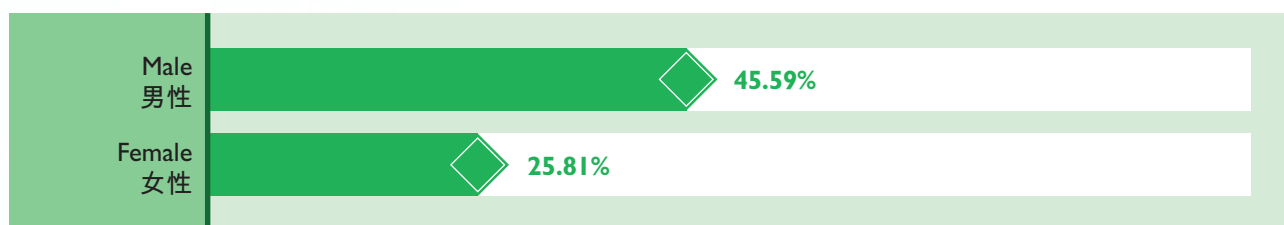


Figure 6: Employment Turnover Rate by Gender
圖六：按性別劃分的僱員流失率

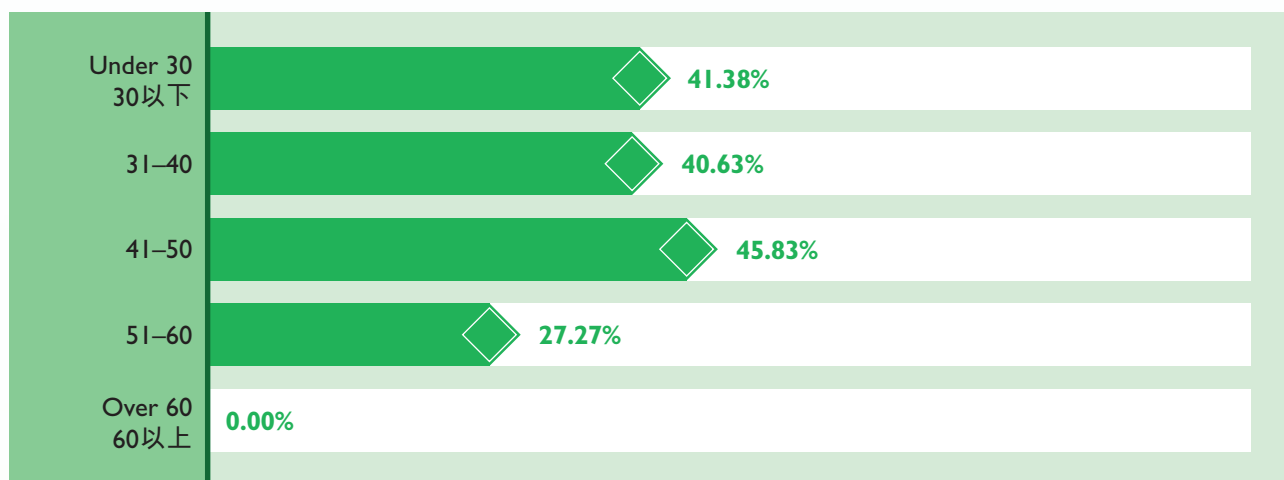


Figure 7: Employment Turnover Rate by Age
圖七：按年齡劃分的僱員流失率

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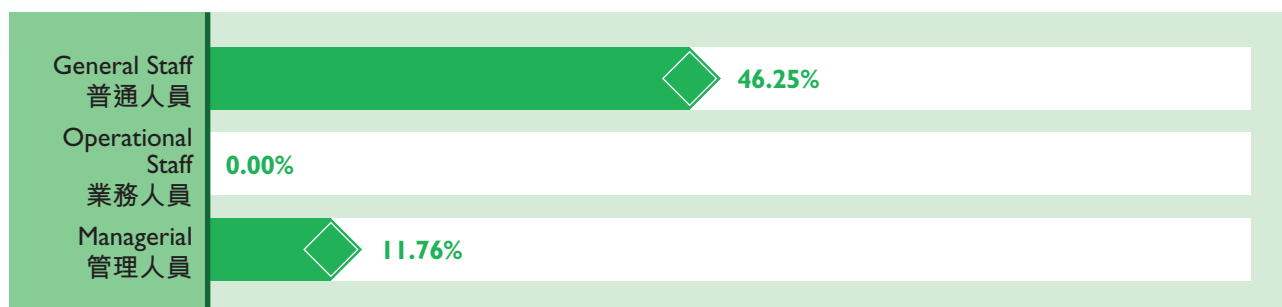


Figure 8: Employment Turnover Rate by Role
圖八：按職務劃分的僱員流失率

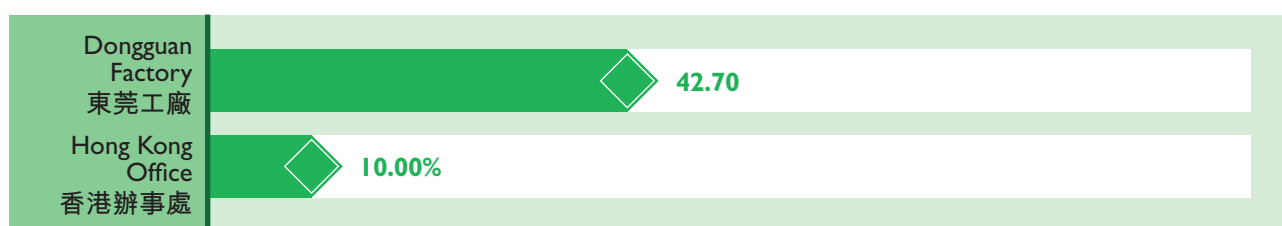


Figure 9: Employment Turnover Rate by Geographical Region
圖九：按地區劃分的僱員流失率

B2: Health and Safety

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

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

B2: 健康及安全

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

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

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

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

In-house rules require all injuries or accidents to be promptly reported and properly dealt with in accordance with the national or local laws. In parallel, remedial or compensatory actions arising from safety and health issues or work injuries are required to be taken immediately where necessary as stipulated by the in-house rules. The Group did not have any record on claim disputes on compensation or work-related injury investigation by the government officials in the 2023 Reporting Period.

The Group had zero work-related fatalities in the past three years including the 2023 Reporting Period in any of our operations. Furthermore, during the 2023 Reporting Period, there was 1 light injury case of factory worker resulting from carelessness (For 2022 Reporting Period: 2 cases).

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

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

內部規則要求及時報告所有受傷或事故，並根據國家或地方法律予以適當處理。與此同時，根據內部規則，倘有需要須就安全及健康問題或工作傷害採取即時補救或補償措施。二零二三年報告期內，本集團概無索賠糾紛或政府人員調查工傷事件的任何記錄。

過去三年（包括二零二三年報告期），本集團在任何業務中概無發生工傷死亡事故。此外，於二零二三年報告期，有1宗工廠工人因不小心而造成的輕傷案件（二零二二年報告期：2宗）。

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A total of 22 lost days were recorded during the 2023 Reporting Period, which was 8 days less than the 2022 Reporting Period. All of the injured employees had been well-taken care immediately after the occurrence with no dispute or claim arising thereafter. Furthermore, there was no other accident or incident of non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards which could have a significant impact on the production operations or businesses of the Group. Our low injury rate shows that our safety and health policies and measures including training are effectively implemented and adhered to. The Group targets to achieve a zero injury and casualty result for the coming year.

B3: Development and Training

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

二零二三年報告期共錄得22天的損失，較二零二二年報告期少8天。所有受傷的員工在事故發生後均得到悉心照顧，此後再無出現任何糾紛或索賠。此外，概無發生對本集團生產營運或業務造成重大影響，有關提供安全工作環境及保護員工免受職業傷害的法律及法規的其他不合規事故或事件。本集團員工受傷率甚低，顯示我們的安全及健康政策與措施(包括培訓)得到有效執行及遵守。本集團擬於來年取得零傷亡的成果。

B3 : 發展及培訓

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

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Below is the breakdown stating the percentage of employees trained during the 2023 Reporting Period and the 2022 Reporting Period by gender and operational role:

下表為於二零二三年報告期及二零二二年報告期按性別及業務職位劃分的受訓員工百分比明細：

Training (No. of employees) 培訓(員工人數)		Internal 內部	External 外部
Percentage of employees trained 受培訓員工比例	2023 二零二三年	91%	3%
	2022 二零二二年	86%	7%
Male 男性	2023 二零二三年	70%	100%
	2022 二零二二年	68%	67%
Female 女性	2023 二零二三年	30%	-
	2022 二零二二年	32%	33%
Managerial staff 管理人員	2023 二零二三年	16%	100%
	2022 二零二二年	17%	100%
Operational staff 業務人員	2023 二零二三年	-	-
	2022 二零二二年	-	-
General staff 普通人員	2023 二零二三年	84%	-
	2022 二零二二年	83%	-

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Below is the breakdown stating the hours of training provided during the 2023 Reporting Period and the 2022 Reporting Period by gender and operational role:

下表為於二零二三年報告期及二零二二年報告期按性別及業務職位劃分的所提供培訓時數明細：

Average training hours per employee 每名員工平均培訓小時		Internal 內部	External 外部
Total average training hours per employee 每名員工總平均培訓小時	2023 二零二三年	3.24	0.02
	2022 二零二二年	3.67	0.07
Average training hours for male 男性平均培訓小時	2023 二零二三年	4.00	0.03
	2022 二零二二年	4.40	0.07
Average training hours for female 女性平均培訓小時	2023 二零二三年	1.58	-
	2022 二零二二年	2.27	0.07
Average training hours for managerial staff 管理人員平均培訓小時	2023 二零二三年	1.12	0.12
	2022 二零二二年	1.11	0.33
Average training hours for operational staff 業務人員平均培訓小時	2023 二零二三年	-	-
	2022 二零二二年	-	-
Average training hours for general staff 普通人員平均培訓小時	2023 二零二三年	3.78	-
	2022 二零二二年	4.33	-

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B4: Labor Standards

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

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

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

During the 2023 Reporting Period, no case of child labor or forced labor employment was reported or detected. For the coming year, we will continue to maintain our zero tolerance to forced and child labour.

B4 : 勞工標準

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

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

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

二零二三年報告期內，未有發現童工或強迫勞動的情況或接獲任何相關報告。來年，我們將繼續實施對強迫勞動及童工的零容忍政策。

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B5: Supply Chain Management

During the 2023 Reporting Period, owing to the special nature of our raw materials, we only sourced raw materials from 8 local suppliers and no raw materials were sourced from overseas.

B5：供應鏈管理

於二零二三年報告期，由於我們原材料的特殊性，我們只從12名本地供應商採購原材料，概無從海外採購原材料。

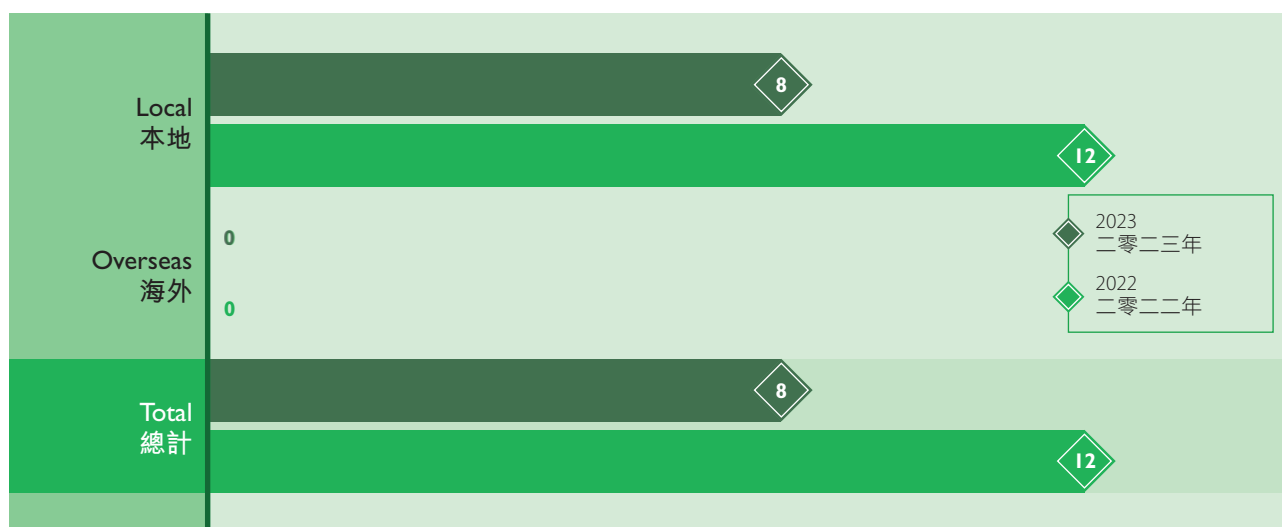


Figure 10: Number of Suppliers by Geographical Location
圖十：按地區劃分的供應商數目

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

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

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

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

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

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

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

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

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

一般而言，採購經理、財務總監、營運總監及行政總裁按不同價格級別執行及監督採購鏈。各級別均對其獲授權可採購價格上限的上一級負責。倘訂單超過授權級別，則採購人員不得下達訂單。達批准級別者方可作出授權，以確保採購請求井然有序。

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

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

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B6: Product Responsibilities

Product Quality

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

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

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

B6：產品責任

產品品質

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

品質核證程序及過程的主要部分包括：

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

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

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

During the 2023 Reporting Period, heat treatment for the entire work-in-progress was conducted with the average passing rate of approximately 99.62%. Because of the very specific nature of our products and the requirements for near perfect quality assurance, the Group has not received any quality complaint or claim against our products. In the coming year, we will continue our stringent quality control to live up to our near perfect product quality.

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

於二零二三年報告期，整體進行中工作的熱處理已進行，平均合格率約為99.62%。由於我們的產品具有非常特殊的性質及近乎完美的質量保證的要求，本集團並無收到任何針對我們產品的質量投訴或索賠。來年，我們將繼續嚴格控制，以達到我們近乎完美的產品質量。

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Handling of Complaints

Policies and procedures are in place to ensure that all customer complaints or concerns are addressed to the appropriate department in a timely manner. In our sales contracts, there are clear clauses specifying our responsibilities under quality issues. The Sales Department is responsible for handling all sales complaint issues. Standing arrangements are also in place for an independent third party to adjudicate on any unresolved disputes between the Sales Department and the client. Consequential remedial actions will be taken promptly and in a responsible manner. During the 2023 Reporting Period, we have not received any quality complaint or claim against our products.

Intellectual Property Right

The Group, up to the end of the 2023 Reporting Period, has built up a portfolio of intellectual property rights including 33 patents registered in the PRC that are material to our business as well as 23 trademarks registered in the PRC and/or Hong Kong.

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

For the 2023 Reporting Period, the Group did not have any of any infringement of its or any other intellectual property rights including which had or could have a material adverse effect on our business, and there was claim or legal proceedings brought against the Group. We will continue to maintain similar results on our intellectual property rights in the coming years.

處理投訴

本集團已制定政策及程序，務求所有客戶的投訴或疑慮均得到相關部門的及時處理。銷售合約以明確條款規定品質問題的責任歸屬。銷售部門負責處理所有銷售投訴的問題。本集團亦已建立常規安排，容許獨立第三方就銷售部門與客戶之間任何懸而未決的爭議進行裁決。我們以負責任的方式即時採取相應的補救措施。於二零二三年報告期，我們並無收到任何針對我們產品的質量投訴或索賠。

知識產權

本集團截至二零二三年報告期末已建立一系列知識產權，包括33項對我們業務至關重要的中國註冊專利，以及23項於中國及／或香港註冊的商標。

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

二零二三年報告期內，本集團概無任何侵犯其本身或任何其他知識產權的行為，包括已經或可能已經對我們的業務造成重大不利影響的行為，亦無針對本集團的索賠或法律程序。我們將繼續在未來年度維持類似的知識產權成果。

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Privacy

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

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

During the 2023 Reporting Period, same as the 2022 Reporting Period, the Group did not have any incident of non-compliance with relevant laws and regulations which had a significant impact on the Group relating to advertising, labelling and privacy matters. We also target the same result for the coming years.

B7: Anti-corruption

The Group is well aware of the importance of honesty, integrity, fairness and transparency in our business operations. The Group strictly prohibits any form of fraud or bribery, and is committed to the prevention, deterrence, detection and investigation of all forms of fraud and bribery. An important aspect of accountability and transparency is a whistle-blowing mechanism for employees and stakeholders of the Group to voice out any concern on improprieties or suspected improprieties in a responsible and effective manner.

私隱

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

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

二零二三年報告期內，與二零二二年報告期相同，概無發生對本集團產生重大影響，有關廣告、標籤及私隱事項的法律及法規的任何違規事件。我們亦擬於未來數年取得相同成果。

B7: 反貪污

本集團充分了解誠實、正直、公平及透明對業務營運至關重要。本集團嚴格禁止任何形式的欺詐或賄賂，並致力防止、阻止、偵測及調查各種形式的欺詐及賄賂。問責制及透明度其中一個重要的層面是以負責任及有效的方式為本集團僱員及持份者設立舉報機制，以表達對不當行為或懷疑不當行為的關注。

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The enhanced version of anti-corruption and whistle-blowing policy is established pursuant to a resolution passed by the Board at its meeting held on 22 March 2022.

All employees are required to declare any conflict of interests in the execution of their roles and duties. Through the establishment of these rules and regulations, the Group encourages all employees to discharge their duties with integrity and comply with the relevant laws and regulations.

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

If an employee becomes aware of any actual or suspected breach of the anti-corruption and whistle-blowing policy, he/she must report such incident(s) directly to the Corporate Governance Committee, which will investigate the case and take the appropriate course of action in response (including but not limited to referring the case to the Board and/or the Management). Failure to comply with any provision of this section is a serious matter, which may result in disciplinary actions (including but not limited to dismissal with or without notice), and in the extreme case, may lead to prosecution under applicable local laws and regulations.

The Group is strongly encouraged for the whistle blower to identify himself/herself. Investigations may be hindered if the Group is unable to contact the whistle blower for more information. The Group is committed to protecting whistle blowers who report in good faith. The identity of whistle-blowers will not be disclosed unless it is absolutely necessary for the purpose of the investigation and will not be disclosed without prior notice to the whistle blower.

本集團根據董事會在二零二二年三月二十二日舉行的會議上通過的決議案確立反貪污及舉報政策改進版本。

全體員工須於執行職務及職責時申報任何利益衝突。本集團透過制定規則及法規，鼓勵全體員工以誠信履行職責，並遵守相關法律及法規。

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

一旦僱員知悉任何實際或懷疑違反反貪污及舉報政策的行為，彼必須直接向企業管治委員會舉報有關事件，後者將調查該個案及決定採取適當的行動應對（包括但不限於將該個案轉介予董事會及／或管理層）。未有遵守本節任何條文均屬嚴重行為，可導致採取紀律行動（包括但不限於有通知或無通知地解僱），在極端情況下可導致根據適用法律及法規提出起訴。

本集團強烈鼓勵舉報人提供身份證明。倘若本集團無法聯絡舉報人以獲取更多資料，或會窒礙調查。本集團致力保護以良好信實態度舉報的舉報人。舉報人的身份將不會披露，除非出於調查目的而有絕對必要，且一定不會在未有事先通知舉報人的情況披露。

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Whistle-Blowing Protection

Non-Retaliation: The Group will not tolerate any form of retaliation against the whistle-blower and will take all appropriate actions to protect whistle-blowers as long as the concern raised is in good faith, with no malicious intent.

Confidentiality: The Group will do its utmost to protect the whistle-blower's identity. However, there may be instances in the investigation process which require the identity of the whistle-blower to be made known. (e.g. when the source of the information or a witness is required.)

Untrue Allegations: If an individual makes an allegation in good faith, and that allegation was proven untrue by subsequent investigation, no action will be taken against that individual. On the other hand, when an individual is found to be making malicious or vexatious allegations, and especially if he or she persists with making or pursuing them, disciplinary action may be taken against that individual.

During the 2023 Reporting Period, same as the 2022 Reporting Period, the Group recorded no bribery nor corruption charge and is confident to achieve a similar result for the coming years.

舉報保護

不報復：本集團不會容忍任何形式的針對舉報人的報復，而且只要該關注事項是以良好信實態度提出及不具惡意的企圖，我們將採取一切適當的行動保護舉報人。

保密性：本集團將竭盡全力保護舉報人的身份。然而，在調查過程中可能需要披露舉報人的身份（例如當需要獲得資料來源或證人時）。

不實指控：倘某人士以良好信實態度作出指控，而該指控經後續調查被證實屬不實，我們概不會對該人士採取行動。另一方面，倘某人士被發現作出惡意或無理取鬧的指控，尤其是倘彼堅持作出或尋求作出該指控，我們可能對該人士採取紀律行動。

二零二三年報告期內，與二零二二年報告期相同，本集團概無接獲任何賄賂或貪污指控，並有信心於未來數年取得類似成果。

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B8: Community Investment

The Group fully understands its social obligations and the need for contribution to the society. Through the day-to-day contact with various local government officials and industry leaders, the Group continues to explore and examine how the Group can contribute more and in a better way to the local community and society. The Group encourages and supports our staff and workers to participate in voluntary social welfare works, including giving paid leave to employees for undertaking such activities. The Group has implemented measures with an objective to reduce hazardous and non-hazardous air emissions and wastes discharges and continues to find ways and to implement measures to reduce air emissions and wastes discharge. Furthermore, the Group supported the local communities by prioritising its purchases with the local suppliers.

As part of our charitable efforts during the 2023 Reporting Period, the Group demonstrated a strong commitment to community investment through a series of impactful activities. The Group donated HK\$3,000,000 to HKEX Foundation Limited for Stock Code for Charity Scheme on 20 September 2023. The Group also participated in a Flag Selling event on 9 October 2023 held by Stewards, and the Group donated HK\$8,000. Throughout 2023, the Group visited The Mental Health Association of Hong Kong and donated 29 boxes of mooncakes and 22 boxes of pears. Additionally, to further support The Mental Health Association of Hong Kong, the Group also purchased cleaning services for HK\$3,900 and the Group has participated in the Walk & Talk Fundraising event on 25 November 2023.

B8: 社區投入

本集團全面理解其社會責任及回饋社會的必要。本集團通過與多名地方政府官員及行業領袖的日常溝通，持續探索及檢討為本地社區及社會作出更多更好的貢獻的類型及方式。本集團鼓勵並支持員工及工人參加社會福利義務工作，如為參與此類活動的僱員提供有薪假期。本集團已實施措施，目的是減少有害及無害的氣體排放及廢物排放，並繼續尋求方法及實施有關措施以減少廢氣排放及廢物排放。再者，本集團優先向本地供應商採購，藉此支持本地社區。

於二零二三年報告期內。作為我們善舉的一部分，本集團透過一系列有影響力的活動彰顯其對社區投資的堅定承諾。本集團於二零二三年九月二十日為香港交易所慈善基金有限公司的股份代號慈善計劃捐獻3,000,000港元。本集團亦參與香港神託會於二零二三年十月九日舉辦的賣旗活動，本集團捐獻8,000港元。於整個二零二三年，本集團探訪香港心理衛生會並捐贈29盒月餅及22盒梨。此外，為進一步支持香港心理衛生會，本集團亦購買3,900港元的清潔服務及本集團於二零二三年十一月二十五日參與Walk & Talk籌款活動。

Independent Auditor's Report

獨立核數師報告

To the Shareholders of Best Linking Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Best Linking Group Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 129 to 198, comprise:

- the consolidated balance sheet as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致永聯豐集團控股有限公司股東

(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

永聯豐集團控股有限公司 (以下簡稱「**貴公司**」) 及其附屬公司 (以下統稱「**貴集團**」) 列載於第 129 至 198 頁的綜合財務報表，包括：

- 於二零二三年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括重大會計政策信息及其他解釋信息。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《**香港財務報告準則**》真實而中肯地反映了 貴集團於二零二三年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《**公司條例**》的披露規定妥為擬備。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「**守則**」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

The key audit matter identified in our audit is related to revenue recognition — revenue recognised at a point in time.

關鍵審計事項 (續)

我們在審計中識別的關鍵審計事項是關於收入確認 — 按時間點確認收入。

Key Audit Matter 關鍵審計事項

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

Revenue recognition — revenue recognised at a point in time

收入確認 — 按時間點確認收入

Refer to note 5 to the consolidated financial statements.
請參閱財務報表附註5

During the year ended 31 December 2023, the Group recognised revenue of HK\$143,779,000 primarily from manufacturing and trading of machinery products and mechanical parts.

截至二零二三年十二月三十一日止年度，貴集團確認收143,779,000港元，主要來自製造及買賣一系列機械產品及機械零件。

Revenue is recognised upon transfer of control, at a point in time, being when the products are delivered to the customers, the customer has full discretion over the usage of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

收入於控制權轉移時確認在某時間點轉讓貨品的銷售，即貨品交付予客戶之時，客戶擁有使用該等貨品的完全酌情權，且概無可能影響客戶接受產品的未履行責任。

We focused on this area because significant audit resources were devoted to this area due to the large volume of revenue transactions from various customers during the year.

我們之所以關注這一領域，是因為年內各客戶的收入交易量很大，為此我們投入了大量的審計資源。

Our procedures in relation to the auditing of revenue recognition included:

我們有關審計收入確認的審計程序包括：

- We understood, evaluated and tested, on a sample basis, the Group's relevant controls in relation to revenue recognition;
- 我們了解、評估並按抽樣基準測試 貴集團與收入確認有關的相關控制；
- We tested, on a sample basis, the sales transactions by examining the relevant supporting documents including but not limited to sales orders, invoices, delivery documents and customer's acknowledgements etc. to assess whether revenue was properly recognised; and
- 我們透過抽樣測試檢查銷售交易進行的相關證明文件包括但不限於銷售訂單、發票、交貨和客戶確認文件等，以評估收入是否正確確認；和
- We tested, on a sample basis, the sales transactions recognised before and after the balance sheet date by tracing to the relevant supporting documents including but not limited to the delivery documents and customer's acknowledgements etc. to assess whether revenue was recognised in the correct reporting period.
- 我們對資產負債表日前後確認的銷售交易進行抽樣測試，透過追溯相關證明文件包括但不限於交貨和客戶確認文件等，評估收入是否在正確的財務年度確認為收入。

Based on the procedures performed, we found that the Group's revenue recognised was supported by the evidence obtained. 基於所執行的程序，我們發現 貴集團的收入確認有證據支持。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Best Linking Group Holdings Limited 2023 Annual Report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including Corporate Information, Directors and Senior Management and Environmental, Social and Governance Report prior to the date of this auditor's report. The remaining other information, including Management Discussion and Analysis, Report of the Directors and the other sections to be included in the annual report, is expected to be made available to us after that date.

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

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

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

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

其他信息

貴公司董事須對其他信息負責。其他信息包括所有包含在永聯豐集團控股有限公司2023年年報（「年報」）除綜合財務報表及我們的核數師報告外的信息。我們在本核數師報告日前已取得部份其他信息包括公司資料，董事及高級管理層和環境、社會及管治報告。餘下的其他信息，包括管理層討論及分析和董事會報告及將包括在年報內的其他部分，將預期會在本核數師報告日後取得。

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

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

基於我們對在本核數師報告日前取得的其他信息所執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

當我們閱讀該等將包括在年報內餘下的其他信息後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審計委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

董事及審計委員會就綜合財務報表須承擔的責任

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

Independent Auditor's Report

獨立核數師報告

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

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

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

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

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

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

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

審計委員會須負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

核數師就審計綜合財務報表承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Hong Wing.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 19 March 2024

核數師就審計綜合財務報表承擔的責任 (續)

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳康榮。

羅兵咸永道會計師事務所

執業會計師

香港，二零二四年三月十九日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		Note 附註		
Revenue	收益	5	143,779	127,730
Cost of sales	銷售成本	6	(82,990)	(69,806)
Gross profit	毛利		60,789	57,924
Other income	其他收入	8	555	567
Other gains, net	其他收益淨額	9	378	1,333
Selling and distribution expenses	銷售及分銷開支	6	(3,367)	(2,687)
Administrative expenses	行政開支	6	(30,962)	(15,891)
Operating profit	經營溢利		27,393	41,246
Finance income	融資收入	11	725	190
Finance cost	融資成本	11	(15)	(4)
Finance income, net	融資收入淨額		710	186
Profit before income tax	除所得稅前溢利		28,103	41,432
Income tax expense	所得稅開支	12	(6,064)	(6,503)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利		22,039	34,929
Other comprehensive income	其他全面收益			
Items that may be reclassified to profit or loss	可能重新分類至損益的項目			
Currency translation differences	貨幣換算差額	22	(1,944)	(4,895)
Total comprehensive income for the year	年內全面收益總額		20,095	30,034
Earnings per share for profit attributable to equity holders of the Company for the year	本公司權益持有人應佔年內溢利的每股盈利			
Basic and diluted earnings per share (HK cents per share)	每股基本及攤薄盈利 (每股港仙)	13	5.5	8.7

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收益表應與隨附附註一併閱讀。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2023 於二零二三年十二月三十一日

			2023 二零二三年	2022 二零二二年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	23,372	25,129
Prepayments and deposits	預付款項及按金	18	919	818
Deferred tax assets	遞延稅項資產	27	572	475
			24,863	26,422
Current assets	流動資產			
Inventories	存貨	19	23,125	20,634
Trade receivables	貿易應收款項	17	44,291	41,707
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	18	12,648	9,422
Current income tax recoverable	即期可收回所得稅		11	–
Pledged bank deposit	已抵押銀行存款	20	5,028	–
Cash and cash equivalents	現金及現金等價物	20	54,891	51,003
			139,994	122,766
Total assets	資產總值		164,857	149,188
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	21	4,000	4,000
Reserves	儲備	22	143,660	139,565
Total equity	權益總額		147,660	143,565

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2023 於二零二三年十二月三十一日

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
	Note 附註			
Liabilities		負債		
Non-current liability		非流動負債		
Lease liabilities	23	租賃負債	148	79
			148	79
Current liabilities		流動負債		
Trade payables	24	貿易應付款項	4,812	1,034
Bank borrowings	25	銀行借款	8,093	–
Accruals and other payables	26	應計費用及其他應付款項	3,901	3,485
Current income tax liabilities		即期所得稅負債	–	924
Lease liabilities	23	租賃負債	243	101
			17,049	5,544
Total liabilities		負債總額	17,197	5,623
Total equity and liabilities		權益及負債總額	164,857	149,188

The consolidated financial statements on pages 129 to 198 were approved by the Board of Directors on 19 March 2024 and were signed on its behalf.

第129至198頁的綜合財務報表已由董事會於二零二四年三月十九日批核，並代表董事會簽署。

Chan Yuk Pan
陳煜彬
Director
董事

Chan Lung Pan
陳龍彬
Director
董事

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述綜合資產負債表應與隨附附註一併閱讀。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2023 截至二零二三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					Retained earnings 保留盈利	Total 總計
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
		(Note 21) (附註21)	(Note 21) (附註21)	(Note 22) (附註22)	(Note 22) (附註22)	(Note 22) (附註22)		
Balance at 1 January 2022	於二零二二年一月一日的結餘	4,000	26,511	13,000	3,205	3,767	79,048	129,531
Profit for the year	年內溢利	-	-	-	-	-	34,929	34,929
Other comprehensive income	其他全面收益							
Currency translation differences	貨幣換算差額	-	-	-	-	(4,895)	-	(4,895)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(4,895)	34,929	30,034
Transactions with equity holders:	與權益擁有人的交易：							
Dividends paid (Note 21)	已付股息 (附註21)	-	(16,000)	-	-	-	-	(16,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	1,522	-	(1,522)	-
		-	(16,000)	-	1,522	-	(1,522)	(16,000)
Balance at 31 December 2022	於二零二二年十二月三十一日的結餘	4,000	10,511	13,000	4,727	(1,128)	112,455	143,565

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 21)	(Note 21)	(Note 22)	(Note 22)	(Note 22)		
		(附註21)	(附註21)	(附註22)	(附註22)	(附註22)		
Balance at 1 January 2023	於二零二三年一月一日的結餘	4,000	10,511	13,000	4,727	(1,128)	112,455	143,565
Profit for the year	年內溢利	-	-	-	-	-	22,039	22,039
Other comprehensive income	其他全面收益							
Currency translation differences	貨幣換算差額	-	-	-	-	(1,944)	-	(1,944)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	(1,944)	22,039	20,095
Transactions with equity holders:	與權益擁有人的交易：							
Dividends paid (Note 21)	已付股息 (附註21)	-	(10,511)	-	-	-	(5,489)	(16,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	1,634	-	(1,634)	-
		-	(10,511)	-	1,634	-	(7,123)	(16,000)
Balance at 31 December 2023	於二零二三年十二月三十一日的結餘	4,000	-	13,000	6,361	(3,072)	127,371	147,660

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		Note 附註		
Cash flows from operating activities	經營活動現金流量			
Cash generated from operations	經營所得現金	30(a)	25,282	31,093
Income tax paid	已付所得稅		(7,079)	(10,266)
Interest received	已收利息		725	190
Net cash generated from operating activities	經營活動所得現金淨額		18,928	21,017
Cash flows from investing activities	投資活動現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備		(464)	(3,873)
Payments for construction in progress	在建工程款項		(1,489)	(6,387)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項		37	-
Net cash used in investing activities	投資活動所用現金淨額		(1,916)	(10,260)
Cash flows from financing activities	融資活動現金流量			
Payment of interest elements of lease liabilities	支付租賃負債利息部分	30(b)	(15)	(4)
Payment of principal elements of lease liabilities	支付租賃負債本金部分	30(b)	(167)	(104)
Proceeds from bank borrowings	銀行借款的所得款項	30(b)	8,093	-
Payment of pledged bank deposit	支付已抵押銀行存款	30(b)	(5,028)	-
Dividends paid	已付股息		(16,000)	(16,000)
Net cash used in financing activities	融資活動所用現金淨額		(13,117)	(16,108)
Increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)		3,895	(5,351)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		51,003	56,387
Currency translation differences	貨幣換算差額		(7)	(33)
Cash and cash equivalents at end of the year	年末現金及現金等價物		54,891	51,003

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述綜合現金流量表應與隨附附註一併閱讀。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 26 October 2018 as an exempted company with limited liability under the Companies Act (2022 Revision) (as consolidated or revised from time to time) of the Cayman Islands. Its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 31 October 2019 and are transferred to the listing on the Main Board of the Stock Exchange on 28 September 2023. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The ultimate holding company of the Company is C Centrum Holdings Limited, a company incorporated in British Virgin Islands and wholly-owned by Mr. Chan Yuk Pan.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of machinery products and mechanical parts (the “**Business**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under historical cost convention. The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

1 一般資料

本公司根據開曼群島公司法（二零二二年修訂）（經不時綜合或修訂）於二零一八年十月二十六日在開曼群島註冊成立為獲豁免有限公司。其股份於二零一九年十月三十一日於香港聯合交易所有限公司（「**聯交所**」）GEM上市並於二零二三年九月二十八日於聯交所主板轉板上市。本公司的註冊辦事處地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司的最終控股公司為 C Centrum Holdings Limited（一間於英屬維爾京群島註冊成立的公司）且由陳煜彬先生全資擁有。

本公司為投資控股公司，其附屬公司主要從事製造及買賣機械產品及機械零件（「**有關業務**」）。

除另有說明外，綜合財務報表以港元（「**港幣**」）呈列。

2 編製基準及會計政策變動

綜合財務報表乃根據所有適用香港財務報告準則（「**香港財務報告準則**」）及香港法例第622章香港公司條例的披露規定編製。綜合財務報表乃根據歷史成本慣例編製。編製符合香港財務報告準則的綜合財務報表需要使用若干關鍵會計估計。在應用本集團會計政策的過程中亦需要管理層行使其判斷。涉及高程度判斷或複雜性的範疇或其假設及估計對綜合財務報表而言屬重大的範疇於附註4披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES *(Continued)*

2.1 New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing 1 January 2023:

- Disclosure of Accounting Policies — Amendments to HKAS 1 and HKFRS Practice Statement 2
- Definition of Accounting Estimates — Amendments to HKAS 8
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction — Amendments to HKAS 12
- International Tax Reform — Pillar Two Model — Amendments to HKAS 12
- Insurance Contracts — HKFRS 17 and amendments to HKFRS 17
- Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information — HKFRS 17

The adoption of the above new and amended standards did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 編製基準及會計政策變動 (續)

2.1 本集團已採納的新訂及經修訂準則

本集團於二零二三年一月一日開始的年度報告期間應用以下新訂及經修訂準則：

- 會計政策披露 — 香港會計準則第1號及香港財務報告準則實務通告第2號(修訂本)
- 會計估算的定義 — 香港會計準則第8號(修訂本)
- 源自單一交易的資產及負債之相關遞延稅項 — 香港會計準則第12號(修訂本)
- 國際稅務改革 — 第二支柱範本 — 香港會計準則第12號(修訂本)
- 保險合同 — 香港財務報告準則第17號及香港財務報告準則第17號(修訂本)
- 初步應用香港財務報告準則第17號及香港財務報告準則第9號 — 比較資料 — 香港財務報告準則第17號

採納上述新訂及經修訂準則對先前期間確認的金額並無任何重大影響，預期亦不會對當前或未來期間造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Amended standards and interpretations which have been issued but are not yet effective and have not been early adopted by the Group

Certain amendments to accounting standards and interpretations have been published that are mandatory for financial year beginning on or after 1 January 2024 and have not been early adopted by the Group. These are:

		Effective for accounting periods beginning on or after 於下列日期或之後 開始的會計期間生效
Amendments to HKAS 1 香港會計準則第1號(修訂本)	Classification of Liabilities as Current or Non-current 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 香港會計準則第1號(修訂本)	Non-current Liabilities with Covenants 附帶契約的非流動負債	1 January 2024 二零二四年一月一日
Amendments to HKFRS 16 香港財務報告準則第16號(修訂本)	Lease Liability in a Sale and Leaseback 售後回租的租賃負債	1 January 2024 二零二四年一月一日
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
香港詮釋第5號(經修訂)	財務報表呈報 — 借款人將載有按要求償還條款的 定期貸款分類	二零二四年一月一日
Amendments to HKAS 7 and HKFRS 7 香港會計準則第7號及香港財務報告 準則第7號(修訂本)	Supplier Finance Arrangements 供應商融資安排	1 January 2024 二零二四年一月一日
Amendments to HKAS 21 香港會計準則第21號(修訂本)	Lack of Exchangeability 缺乏可兌換性	1 January 2025 二零二五年一月一日
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
香港財務報告準則第10號及 香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間的 資產出售或注資	待定

The Group is in the process of making an assessment of the impact of these amended standards and interpretations of HKFRS and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

本集團正評估該等經修訂準則及香港財務報告準則詮釋之影響，仍未能確定有關準則對本集團之業績及財務狀況會否造成重大影響。

2 編製基準及會計政策變動 (續)

2.2 已經頒佈但尚未生效，且未獲本集團提早採納的經修訂準則及詮釋

會計準則及詮釋的若干修訂本已經頒佈，必須於二零二四年一月一日或之後開始的財政年度強制應用，惟未獲本集團提早採納。該等準則為：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, cash flow and fair value interest rate risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

The Group operates in Hong Kong and the People's Republic of China ("PRC") and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars ("USD") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in these currencies. Since HK\$ is pegged to USD, the Group believes the exposure of transactions denominated in USD which are entered into the Group to be insignificant.

During the year ended 31 December 2023, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures (2022: Nil).

3 財務風險及資本風險管理

3.1 財務風險因素

本集團的業務面臨多種財務風險：外匯風險、信貸風險、現金流量及公平值利率風險及流動資金風險。本集團的整體風險管理程序針對難以預測的金融市場，並尋求盡量降低對本集團財務表現所構成的潛在不利影響。

(i) 外匯風險

本集團於香港及中華人民共和國（「中國」）營運，面對多種貨幣風險產生的外匯風險，主要有關美元（「美元」）及人民幣（「人民幣」）。外匯風險產生自以此等貨幣計值的未來商業交易、已確認資產及負債。由於港元與美元掛鈎，本集團認為本集團訂立以美元計值的交易風險並不重大。

截至二零二三年十二月三十一日止年度，本集團並無訂立任何衍生工具對沖其外匯風險（二零二二年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2023, if USD has strengthened/weakened by 5% against RMB, and RMB has strengthened/weakened by 5% against HK\$, with all other variables held constant, the post-tax profit for the year would have changed mainly as a result of foreign exchange gains/losses on translation of USD and RMB denominated on pledged bank deposit, cash and cash equivalents, trade and other receivables and trade payable, bank borrowings and other payables, as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Post-tax profit (decrease)/increase when RMB against USD	除稅後溢利(減少)/增加，當人民幣兌美元匯率		
— Strengthened 5%	— 升值5%	2,398	1,210
— Weakened 5%	— 減值5%	(2,398)	(1,210)
Post-tax profit (decrease)/increase when HK\$ against RMB	除稅後溢利(減少)/增加，當港元兌人民幣匯率		
— Strengthened 5%	— 升值5%	59	224
— Weakened 5%	— 減值5%	(59)	(224)

3 財務風險及資本風險管理 (續)

3.1 財務風險因素 (續)

(i) 外匯風險 (續)

於二零二三年十二月三十一日，倘美元兌人民幣升/貶值5%，以及人民幣兌港元升/貶值5%，而所有其他變量保持不變，年度除稅後溢利將有所變動，主要由於轉換以美元及人民幣計值的已抵押銀行存款、現金及現金等價物、貿易及其他應收款項及貿易應付款項、銀行借款及其他應付款項的匯兌收益/虧損所致，見下文所示：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk

(i) Risk management

Credit risk of the Group mainly arises from trade receivables, deposits and other receivables, pledged bank deposit and cash and cash equivalents. Majority of bank deposits are placed with reputable banks and financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet.

The Group has policies in place to ensure that credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the shareholder are of the opinion that adequate provision for uncollectible receivables has been made.

The carrying amounts of trade receivables, deposits and other receivables, pledged bank deposit and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

For the year ended 31 December 2023, 52% (2022: 55%) of the Group's revenue was derived from its top five customers. As at 31 December 2023, 71% of the total trade receivables were due from the Group's top five customers (2022: 71%).

3 財務風險及資本風險管理 (續)

3.1 財務風險因素 (續)

(ii) 信貸風險

(i) 風險管理

本集團的信貸風險主要來自貿易應收款項、存款及其他應收款項、已抵押銀行存款以及現金及現金等價物。大部分銀行存款存放於信譽良好的銀行及金融機構。最高信貸風險為綜合資產負債表各項金融資產的賬面值。

本集團設有政策確保向具備適當信貸紀錄的客戶授出信貸期，且本集團對客戶進行定期信貸評估。本集團過往收回的貿易應收款項及其他應收款項均在入賬撥備範圍內，而股東認為已就不可收回的應收款項作出足夠撥備。

貿易應收款項、按金及其他應收款項、已抵押銀行存款與現金及現金等價物的賬面值指本集團就金融資產承受的最大信貸風險。

截至二零二三年十二月三十一日止年度，本集團收益的52%（二零二二年：55%）來自其五大客戶。於二零二三年十二月三十一日，貿易應收款項總額的71%（二零二二年：71%）為應收本集團的五大客戶。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

(i) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- other financial assets at amortised cost.

Trade receivables

The Group then determines the provision for expected credit losses by grouping the trade receivables based on shared credit risk characteristics and the days past due, and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables. The expected loss rates are based on the probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2022 and 2023, no provision of impairment for trade receivables were made as the expected loss rate were minimal.

3 財務風險及資本風險管理 (續)

3.1 財務風險因素 (續)

(ii) 信貸風險 (續)

(i) 金融資產減值

本集團有兩類金融資產受預期信用損失模型所規限：

- 貿易應收款項；及
- 按攤銷成本計量的其他金融資產。

貿易應收款項

本集團根據共同的信貸風險特徵及逾期天數對應收款項進行分組，並對各應收款項的賬面總額採用預期信貸虧損率，從而確定預期信貸虧損準備。預期虧損率乃基於應收款項經過連續的拖欠階段至註銷的概率。過往虧損率作出調整以反映影響客戶結算應收款能力的宏觀經濟因素的當前及前瞻性資料。

當貿易應收賬款合理預期無法收回時會予以撇銷。合理預期無法收回的指標包括（其中包括）債務人未能履行向本集團的還款計劃，且未能作出合約付款。

應收貿易款項的減值虧損於經營溢利內呈列為減值虧損淨額。先前已撇銷之金額其後收回則計入相同條目內。

於二零二二年及二零二三年十二月三十一日，由於預期虧損率極為低，故並無就貿易應收款項作出減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

Other financial assets at amortised cost include pledged bank deposit, cash and cash equivalents and other receivables. Impairment on other financial assets are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the counterparties to settle the receivables. The Group has closely monitored the credit qualities and the collectability of the other financial assets at amortised cost and the loss allowance for other financial assets at amortised cost as at 31 December 2022 and 2023 was immaterial.

(iii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets or liabilities except for pledged bank deposit, cash and cash equivalents and bank borrowings. The maturity dates of the bank borrowings are within 3 months.

Hence our Group's income and operating cash flows are less dependent on changes in market interest rates. Accordingly, our directors are of the opinion that our Group does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.

3 財務風險及資本風險管理 (續)

3.1 財務風險因素 (續)

(ii) 信貸風險 (續)

(ii) 金融資產減值 (續)

按攤銷成本計量的其他金融資產

按攤銷成本計量的其他金融資產包括已抵押銀行存款、現金及現金等價物及其他應收款項。其他金融資產的減值以12個月的預期信貸虧損或全期預期信貸虧損計量，取決於自初次確認以來的信貸風險是否已顯著增加。倘應收款項的信貸風險自初次確認以來已顯著增加，減值以全期預期信貸虧損計量。過往虧損率作出調整，以反映當前及前瞻性的宏觀經濟因素資料，該等因素影響對手方結算應收款項的能力。本集團已密切監察其他按攤銷成本計量的金融資產的信貸質素及可收回性，而於二零二二年及二零二三年十二月三十一日按攤銷成本計量的其他金融資產的虧損撥備並不重大。

(iii) 現金流量及公平值利率風險

除已抵押銀行存款、現金及現金等價物及銀行借款外，本集團並無重大計息資產或負債。銀行借款的到期日為三個月內。

因此，本集團的收入及經營現金流量不太取決於市場利率的變動。因此，董事認為，本集團並無重大的現金流量及公平值利率風險，並無作出敏感度分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Our Group's liquidity risk is further mitigated through the availability of financing through its own cash resources to meet its financial commitments. In the opinion of our directors, our Group does not have any significant liquidity risk.

The following tables show the remaining contractual maturities at the end of each reporting period of our Group's financial liabilities based on contractual undiscounted cash flows and the earliest date our Group can be required to pay. Balances due within 12 months equal their carrying balances (including both interest and principal) as the impact of discounting is not significant.

3 財務風險及資本風險管理 (續)

3.1 財務風險因素 (續)

(iv) 流動資金風險

審慎的流動資金風險管理意味著維持足夠的現金及現金等價物。本集團透過以其本身的現金資源獲得融資，以應付其財務承擔，藉以進一步減低其流動資金風險。董事認為，本集團並無任何重大的流動資金風險。

下表載列以合約未貼現現金流量為基準之本集團金融負債於各報告期末之餘下合約到期日及本集團須付款之最早日期。由於折現的影響不大，於12個月內到期的結餘等於其賬面結餘（包括利息及本金）。

		Repayable on demand 按要求償還	Less than 1 year 1年內	Between 1 and 2 years 1至2年	Between 2 and 5 years 2至5年	Over 5 years 5年後	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2023	於二零二三年 十二月三十一日						
— Trade payables	— 貿易應付款項	-	4,812	-	-	-	4,812
— Bank borrowings	— 銀行借款	-	8,093	-	-	-	8,093
— Accruals and other payables	— 應計費用及其他 應付款項	-	2,687	-	-	-	2,687
— Lease liabilities	— 租賃負債	-	258	150	-	-	408
		-	15,850	150	-	-	16,000
As at 31 December 2022	於二零二二年 十二月三十一日						
— Trade payables	— 貿易應付款項	-	1,034	-	-	-	1,034
— Accruals and other payables	— 應計費用及其他 應付款項	-	2,616	-	-	-	2,616
— Lease liabilities	— 租賃負債	-	108	81	-	-	189
		-	3,758	81	-	-	3,839

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 31 December 2023, the Group had bank borrowings amounted to HK\$8,093,000 (2022: Nil) and maturing within 3 months.

3.3 Fair value estimation

The carrying amounts of the Group's financial assets, including trade receivables, deposits and other receivables, pledged bank deposit, cash and cash equivalents, and financial liabilities, including trade payables, bank borrowings and accruals and other payables and lease liabilities approximated their fair values as at the reporting date due to their short maturities.

3 財務風險及資本風險管理 *(續)*

3.2 資本管理

本集團之資本管理目標乃保障本集團能繼續營運，以為股東帶來回報並為其他持份者帶來利益，同時維持最佳之資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

於二零二三年十二月三十一日，本集團的銀行借款為8,093,000港元（二零二二年：無），於三個月內到期。

3.3 公平值之估計

由於其短期性質，本集團於報告日期的金融資產（包括貿易應收款項、按金及其他應收款項、已抵押銀行存款、現金及現金等價物）及金融負債（包括貿易應付款項、銀行借款及應計費用及其他應付款項及租賃負債）之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision for slow moving inventories

The Group makes provision for slow moving inventories based on assessing the needs and reasonableness of provision for slowing moving inventories at each period end. The identification of slow moving inventories requires the use of judgments and key assumptions which take into consideration of historical sales pattern, ageing and expectation of future sales orders. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and provision for inventories in the period in which such estimate has been changed.

(b) Impairment of right of use assets

The Group leased land and buildings in the PRC for the purposes of its office premises and manufacturing plant under an operating lease of 10 years where the leased land and buildings, classified as right of use assets of the Group were without land and property ownership certificates and the construction planning permit. Without the certificates and permit, the existing land and buildings might be ordered for demolition or confiscated and the lease may be deemed as invalid. Our directors are of the opinion, based on the advice from the Group's external legal adviser, that the title defect of the leased land and buildings does not affect the operation of production facility of the Group. It is unlikely to be terminated or interrupted or to have a material effect on the carrying amount of the right of use assets which was included in right of use assets totalling HK\$1,401,000 as at 31 December 2023 (2022: HK\$2,018,000).

4 關鍵會計估計及判斷

估計及判斷將獲持續評估，按過往經驗及其他因素為準，包括於有關情況下被視為合理之對日後事件的預期。

本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際情況。下文論述可能會導致於下個財政年度內對資產及負債之賬面值作出重大調整之重大風險之估計及假設。

(a) 滯銷存貨撥備

本集團於各期末根據評估需求及滯銷存貨撥備是否合理為滯銷存貨計提撥備。識別滯銷存貨需要行使判斷及關鍵估計，當中考慮到過往銷售模式、貨齡及未來銷售訂單預期。倘預測有別於原先估計，則該差異將影響存貨的賬面值及有關估計改變期間的存貨撥備。

(b) 使用權資產減值

本集團就辦公室物業及製造廠房於中國租賃土地及樓宇，經營租賃為期10年，而分類為本集團的使用權資產的租賃土地及樓宇並無土地及物業所有權證及建設工程規劃許可證。如無該等證書及許可證，現有土地及樓宇可能被勒令清拆或沒收及租賃可能被視作無效。董事認為，根據本集團外部法律顧問的意見，租賃土地及樓宇的業權缺陷並不影響本集團生產設施的營運。其不大可能被終止或中斷或對使用權資產賬面值造成重大影響，有關金額計入使用權資產，於二零二三年十二月三十一日為1,401,000港元（二零二二年：2,018,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(c) Income taxes

The Group is subject to income taxes mainly in Hong Kong and the PRC. Significant judgment is required in determining provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the periods in which such determination are made.

(d) Loss allowance of receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical default rates, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group recognised lifetime expected credit loss for trade receivables carried at amortised cost based on either individually customers who are long overdue with significant amounts or known insolvencies or non-response to collection activities, or collectively assessing them for likelihood of recovery based on ageing of the balances with similar risk characteristics taking into account the forward looking information. The identification of impairment of receivables requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivables recognized in the periods in which such estimates have been changed.

4 關鍵會計估計及判斷 *(續)*

(c) 所得稅

本集團主要在香港及中國繳納所得稅。在釐定所得稅撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式的最終稅項釐定並不明確。倘該等事宜的最終稅務結果與最初入賬的金額不同，該等差額將會影響作出有關釐定期間的所得稅及遞延所得稅撥備。

(d) 應收款項虧損撥備

本集團根據有關違約風險及預期虧損率的假設計提應收款項減值撥備。本集團於作出假設時行使判斷，並根據本集團於各報告期末的過往違約機率、現行市場狀況及前瞻性估計，挑選用於減值計算的輸入資料。本集團確認按攤銷成本列賬之貿易應收款項之全期預期信貸虧損，乃基於長期逾期重大金額或已知無力償債或未對收回活動作出回應之個別客戶，或在考慮前瞻性資料的情況下，根據具有類似風險特徵之結餘賬齡對該等客戶進行集體評估以確定追回之可能性。識別應收款項減值須運用判斷及估計。倘預期與原本估計存在差異，該等差額將會影響於有關估計變動的期間確認的應收款項賬面值及應收款項減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

The chief operating decision maker (the “**CODM**”) has been identified as the executive directors of our Group. Management has determined the operating segments based on the information reviewed by our executive director for the purpose of allocating resources and assessing performance. The only component in internal reporting to the executive directors is our Group’s manufacturing and trading of machinery products and mechanical parts for the years ended 31 December 2022 and 2023. In this regard, management considers there is only one operating segment under the requirements of HKFRS 8 “Operating Segments”.

The directors assess the performance of the operating segment based on a measure of revenue and gross profit.

All of our Group’s revenue are from contracts with customers and are recognised at a point in time.

(a) Revenue from major customers who had individually contributed 10% or more of total revenue of the Group

For the year ended 31 December 2023, there were three customers (2022: one), which individually contributed over 10% of our Group’s total revenue. Revenue contributed from our major customers were as follows:

		2023 二零二三年 HK\$’000 千港元	2022 二零二二年 HK\$’000 千港元
Customer A	客戶 A	26,799	28,856
Customer B*	客戶 B*	15,733	–
Customer C*	客戶 C*	15,020	–

* The corresponding customers are new customers for the year ended 31 December 2023.

5 收益及分部資料

主要營運決策人（「**主要營運決策人**」）識別為本集團的執行董事。為分配資源及評估表現，管理層已按執行董事審閱的資料釐定經營分部。截至二零二二年及二零二三年十二月三十一日止年度，向執行董事內部呈報的唯一部分為本集團的製造及買賣機械產品及機械零件。就此而言，根據香港財務報告準則第8號「經營分部」的規定，管理層認為僅有一個經營分部。

董事根據收益及毛利計量評估經營分部的表現。

本集團的所有收益均來自客戶合約，並於某一時間點確認。

(a) 來自個別貢獻本集團總收益10%或以上的主要客戶的收益

截至二零二三年十二月三十一日止年度，有三名（二零二二年：一名）客戶個別貢獻本集團總收益10%以上。主要客戶貢獻的收益載列如下：

* 相應客戶為截至二零二三年十二月三十一日止年度的新客戶。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Segment revenue by customers' geographical location

Our Group is domiciled in the PRC and Hong Kong. Our Group's revenue by geographical location, which is determined by the location of customers, is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Singapore	新加坡	44,043	51,216
The Philippines	菲律賓	33,637	12,806
Hong Kong	香港	32,204	35,799
Malaysia	馬來西亞	18,906	18,676
Taiwan	台灣	4,326	912
The PRC	中國	4,261	1,064
Japan	日本	3,974	3,030
Vietnam	越南	1,670	2,482
New Zealand	新西蘭	31	983
Others (Note)	其他 (附註)	727	762
		143,779	127,730

Note:

Others include Canada and Thailand.

附註：

其他包括加拿大及泰國。

5 收益及分部資料 (續)

(b) 按客戶地理位置劃分的分部收益

本集團位於中國及香港。本集團按地理位置 (根據客戶位置釐定) 劃分的收益載列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Non-current assets by geographical location

The total of non-current assets other than deferred tax assets, broken down by location of the assets, is shown in the following:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
The PRC	中國	20,742	21,653
Hong Kong	香港	3,549	4,294
		24,291	25,947

(d) Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the good is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good may be transferred over time or at a point in time.

Control of the good is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

5 收益及分部資料 (續)

(c) 按地理位置劃分的非流動資產

按資產所在地劃分的非流動資產總值 (遞延稅項資產除外) 明細列示如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
The PRC	中國	20,742	21,653
Hong Kong	香港	3,549	4,294
		24,291	25,947

(d) 收益確認的會計政策

收益按已收或應收代價的公平值計量，即於本集團一般業務過程中就出售貨品已收及應收的款項。

收益乃於商品之控制權轉移至客戶時確認。視乎合約條款及適用於該合約之法律規定，商品之控制權可經過一段時間或於某一時間點轉移。

倘本集團在履約過程中滿足下列條件，則商品之控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收到並消耗有關利益；
- 創建或提升本集團履約時客戶所控制之資產；或
- 並無創建對本集團而言有其他用途之資產，而本集團可強制執行其權利收回累計至今已完履約部份之款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

(Continued)

(d) Accounting policies of revenue recognition (Continued)

If control of the goods transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods. Specific criteria where revenue is recognised are described below.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

The Group manufactures and trades of machinery products and mechanical parts to customers. Sales of goods transferred at a point in time are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the usage of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. No element of financing is deemed present as the sales are made with a credit term of 60-120 days, which is consistent with market practice.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

5 收益及分部資料 (續)

(d) 收益確認的會計政策 (續)

倘商品之控制權經過一段時間轉移，收益確認將按整個合約期間已完成履約責任之進度進行。否則，收益於客戶獲得商品控制權之時間點確認。有關確認收益之特定標準的描述如下。

當合約任何一方已履約，本集團於綜合資產負債表呈列合約為合約資產或合約負債，視乎實體履約與客戶付款的關係。

應收款項於本集團對代價擁有無條件權利時入賬。倘僅須時間推移便可收取代價，收取代價的權利即為無條件。

當收益金額符合下述本集團業務的特定準則時，便會確認收益：

本集團製造及與客戶買賣機械產品及機械機件。在產品的控制權已轉讓（即產品交付予客戶之時），客戶擁有使用該等產品的完全酌情權，且概無可能影響客戶接受產品的未履行責任時，確認在某時間點轉讓貨品的銷售。由於銷售均按信貸期60至120日進行，符合行業常規，故並不存在融資因素。

倘於本集團轉讓承諾貨品予客戶前，客戶支付代價或本集團有權收取無條件代價金額，本集團在收取付款或應收款項入賬（以較早者為準）時呈列合約為合約負債。合約負債為本集團就已向客戶收取代價（或代價金額到期）而向客戶轉讓承諾貨品的責任。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

6 按性質劃分的開支

計入銷售成本、銷售及分銷開支及行政開支的開支分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Raw materials and consumables used (Note 19)	已用原材料及消耗品 (附註19)	75,273	56,999
Changes in inventories of finished goods and work in progress (Note 19)	製成品及在製品存貨變動(附註19)	(3,464)	4,485
Provision for slow moving inventories, net (Note 19)	滯銷存貨撥備淨額(附註19)	146	109
Employee benefit expenses, including directors' emoluments (Note 7)	僱員福利開支，包括董事酬金 (附註7)	14,182	12,100
Depreciation (Note 15)	折舊(附註15)	3,871	2,181
Legal and professional fees	法律及專業費用	1,516	1,482
Listing expenses	上市開支	12,363	3,899
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	220	-
Auditors' remuneration	核數師薪酬		
— Audit services	— 審計服務	1,250	1,000
— Non-audit services	— 非審計服務	85	50
Donation	捐贈	3,000	-
Utilities	公共服務	1,197	949
Transportation expenses	運輸開支	2,976	2,203
Other expenses	其他開支	4,704	2,927
Total cost of sales, selling and distribution expenses and administrative expenses	銷售成本、銷售及分銷開支 及行政開支總額	117,319	88,384

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefit expenses

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Wages, salaries, bonuses and other benefits	工資、薪金、花紅及其他福利	13,202	11,303
Retirement benefit costs	退休福利成本		
— defined contribution plans	— 定額供款計劃	886	708
Mandatory provident fund scheme	強制性公積金計劃	94	89
		14,182	12,100

(b) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group include two directors for the year ended 31 December 2023 (2022: two), whose remuneration are reflected in the analysis presented in note 10(a) below.

The remuneration paid to the remaining three individuals for the year ended 31 December 2023 (2022: three) are as follows:

7 僱員福利開支，包括董事酬金

(a) 僱員福利開支

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Wages, salaries, bonuses and other benefits	工資、薪金、花紅及其他福利	13,202	11,303
Retirement benefit costs	退休福利成本		
— defined contribution plans	— 定額供款計劃	886	708
Mandatory provident fund scheme	強制性公積金計劃	94	89
		14,182	12,100

(b) 五名最高薪個人

截至二零二三年十二月三十一日止年度，本集團中薪酬最高的五名個人包括兩名（二零二二年：兩名）董事，其薪酬反映於下文附註10(a)所呈列的分析。

截至二零二三年十二月三十一日止年度，已支付予餘下三名（二零二二年：三名）個人的薪酬載列如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Wages, salaries and other benefits	工資、薪金及其他福利	1,440	1,333
Discretionary bonuses	酌情花紅	95	119
Retirement benefit costs	退休福利成本		
— defined contribution plans	— 定額供款計劃	13	24
Mandatory provident fund scheme	強制性公積金計劃	22	26
		1,570	1,502

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

(b) Five highest paid individuals (Continued)

The emolument of the highest paid individuals fell within the following bands:

		2023 二零二三年	2022 二零二二年
Emolument band	酬金組別		
Nil to HK\$1,000,000	零至 1,000,000 港元	3	3

Note:

No directors or any of the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or compensation for loss of office for the year ended 31 December 2023 (2022: Nil).

7 僱員福利開支，包括董事酬金 (續)

(b) 五名最高薪個人 (續)

最高薪個人的酬金屬於以下組別：

		2023 二零二三年	2022 二零二二年
Emolument band	酬金組別		
Nil to HK\$1,000,000	零至 1,000,000 港元	3	3

附註：

截至二零二三年十二月三十一日止年度，概無董事或任何五名最高薪金個別自本集團收取任何酬金作為加入本集團或加入後的獎勵或離職補償 (二零二二年：無)。

8 OTHER INCOME

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Sales of scrapped materials	銷售廢料	431	376
Employment support scheme	保就業計劃	-	144
Government subsidy	政府補助	7	-
Sundry income	雜項收入	117	47
		555	567

8 其他收入

9 OTHER GAINS, NET

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Exchange differences, net	匯兌差異淨額	378	1,333

9 其他收益淨額

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTOR

(a) Directors' emoluments

The emoluments of individual directors for our Company paid and payable by our Group for the years ended 31 December 2022 and 2023 are set out below:

For the year ended 31 December 2022:

10 董事的福利及權益

(a) 董事的酬金

於截至二零二二年及二零二三年十二月三十一日止年度，本集團已付及應付本公司個別董事的酬金載列如下：

截至二零二二年十二月三十一日止年度：

	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
	袍金	薪金	酌情花紅	津貼及實物福利	僱主退休計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors:						
Mr. Chan Yuk Pan						
(Chairman and Chief Executive Officer)						
Mr. Chan Lung Pan						
Independent non-executive directors:						
Mr. Chan Wan Tsun Adrian Alan						
Ms. Tsang Hau Lam						
Ms. Tam Ho Ting						

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTOR (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2023:

	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
	袍金	薪金	酌情花紅	津貼及實物福利	僱主退休計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors: 執行董事：						
Mr. Chan Yuk Pan 陳煜彬先生 (Chairman and Chief Executive Officer) (主席兼行政總裁)	-	850	52	-	31	933
Mr. Chan Lung Pan 陳龍彬先生	-	420	35	-	18	473
Independent non-executive directors: 獨立非執行董事：						
Mr. Chan Wan Tsun Adrian Alan 陳弘俊先生	180	-	-	-	-	180
Ms. Tsang Hau Lam 曾巧臨女士	144	-	-	-	-	144
Ms. Tam Ho Ting 譚可婷女士	144	-	-	-	-	144

The remuneration shown above represents remuneration received from our Group by these directors in their capacity as employee to the subsidiaries of our Group and no directors waived any emolument during the year ended 31 December 2023 (2022: Nil).

(b) Directors' retirement benefits

None of our directors received or will receive any retirement benefits during the year (2022: Nil).

(c) Directors' termination benefits

None of our directors received or will receive any termination benefits during the year (2022: Nil).

10 董事的福利及權益 (續)

(a) 董事的酬金 (續)

截至二零二三年十二月三十一日止年度：

	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
	袍金	薪金	酌情花紅	津貼及實物福利	僱主退休計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors: 執行董事：						
Mr. Chan Yuk Pan 陳煜彬先生 (Chairman and Chief Executive Officer) (主席兼行政總裁)	-	850	52	-	31	933
Mr. Chan Lung Pan 陳龍彬先生	-	420	35	-	18	473
Independent non-executive directors: 獨立非執行董事：						
Mr. Chan Wan Tsun Adrian Alan 陳弘俊先生	180	-	-	-	-	180
Ms. Tsang Hau Lam 曾巧臨女士	144	-	-	-	-	144
Ms. Tam Ho Ting 譚可婷女士	144	-	-	-	-	144

上文所載薪酬指該等董事以本集團附屬公司僱員身份自本集團收取的薪酬，於截至二零二三年十二月三十一日止年度，概無董事放棄任何酬金(二零二二年：無)。

(b) 董事的退休福利

於本年度，概無董事收取或將會收取任何退休福利(二零二二年：無)。

(c) 董事的離職福利

於本年度，概無董事收取或將會收取任何離職福利(二零二二年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTOR (Continued)

(d) Consideration provided to third parties for making available directors services

During the year ended 31 December 2023, our Group did not pay consideration to any third parties for making available directors' services (2022: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2023, there were no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors (2022: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to our Group's business to which our Group was a party and in which a director of our Company had a material interest, whether directly to indirectly; subsisted at the end of the year or at any time during the year (2022: Nil).

11 FINANCE INCOME, NET

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Finance income	融資收入		
Interest income on cash and cash equivalents and bank deposits	現金及現金等價物以及銀行存款的利息收入	725	190
Finance cost	融資成本		
Interest expenses on lease liabilities	租賃負債的利息開支	(15)	(4)
Finance income, net	融資收入淨額	710	186

10 董事的福利及權益 (續)

(d) 就獲提供董事服務向第三方提供的代價

於截至二零二三年十二月三十一日止年度，本集團並未就獲提供的董事服務而向任何第三方支付代價（二零二二年：無）。

(e) 有關以董事、董事控制的法團及其關連實體為受益人的貸款、類似貸款及其他交易的資料

於截至二零二三年十二月三十一日止年度，概無以董事、董事控制的法團及其關連實體為受益人而訂立任何貸款、類似貸款及其他交易安排（二零二二年：無）。

(f) 董事於交易、安排或合約的重大權益

於年末或於本年度任何時間，概無任何與本集團參與及本公司的董事於其中有重大權益（無論直接或間接）的本集團業務相關的重大交易、安排及合約（二零二二年：無）。

11 融資收入淨額

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

12 所得稅開支

於綜合全面收益表內扣除的所得稅開支金額指：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current income tax	即期所得稅		
— The PRC enterprise income tax ("EIT")	— 中國企業所得稅 (「企業所得稅」)	2,401	2,208
— Hong Kong profits tax	— 香港利得稅	3,683	4,704
— Under/(over) provision of prior periods	— 過往期間撥備不足/ (超額撥備)	77	(41)
Total current income tax	即期所得稅總額	6,161	6,871
Deferred income tax (Note 28)	遞延所得稅(附註28)	(97)	(368)
Income tax expense	所得稅開支	6,064	6,503

(i) Hong Kong profits tax

In accordance with the two-tiered profits tax rates regime effective from 1 January 2018, Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000, and 16.5% on the remaining balance of the estimated assessable profits of an operating subsidiary for the years ended 31 December 2022 and 2023.

(i) 香港利得稅

根據於二零一八年一月一日生效的兩級制利得稅率制度，截至二零二二年及二零二三年十二月三十一日止年度營運附屬公司的首2百萬港元溢利將按8.25%的稅率計算香港利得稅，餘下估計應課稅溢利金額則按16.5%稅率計算香港利得稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 INCOME TAX EXPENSE (Continued)

(ii) The PRC EIT

Under the Enterprise Income Tax Law of the PRC (the "EIT Law"), the applicable income tax rate for Kyoei Seiki Co., Limited ("Kyoei Seiki"), a subsidiary in the PRC is 25%.

Pursuant to the New EIT Law, with respect to a new and high technology enterprise, the tax levied on its income will be charged at a preferential rate of 15% after obtaining the High New Technology Enterprise Certificate (the "Certificate") and completing the tax reduction and exemption filing with the tax authorities. Kyoei Seiki renewed the Certificate when it expired on 8 November 2023 and the renewed Certificate will expire on 28 December 2026. As a result of Kyoei Seiki qualifying for High New Technology Enterprise status, the applicable tax rate of Kyoei Seiki is 15% for the years ended 31 December 2022 and 2023.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the Group entities as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	28,103	41,432
Tax calculated at tax rates applicable to profits of the respective subsidiaries	按適用於相關附屬公司溢利的稅率計算稅項	4,187	6,403
Income not subject to tax	不須繳稅收入	(238)	(43)
Expenses not deductible for tax purposes	不可扣稅開支	2,491	653
Research and development tax credit (Note)	研發稅項抵免(附註)	(453)	(469)
Under/(over) provision of prior periods	過往期間撥備不足/(超額撥備)	77	(41)
Income tax expense	所得稅開支	6,064	6,503

Note:

According to relevant laws and regulations promulgated by the State Tax Bureaus of the PRC, enterprises engaging in research and development activities are entitled to claim 100% of the research and development expenses. The aggregate research and development expenses charged to statement of comprehensive income amounted to HK\$3,021,000 during the year ended 31 December 2023 (2022: HK\$3,125,000).

12 所得稅開支(續)

(ii) 中國企業所得稅

根據中國企業所得稅法(「企業所得稅法」)，一間附屬公司東莞共榮精密機械有限公司(「共榮精密機械」)於中國的適用所得稅率為25%。

根據新企業所得稅法，就高新科技企業而言，於取得高新科技企業認證(「認證」)及向稅務機關完成稅務扣減及豁免備案手續後，其所得稅將按優惠稅率15%徵收。共榮精密機械於二零二三年十一月八日認證到期時重續認證及經重續認證將於二零二六年十二月二十八日到期。於截至二零二二年及二零二三年十二月三十一日止年度，由於共榮精密機械符合高新科技企業地位的資格，故共榮精密機械適用稅率為15%。

本集團除所得稅前溢利的稅項與使用本集團實體的已頒佈稅率時所產生的理論性金額之差異如下：

附註：

根據中國國家稅務局頒佈的相關法律及法規，從事研發活動的企業有權申索研發開支的100%。截至二零二三年十二月三十一日止年度，全面收益表中扣除的研發開支總額為人民幣3,021,000元(二零二二年：人民幣3,125,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the capitalisation of shares (Note 21).

13 每股盈利

每股基本盈利按本公司擁有人應佔溢利除以已發行普通股加權平均數計算得出。就此而言的普通股加權平均數已就股份資本化而發行股份(附註21)的影響作追溯調整。

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔溢利 (千港元)	22,039	34,929
Weighted average number of shares in issue (thousand)	已發行股份加權平均數(千股)	400,000	400,000
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	5.5	8.7

Diluted earnings per share for the years ended 31 December 2022 and 2023 were the same as the basic earnings per share as there was no potentially dilutive instrument outstanding during the years.

截至二零二二年及二零二三年十二月三十一日止年度的每股攤薄盈利與每股基本盈利相同，因為有關年度並無具潛在攤薄效應的已發行工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2022 and 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly or indirectly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The countries of incorporation or registration are also their principal place of business.

14 附屬公司

本集團於二零二二年及二零二三年十二月三十一日的主要附屬公司列載如下。除另有列明外，其股本僅包括本集團直接或間接持有的普通股及所持擁有權權益比例等同本集團持有的投票權。註冊成立或登記國家亦為其主要營業地點。

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要活動及經營地點	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group	
				2023 二零二三年	2022 二零二二年
Directly held:					
直接持有：					
Kyoei Seiki Holdings Limited	The BVI, limited liability company 英屬維爾京群島， 有限責任公司	Investment holding in the BVI 於英屬維爾京群島 投資控股	1 ordinary share of US\$1 each 1股1美元的普通股	100%	100%
Best Linking Holdings Limited	The BVI, limited liability company 英屬維爾京群島， 有限責任公司	Investment holding in the BVI 於英屬維爾京群島 投資控股	1 ordinary share of US\$1 each 1股1美元的普通股	100%	100%
Indirectly held:					
間接持有：					
Wing Fung Machinery Company Limited 榮豐機械有限公司	Hong Kong, limited company 香港，有限公司	Investment holding in Hong Kong 於香港投資控股	13,000,000 ordinary shares HK\$13,000,000 13,000,000股普通股 13,000,000港元	100%	100%
Best Linking Limited 永聯豐有限公司	Hong Kong, limited company 香港，有限公司	Trading of machinery products in Hong Kong 於香港買賣機械產品	1 ordinary share HK\$1 1股1港元的普通股	100%	100%
Kyoei Seiki Co., Limited 東莞共榮精密機械有限公司	The PRC, limited liability company 中國，有限責任公司	Manufacturing of machinery products in the PRC 於中國製造機械產品	Registered capital of HK\$20,000,000 註冊股本 20,000,000港元	100%	100%
Best Linking Import and Export (Shenzhen) Co., Limited 深圳永聯豐進出口有限公司	The PRC, limited liability company 中國，有限責任公司	Trading of goods 買賣商品	Registered capital of HK\$100,000 註冊資本100,000港元	100%	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Right of use assets 使用權資產 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvement 租賃翻新 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建項目 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日							
Cost	成本	6,037	1,439	26,949	726	294	5,966	41,411
Accumulated depreciation	累計折舊	(3,107)	(1,193)	(23,526)	(350)	(147)	-	(28,323)
Net book amount	賬面淨值	2,930	246	3,423	376	147	5,966	13,088
Year ended 31 December 2022	截至二零二二年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	2,930	246	3,423	376	147	5,966	13,088
Additions	添置	268	78	41	494	3,260	11,418	15,559
Transfer from Construction in progress	轉撥自在建工程	-	-	9,701	-	-	(9,701)	-
Written-off	撇銷	-	(1)	(2)	-	-	-	(3)
Depreciation	折舊	(760)	(60)	(980)	(295)	(86)	-	(2,181)
Exchange differences	匯兌差異	(204)	(20)	(543)	(35)	(9)	(523)	(1,334)
Closing net book amount	年末賬面淨值	2,234	243	11,640	540	3,312	7,160	25,129
At 31 December 2022	於二零二二年十二月三十一日							
Cost	成本	5,871	1,398	34,222	1,148	3,531	7,160	53,330
Accumulated depreciation	累計折舊	(3,637)	(1,155)	(22,582)	(608)	(219)	-	(28,201)
Net book amount	賬面淨值	2,234	243	11,640	540	3,312	7,160	25,129
At 1 January 2023	於二零二三年一月一日							
Cost	成本	5,871	1,398	34,222	1,148	3,531	7,160	53,330
Accumulated depreciation	累計折舊	(3,637)	(1,155)	(22,582)	(608)	(219)	-	(28,201)
Net book amount	賬面淨值	2,234	243	11,640	540	3,312	7,160	25,129
Year ended 31 December 2023	截至二零二三年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	2,234	243	11,640	540	3,312	7,160	25,129
Additions	添置	544	94	77	269	614	1,489	3,087
Transfer from Construction in progress	轉撥自在建工程	-	-	5,311	3,194	-	(8,505)	-
Disposal	出售	(102)	-	(257)	-	-	-	(359)
Depreciation	折舊	(820)	(71)	(1,567)	(329)	(1,084)	-	(3,871)
Exchange differences	匯兌差異	(54)	(7)	(472)	69	(6)	(144)	(614)
Closing net book amount	年末賬面淨值	1,802	259	14,732	3,743	2,836	-	23,372
At 31 December 2023	於二零二三年十二月三十一日							
Cost	成本	5,470	1,452	38,064	4,713	4,133	-	53,832
Accumulated depreciation	累計折舊	(3,668)	(1,193)	(23,332)	(970)	(1,297)	-	(30,460)
Net book amount	賬面淨值	1,802	259	14,732	3,743	2,836	-	23,372

The right of use assets represents the lease on production factory in the PRC, and office and carpark in Hong Kong.

使用權資產指租賃中國的生產廠房及香港的辦事處及停車場。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, the amounts of depreciation expense charged to cost of sales and administrative expenses are as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Cost of sales	銷售成本	2,076	1,561
Administrative expenses	行政開支	1,795	620
		3,871	2,181

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

Depreciation of property and equipment is calculated using the straight line method to allocate their cost to their residual values over its estimated useful lives, as follows:

Plant and machinery	10 years
Office equipment	5 years
Motor vehicles	3 years
Leasehold improvements	Shorter of lease terms and useful lives

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

15 物業、廠房及設備 (續)

於本年度，自銷售成本及行政開支扣除的折舊開支金額如下：

物業、廠房及設備按歷史成本減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購有關項目直接應佔的支出。

倘項目相關的未來經濟利益將歸入本集團，而其成本可妥為計算，則該項目的其後成本方會計入資產的賬面值，或(倘適當)確認為一項獨立資產。作為單獨資產核算的任何組成部分的賬面值於更換時取消確認。所有其他維修及保養費用均於其產生的報告期間計入綜合全面收益表。

物業及設備的折舊按其估計可使用年期以直線法計算，將其成本攤銷至其剩餘價值，具體如下：

廠房及機械	10年
辦公室設備	5年
汽車	3年
租賃物業裝修	租賃期限及可使用年期之較短者

資產的剩餘價值及可使用年期會於各申報日期末進行檢討，並在適當情況下作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 33.5).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains, net" in the consolidated statement of comprehensive income.

Construction-in-progress represents machineries under installation and leasehold improvement under construction, which is stated at historical cost less accumulated impairment losses, if any. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are ready for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy.

16 FINANCIAL INSTRUMENTS BY CATEGORY

The Group's financial instruments include the following:

15 物業、廠房及設備 (續)

倘資產賬面值高於其估計可收回金額，則立即將該資產的賬面值撇減至其可收回金額 (附註 33.5)。

出售損益乃透過比較所得款項及賬面值釐定，並於綜合全面收益表的「其他收益淨額」內確認。

在建工程指正在安裝的機器及施工中的租賃物業裝修，按歷史成本減累積減值虧損 (如有) 列賬。在建工程不作減值撥備，直至相關資產竣工及可按擬定用途使用時為止。當相關資產可供使用，成本則根據政策轉撥至物業、廠房及設備並計提折舊。

16 按類別劃分的金融工具

本集團的金融工具包括下列各項：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial assets at amortised costs:	按攤銷成本列賬的金融資產		
Trade receivables	貿易應收款項	44,291	41,707
Deposits and other receivables	按金及其他應收款項	320	178
Cash and cash equivalents	現金及現金等價物	54,891	51,003
Pledged bank deposit	已抵押銀行存款	5,028	-
		104,530	92,888
Financial liabilities at amortised costs:	按攤銷成本列賬的金融負債		
Trade payables	貿易應付款項	4,812	1,034
Bank borrowings	銀行借款	8,093	-
Lease liabilities	租賃負債	391	180
Accruals and other payables	應計費用及其他應付款項	2,687	2,616
		15,983	3,830

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold and delivered in the ordinary course of business.

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項	44,291	41,707

As at 31 December 2023, due to the short-term nature of the trade receivables, their carrying amounts of trade receivables is considered to be the same as their fair values.

The Group's sales were on credit terms primarily from 60 days to 120 days.

The ageing analysis of the trade receivables by due date, are as follows:

		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		千港元	千港元
Current	即期	32,761	21,879
1-30 days past due	逾期1至30日	5,343	11,918
31-60 days past due	逾期31至60日	2,274	496
61-90 days past due	逾期61至90日	1,901	2,017
Over 90 days past due	逾期90日以上	2,012	5,397
		44,291	41,707

17 貿易應收款項

貿易應收款項為在日常業務過程中就商品銷售及交付而應收客戶的款項。

於二零二三年十二月三十一日，由於貿易應收款項的短期性質，貿易應收款項的賬面值與其公平值相同。

本集團的銷售乃按信貸期進行，主要介乎60日至120日。

貿易應收款項按到期日劃分的賬齡分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 TRADE RECEIVABLES (Continued)

The carrying amounts of the Group's trade receivables were denominated in the following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	23,127	9,842
USD	美元	21,135	31,462
RMB	人民幣	29	403
		44,291	41,707

The maximum exposure to credit risk as at 31 December 2022 and 2023 was the carrying value of the receivables mentioned above.

Trade receivables are generally due for settlement from 60 days to 120 days and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies are provided in Note 3.1(ii).

As at 31 December 2022 and 2023, no provision of impairment for trade receivables was made as the expected loss rate was minimal.

17 貿易應收款項 (續)

本集團貿易應收款項的賬面值乃以下列貨幣計值：

於二零二二年及二零二三年十二月三十一日的最高信貸風險為上述應收款項的賬面值。

貿易應收款項通常於60至120日到期結算，因此全部分類為即期。貿易應收款項按可無條件獲得的對價金額進行初始確認，但當其包含重大融資成分時，按公允價值進行確認。本集團持有貿易應收款項的目的是收取合同現金流量，因此後續使用實際利率法按攤餘成本計量貿易應收款項。有關本集團的減值政策的詳情載於附註3.1(ii)。

於二零二二年及二零二三年十二月三十一日，由於預期虧損率極為低，故並無就貿易應收款項作出減值撥備。

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綜合財務報表附註

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

18 預付款項、按金及其他應收款項

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Non-current	非流動		
Prepayments for purchase of computer software	就購買電腦软件的預付款項	800	800
Rental deposits	租賃按金	119	18
		919	818
Current	流動		
Deposits and other receivables	按金及其他應收款項	201	160
Prepayments	預付款項	12,447	9,262
		12,648	9,422
Total prepayments, deposits and other receivables	預付款項、按金及其他應收款項總額	13,567	10,240

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

本集團預付款項、按金及其他應收款項的賬面值乃以下列貨幣計值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	7,753	3,990
JPY	日圓	2,926	4,505
RMB	人民幣	2,485	1,105
USD	美元	403	640
		13,567	10,240

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 INVENTORIES

19 存貨

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Raw materials	原材料	6,945	8,817
Work in progress	在製品	4,078	2,453
Finished goods	製成品	12,672	9,801
		23,695	21,071
Less: provision for slow moving inventories	減：滯銷存貨撥備	(570)	(437)
		23,125	20,634

The cost of inventories and consumables recognised as expense and included in cost of sales during the year ended 31 December 2023 amounted to HK\$71,809,000 (2022: HK\$61,484,000) (Note 6).

截至二零二三年十二月三十一日止年度，確認為開支並計入銷售成本的存貨及消耗品成本為71,809,000港元（二零二二年：61,484,000港元）（附註6）。

Movements on the provision for slow moving inventories are as follows:

滯銷存貨撥備的變動如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 1 January	於一月一日	437	360
Reversal of provision for slow moving inventories (Note 6)	滯銷存貨撥備撥回（附註6）	(226)	(258)
Provision for slow moving inventories (Note 6)	滯銷存貨撥備（附註6）	372	367
Exchange differences	匯兌差額	(13)	(32)
At 31 December	於十二月三十一日	570	437

The Group reversed provision for slowing moving inventories and included in cost of sales amounted to HK\$226,000 as the relevant inventories was sold during the year ended 31 December 2023 (2022: HK\$258,000) (Note 6).

截至二零二三年十二月三十一日止年度，本集團撥回滯銷存貨撥備並計入銷售成本，金額為226,000港元，作為已出售相關存貨（二零二二年：258,000港元）（附註6）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS

As at 31 December 2023, the pledged bank deposit amounted to HK\$5,028,000 shown under current assets carried interest rate at 0.95% per annum (2022: Nil). The bank deposit was pledged to secure bank borrowings repayable in February 2024.

20 已抵押銀行存款及現金及現金等價物

於二零二三年十二月三十一日，流動資產項下所示的已抵押銀行存款為5,028,000港元，按年利率0.95%（二零二二年：零）計息。銀行存款已被抵押，作為於二零二四年二月須予償還銀行借款的擔保。

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Cash at banks	銀行現金	54,737	50,951
Cash on hand	手頭現金	154	52
Cash and cash equivalents	現金及現金等價物	54,891	51,003
Maximum exposure to credit risk	最高信貸風險	54,737	50,951

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

現金及現金等價物的賬面值乃以下列貨幣計值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	27,628	27,446
USD	美元	22,905	22,823
RMB	人民幣	2,250	734
JPY	日圓	2,108	-
		54,891	51,003

Cash at banks include short-term bank time deposits with maturity of 3 months, approximately HK\$15,737,000 (2022: approximately to HK\$15,137,000) with interest rate ranged from 4.3% to 4.55% (2022: ranged from 3.89% to 4.52%) per annum.

銀行現金包括於3個月內到期的短期定期銀行存款約15,737,000港元（二零二二年：約15,137,000港元），年利率介乎4.3%至4.55%（二零二二年：介乎3.89%至4.52%）。

As at 31 December 2023, the carrying amounts of cash and cash equivalents approximated their fair values.

於二零二三年十二月三十一日，現金及現金等價物的賬面值與其公平值相若。

As 31 December 2023, approximately HK\$18,193,000 (2022: approximately to HK\$18,647,000) of the Group's cash and cash equivalents were placed with banks in the PRC denominated in RMB or USD, which were subject to foreign exchange control regulations of the PRC.

於二零二三年十二月三十一日，本集團現金及現金等價物約18,193,000港元（二零二二年：約18,647,000港元）以人民幣或美元存放在中國的銀行，受限於中國的外匯管制規例。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 SHARE CAPITAL AND SHARE PREMIUM

21 股本及股份溢價

		Number of ordinary shares 普通股數目	Nominal value of ordinary share 普通股面值	
			HK\$'000 千港元	
Authorised:	法定：			
At 31 December 2022 and 31 December 2023	於二零二二年十二月三十一日 及二零二三年十二月三十一日	10,000,000,000	100,000	
		Number of ordinary shares 普通股數目	Nominal value of ordinary share 普通股面值	Share premium 股份溢價
			HK\$'000 千港元	HK\$'000 千港元
	Note 附註			
Issued and paid:	已發行及繳足：			
At 1 January 2022	於二零二二年一月一日	400,000,000	4,000	26,511
Dividends paid	已付股息 (a), (b)	-	-	(16,000)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日 及二零二三年一月一日	400,000,000	4,000	10,511
Dividends paid	已付股息 (c)	-	-	(10,511)
At 31 December 2023	於二零二三年十二月三十一日	400,000,000	4,000	-

Notes:

- (a) On 22 March 2022, the proposed final dividend of HK2.0 cents per share, amounting to HK\$8,000,000 for the year ended 31 December 2021 was approved. Such dividend was recorded as a reduction of share premium of the Group pursuant to the Articles of Association and the Company Law, Cap. 22 (Law of 1961, as consolidated or revised from time to time) of the Cayman Islands. The final dividend was paid on 6 July 2022.
- (b) On 7 November 2022, the proposed interim dividend of HK2.0 cents per share, amounting to HK\$8,000,000 for the year ended 31 December 2022 was approved. Such dividend was recorded as a reduction of share premium of the Group pursuant to the Articles of Association and the Company Law, Cap. 22 (Law of 1961, as consolidated or revised from time to time) of the Cayman Islands. The interim dividend was paid on 12 December 2022.
- (c) On 16 June 2023, the proposed final dividend of HK4.0 cents per share, amounting to HK\$16,000,000 for the year ended 31 December 2022 was approved. Such dividend was recorded as a reduction of share premium and retained earnings of the Group pursuant to the Articles of Association and the Companies Act (2022 Revision) (as consolidated or revised from time to time) of the Cayman Islands. The final dividend was paid on 5 July 2023.

附註：

- (a) 於二零二二年三月二十二日，截至二零二一年十二月三十一日止年度的建議末期股息每股2.0港仙（金額為8,000,000港元）獲批准。根據組織章程細則及開曼群島公司法第二十二章（一九六一年法例，經不時綜合或修訂），該等股息入賬作為本集團股份溢價的削減。末期股息已於二零二二年七月六日派付。
- (b) 於二零二二年十一月七日，截至二零二二年十二月三十一日止年度的建議中期股息每股2.0港仙（金額為8,000,000港元）獲批准。根據組織章程細則及開曼群島公司法第二十二章（一九六一年法例，經不時綜合或修訂），該等股息入賬作為本集團股份溢價的削減。中期股息已於二零二二年十二月十二日派付。
- (c) 於二零二三年六月十六日，截至二零二二年十二月三十一日止年度的建議末期股息每股4.0港仙（金額為16,000,000港元）獲批准。根據組織章程細則及開曼群島公司法（二零二二年修訂）（經不時綜合或修訂），該等股息入賬作為本集團股份溢價及保留盈利的削減。末期股息已於二零二三年七月五日派付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 RESERVES

(a) Capital reserve

Capital reserves of the Group represented the difference between the net asset value of the subsidiaries acquired pursuant to the reorganisation on 21 December 2018, over the nominal value of the share capital of the Company issued in exchange thereof.

(b) Statutory reserve

The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profit after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

(c) Exchange reserve

Exchange reserve of the Group comprises all currency translation differences arising from translation difference of the financial statements of the Group's subsidiary in the PRC.

22 儲備

(a) 資本儲備

本集團的資本儲備指根據二零一八年十二月二十一日重組所收購附屬公司的資產淨值與有關交換中所發行本公司股本的面值的差異。

(b) 法定儲備

中國法律法規要求在中國註冊的公司從各自法定財務報表所呈報的除所得稅後溢利(抵銷以往年度的累計虧損後)中,於分派溢利予權益持有人前,劃撥款項以提撥若干法定儲備金。所有法定儲備金均為特別用途而設立。中國公司於分派當年度的除稅後溢利前,須向法定盈餘儲備劃撥不少於除所得稅後法定溢利10%的金額。當公司法定盈餘儲備的總和超過其註冊資本的50%時,公司可停止劃撥。法定盈餘儲備只可用作彌補公司的虧損、擴大公司的營運或增加公司的資本。此外,按照董事會的決議案,公司可使用其除稅後溢利酌情向盈餘儲備作出進一步供款。

(c) 外匯儲備

本集團的外匯儲備包括因本集團於中國的附屬公司的財務報表換算差額所產生的全部貨幣換算差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 LEASE LIABILITIES

(a) Amounts recognised in the consolidated balance sheets

The consolidated balance sheets show the following amounts relating to leases:

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Right of use assets*		
Properties	1,802	2,234

* The balances were included in the note 15 "Properties, plant and equipment".

23 租賃負債

(a) 於綜合資產負債表中確認的金額

綜合資產負債表列示如下與租賃有關的金額：

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Lease liabilities		
Non-current portion	148	79
Current portion	243	101
	391	180

* 結餘已計入附註15「物業、廠房及設備」。

Additions to the right-of-use assets amounted to approximately HK\$544,000 during the year ended 31 December 2023 (2022: HK\$268,000).

截至二零二三年十二月三十一日止年度，使用權資產添置為544,000港元(二零二二年：268,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 LEASE LIABILITIES (Continued)

(b) Amounts recognised in the consolidated income statements

The consolidated income statements show the following amounts relating to leases:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Depreciation charge of right of use assets	使用權資產折舊開支		
Properties	物業	820	760
Finance costs on leases (Note 11)	租賃的融資成本 (附註11)	15	4

The total cash outflow for leases during the year ended 2023 was HK\$182,000 (2022: HK\$108,000), including the payment of principal elements and interest elements of lease liabilities amounting to HK\$167,000 and HK\$15,000 (2022: HK\$104,000 and HK\$4,000) respectively.

The Group leases production factory in the PRC and office and carpark in Hong Kong. These lease liabilities were measured at net present value of the lease payments for the lease terms that are not yet paid. On 25 June 2020, the Company and the landlord of the production factory in the PRC entered into a new contract, superseding the original rental contract. The rental agreement has the same scope of lease with revised monthly rental, totaling HK\$3,644,000 for 72 months, which was fully paid during the year ended 31 December 2020.

23 租賃負債 (續)

(b) 於綜合收益表中確認的金額

綜合收益表列示如下與租賃有關的金額：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Depreciation charge of right of use assets	使用權資產折舊開支		
Properties	物業	820	760
Finance costs on leases (Note 11)	租賃的融資成本 (附註11)	15	4

截至二零二三年止年度的租賃現金流出總額為182,000港元(二零二二年：108,000港元)，包括支付租賃負債的本金部分及利息部分分別為167,000港元及15,000港元(二零二二年：104,000港元及4,000港元)。

本集團於中國租賃生產廠房及於香港租賃辦事處及停車場，該等租賃負債按租期內尚未支付租賃付款的淨現值計量。於二零二零年六月二十五日，本公司及中國生產廠房的業主訂立新合約，取代原有租賃合約。租賃協議的租賃範圍相同，月租金有所修訂，合共3,644,000港元，為期72個月，已於截至二零二零年十二月三十一日止年度悉數支付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 TRADE PAYABLES

Trade payables at the end of each reporting period comprise amounts outstanding to contract creditors and suppliers. The average credit period taken for trade purchase is generally from 0–90 days.

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Trade payables	貿易應付款項	4,812	1,034

As at 31 December 2022 and 2023, the ageing analysis of the trade payables, based on invoice date, were as follows:

於二零二二年及二零二三年十二月三十一日，貿易應付款項基於發票日期的賬齡分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Up to 30 days	不多於30日	2,482	774
31-60 days	31至60日	230	106
61-90 days	61至90日	–	121
Over 90 days	超過90日	2,100	33
		4,812	1,034

The carrying amounts of trade payable were denominated in the following currencies:

貿易應付款項之賬面值以下列貨幣計值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
RMB	人民幣	2,712	889
HK\$	港元	2,100	145
		4,812	1,034

As at 31 December 2022 and 2023, the carrying amounts of trade payables approximated their fair values.

於二零二二年及二零二三年十二月三十一日，貿易應付款項的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 Bank Borrowings

25 銀行借款

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Bank borrowings — import loans	8,093	-

As at 31 December 2023, the bank borrowings were interest bearing at the Hong Kong Interbank Offered Rate plus 2% per annum. The bank borrowings were dominated in RMB and their carrying amounts approximated to the fair values. The bank borrowings were repayable in February 2024.

Banking facilities

As at 31 December 2023, the Group had aggregate banking facilities of approximately HK\$31,000,000 (2022: HK\$15,000,000) for import loans. There were undrawn facilities of approximately HK\$22,907,000 (2022: HK\$15,000,000) as at 31 December 2023.

As at 31 December 2023, the banking facilities were secured by the following:

- (i) An aggregate charge over deposits which amounted to HK\$5,028,000; and
- (ii) Unlimited corporate guarantee provided by the Company.

The Group has complied with the financial covenants of its bank borrowings during the year ended 31 December 2023.

於二零二三年十二月三十一日，銀行借款按香港銀行同業拆息另加年利率2%計息。銀行借款以人民幣計值且其賬面值與其公平值相若。銀行借款須於二零二四年二月償還。

銀行融資

於二零二三年十二月三十一日，本集團進口貸款的銀行融資總額約31,000,000港元（二零二二年：15,000,000港元）。於二零二三年十二月三十一日，未提取融資約22,907,000港元（二零二二年：15,000,000港元）。

於二零二三年十二月三十一日，銀行融資由以下列各項作抵押：

- (i) 存款押記總額5,028,000港元；及
- (ii) 本公司提供的無限擔保。

截至二零二三年十二月三十一日止年度，本集團已遵守其銀行借款的財務契諾。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 ACCRUALS AND OTHER PAYABLES

26 應計費用及其他應付款項

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Accrued auditors' remuneration	應計核數師薪酬	1,050	1,050
Accrued listing expense	應計上市開支	200	775
Accrued employee benefit expenses	應計僱員福利開支	1,214	869
Other accruals	其他應計費用	279	241
Other payables	其他應付款項	27	10
Payable for purchase of property, plant and equipment	購買物業、廠房及設備 的應付款項	1,131	540
		3,901	3,485

The carrying amounts of the Group's contract liabilities, accruals and other payables were denominated in the following currencies:

本集團的合約負債、應計費用及其他應付款項的賬面值以下列貨幣計值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
RMB	人民幣	2,350	1,349
HK\$	港元	1,551	2,136
		3,901	3,485

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 DIVIDENDS

(a) Dividends declared and paid during the year

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interim dividends declared and paid in respect of 2023 (2022: HK2.0 cents per share)	就二零二三年已宣佈及派付的中期股息 (二零二二年：每股2.0港仙)	-	8,000
Final dividends declared and paid in respect of 2022 of HK4.0 cents per share (2022: HK2.0 cents)	就二零二二年已宣佈及派付的末期股息每股4.0港仙 (二零二二年：2.0港仙)	16,000	8,000

(b) Dividends for the year

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interim dividends (2022: HK2.0 cents per share)	中期股息 (二零二二年：每股2.0港仙)	-	8,000
Proposed final dividends of HK4.0 cents per share (2022: HK4.0 cents) (Note)	建議末期股息每股4.0港仙 (二零二二年：4.0港仙) (附註)	16,000	16,000
		16,000	24,000

Note:

The proposed final dividend has been proposed by the directors after the report date. The proposed final dividend, subject to the shareholders' approval at the forthcoming annual general meeting, is not reflected as dividend payable as at 31 December 2023.

附註：

建議末期股息於報告日期後已由董事建議。建議末期股息須待股東於應屆股東週年大會批准後方可作實，故未有於截至二零二三年十二月三十一日止年度反映為應付股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 DEFERRED INCOME TAX

The movement in deferred income tax assets during the years ended 31 December 2022 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, was as follow:

		Lease liabilities 租賃負債	Provision for inventories 存貨撥備	Decelerated tax depreciation 遞延稅項折舊	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2022 (Credited)/charged to consolidated statement of comprehensive income (Note 12)	於二零二二年一月一日 於綜合全面收益表 (計入)/扣除 (附註 12)	53	54	-	107
		(30)	11	387	368
As at 31 December 2022	於二零二二年 十二月三十一日	23	65	387	475
At 1 January 2023 (Credited)/charged to consolidated statement of comprehensive income (Note 12)	於二零二三年一月一日 於綜合全面收益表 (計入)/扣除 (附註 12)	23	65	387	475
		(40)	21	116	97
As at 31 December 2023	於二零二三年 十二月三十一日	(17)	86	503	572

As at 31 December 2023, deferred income tax liabilities of approximately HK\$5,783,000 (2022: HK\$4,289,000) had not been recognised for the withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC of approximately HK\$57,833,000 (2022: HK\$42,886,000) as our directors considered that the timing of the reversal of the related temporary differences can be controlled and the related temporary difference will not be reversed and will not be taxable in the foreseeable future.

28 遞延所得稅

於截至二零二二年及二零二三年十二月三十一日止年度的遞延所得稅資產變動(並無計及抵銷同一稅務司法權區內結餘)載列如下：

於二零二三年十二月三十一日，並無就中國附屬公司未匯出盈利約5,783,000港元(二零二二年：4,289,000港元)的應繳預扣稅確認遞延所得稅負債約57,833,000港元(二零二二年：42,886,000港元)，原因是董事認為撥回相關暫時差異的時機可控，且相關暫時差異將不會於可以預見的未來撥回及毋須課稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 RELATED PARTIES TRANSACTIONS

- (a) For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control. The director is of the view that the following individual were related parties that had transactions or balances with the Group during the years ended 31 December 2022 and 2023:

Name	Relationship with the Group
Mr. Chan Yuk Pan	Shareholder and Executive Director
Ms. Leung Tak Yee	Shareholder and the spouse of Mr. Chan Yuk Pan

(b) Key management compensation

Key management include executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,300	2,263
Discretionary bonuses	酌情花紅	159	278
Retirement benefit costs — defined contribution plans	退休福利成本 — 定額供款計劃	67	67
		2,526	2,608

29 關聯方交易

- (a) 就該等綜合財務報表而言，倘一方在作出財政及營運決策方面有能力和直接或間接對本集團施加重大影響時，則被視為與本集團有關聯。關聯方可為個別人士（即主要管理人員成員、重大股東及／或彼等家庭近親成員）或其他實體，並包括受本集團關聯方（為個別人士）重大影響的實體。倘各方受共同控制，亦會被視為有關聯。董事認為以下個別人士為於截至二零二二年及二零二三年十二月三十一日止年度與本集團有交易或結餘的關聯方：

姓名	與本集團的關係
陳煜彬先生	股東及執行董事
梁德儀女士	股東及陳煜彬先生之配偶

(b) 主要管理層薪酬

主要管理層包括本集團的執行董事以及高級管理層。就僱員服務已付或應付主要管理層的薪酬呈示如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

30 綜合現金流量表附註

(a) Reconciliation of profit before income tax to cash generated from operations

(a) 除所得稅前溢利與經營所得現金對賬

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Cash flows from operating activities	經營活動現金流量		
Profit before income tax	除所得稅前溢利	28,103	41,432
Adjustments for:	就以下各項調整：		
Depreciation	折舊	3,871	2,181
Provision for slow moving inventories, net	滯銷存貨撥備淨額	146	109
Loss on disposal/written-off property, plant and equipment (note (c))	出售／撇銷物業、廠房及設備虧損(附註(c))	220	3
Finance income	融資收入	(725)	(190)
Finance cost	融資成本	15	4
Changes in working capital	營運資金變動	31,630	43,539
Trade receivables	貿易應收款項	(3,368)	(4,263)
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	(3,427)	6
Inventories	存貨	(3,243)	(2,617)
Trade payables	貿易應付款項	3,818	(7,250)
Accruals and other payables	應計費用及其他應付款項	(128)	1,678
Net cash generated from operations	經營所得現金淨額	25,282	31,093

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

30 綜合現金流量表附註 (續)

(b) 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債的變動，包括現金及非現金變動。融資活動所產生負債為於本集團綜合現金流量表分類為融資活動所得現金流量之現金流量或未來現金流量。

	Liabilities from financing activities 融資活動產生的負債			Other asset 其他資產	
	Bank borrowings	Lease liabilities	Subtotal	Pledged bank deposit	Total
	銀行借款	租賃負債	小計	已抵押 銀行存款	總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net debt as at 1 January 2022	於二零二二年一月一日的淨債務				
	-	(79)	(79)	-	(79)
Cash flows	現金流量	108	108	-	108
Other non-cash movements	其他非現金變動				
— Additions	— 添置	(205)	(205)	-	(205)
— Accrued interest	— 應計利息	(4)	(4)	-	(4)
Net debt as at 31 December 2022	於二零二二年十二月三十一日的淨債務				
	-	(180)	(180)	-	(180)
Net debt as at 1 January 2023	於二零二三年一月一日的淨債務				
	-	(180)	(180)	-	(180)
Cash flows	現金流量	182	(7,911)	5,028	(2,883)
Other non-cash movements	其他非現金變動				
— Additions	— 添置	(480)	(480)	-	(480)
— Accrued interest	— 應計利息	(15)	(15)	-	(15)
— Disposal	— 出售	102	102	-	102
Net debt as at 31 December 2023	於二零二三年十二月三十一日的淨債務				
	(8,093)	(391)	(8,484)	5,028	(3,456)

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Proceeds from disposal of property, plant and equipment, excluding right of use assets comprise:

		2023 二零二三年 HK\$'000 千港元
Net book amount (Note 15)	賬面淨值 (附註 15)	257
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(220)
		37

30 綜合現金流量表附註 (續)

(c) 出售物業、廠房及設備 (不包括使用權資產) 的所得款項包括：

31 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Property, plant and equipment and intangible assets	物業、廠房及設備及無形資產		
— Not later than one year	— 不超過一年	650	1,999
— Later than one year but not later than five years	— 一年以上但不超過五年	-	288
		650	2,287

31 資本承擔

於報告期末已訂約但未確認為負債的重大資本開支如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

32 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

	Note 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Assets			
Non-current assets			
Investment in subsidiaries		41,888	41,888
Loan to a subsidiary		-	17,910
		41,888	59,798
Current assets			
Loan to a subsidiary		9,615	-
Cash and cash equivalents		7,490	5,173
		17,105	5,173
Total assets		58,993	64,971
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		4,000	4,000
Reserves	(a)	23,935	22,634
Total equity		27,935	26,634
Liabilities			
Current liabilities			
Accruals		1,198	1,815
Amounts due to subsidiaries		29,860	36,522
Total liabilities		31,058	38,337
Total equity and liabilities		58,993	64,971

The balance sheet of the Company was approved by the Board of Directors on 19 March 2024 and was signed on its behalf.

本公司的資產負債表已由董事會於二零二四年三月十九日批核，並代表董事會簽署。

Chan Yuk Pan
陳煜彬
Director
董事

Chan Lung Pan
陳龍彬
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

32 本公司資產負債表及儲備變動 (續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share capital 股本 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Reserves subtotal 儲備小計 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2022	於二零二二年一月一日的結餘	4,000	68,399	(23,826)	44,573	48,573
Loss for the year	年內虧損	-	-	(5,939)	(5,939)	(5,939)
Total comprehensive income	全面收益總額	-	-	(5,939)	(5,939)	(5,939)
Transactions with equity holders:	與權益持有人的交易：					
Dividends paid	已付股息	-	(16,000)	-	(16,000)	(16,000)
		-	(16,000)	-	(16,000)	(16,000)
Balance at 31 December 2022	於二零二二年十二月三十一日的結餘	4,000	52,399	(29,765)	22,634	26,634
Balance at 1 January 2023	於二零二三年一月一日的結餘	4,000	52,399	(29,765)	22,634	26,634
Profit for the year	年內溢利	-	-	17,301	17,301	17,301
Total comprehensive income	全面收益總額	-	-	17,301	17,301	17,301
Transactions with equity holders:	與權益持有人的交易：					
Dividends paid	已付股息	-	(16,000)	-	(16,000)	(16,000)
		-	(16,000)	-	(16,000)	(16,000)
Balance at 31 December 2023	於二零二三年十二月三十一日的結餘	4,000	36,399	(12,464)	23,935	27,935

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

33.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

33.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

33.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions

33 其他潛在重大會計政策概要

33.1 附屬公司

附屬公司為本集團對其具有控制權的全部實體(包括結構性實體)。當本集團承受或享有參與實體所得之可變回報的風險或權利,且有能力透過其指導實體活動之權力影響該等回報時,則本集團控制該實體。附屬公司的賬目自控制權轉讓予本集團之日起全部綜合入賬,並自該控制權終止之日起停止綜合入賬。

集團內公司間交易、集團公司間之交易結餘及未變現收益須予對銷。未變現虧損亦予對銷,除非交易提供轉讓資產的減值憑證。附屬公司之會計政策已在必要時作出變動,以確保其與本集團所採納之政策一致。

33.2 獨立財務報表

於附屬公司之投資按成本值扣除減值入賬。成本值包括投資之直接應佔成本。附屬公司之業績在本集團賬目內按已收及應收股息入賬。

倘自附屬公司收取之股息超出宣派股息期間該附屬公司之全面收益總額,或倘獨立財務報表之投資賬面值超出綜合財務報表被投資公司之淨資產(包括商譽)之賬面值,則在接獲該等投資之股息時須對該等附屬公司之投資進行減值測試。

33.3 分部呈報

經營分部的呈報方式與提供予主要經營決策者的內部報告的方式一致。主要經營決策者(負責分配資源及評估經營分部的表現)已被識別為作出策略決定的執行董事。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Company's and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of comprehensive income.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "other gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

33 其他潛在重大會計政策概要 (續)

33.4 外幣換算

(i) 功能及呈列貨幣

本集團每個實體的綜合財務報表中所列的項目均以該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈列，港元為本公司之功能貨幣及本集團之呈列貨幣。

(ii) 交易及結餘

外匯交易使用交易日期的現行匯率換算為功能貨幣。因結算有關交易及按年末匯率換算以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損一般於綜合全面收益表內確認。

所有匯兌收益及虧損均於綜合全面收益表內呈列為「其他收益淨額」。

以外幣公平值計量的非貨幣項目，會以釐訂公平值當日的匯率進行匯兌。以公平值計量的資產與負債，其匯兌差額會視作公平值損益的一部分呈報。例如，按公平值計入損益的權益等非貨幣資產及負債，其匯兌差額會在損益中確認為公平值損益的一部分，而分類為按公平值計入其他全面收益的權益等非貨幣資產，其匯兌差額會在其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.4 Foreign currency translation (Continued)

(iii) Group companies

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income

33.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

33 其他潛在重大會計政策概要 (續)

33.4 外幣換算 (續)

(iii) 集團公司

對於功能貨幣與呈列貨幣不同的所有本集團實體(該等實體概無極高通脹經濟的貨幣)，其業績及財務狀況按下列方式換算為呈列貨幣：

- 各資產負債表所呈列的資產及負債按該資產負債表日期的收市匯率換算；
- 各全面收益表的收入及開支按平均匯率換算(除非該匯率並非交易日期現行匯率累計影響的合理相似值，則在此情況下，有關收入及開支按交易日期的匯率換算)；及
- 所有因此產生的匯兌差額於其他全面收益內確認。

33.5 非金融資產減值

須作攤銷的資產會於有事件或情況變化顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產賬面金額超過其可收回金額予以確認。可收回金額為扣除出售成本後的資產公平值與使用價值中的較高者。就減值評估而言，資產按可單獨辨認的最小現金流量產生單位(現金產生單位)予以分組。經減值的非金融資產(不包括商譽)於各報告期末檢討撥回減值的可能性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.6 Financial assets

(i) Classification

The Group classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in consolidated statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represented solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in consolidated statement of comprehensive income and presented in "other gains, net" together with foreign exchange gains and losses.

33 其他潛在重大會計政策概要 (續)

33.6 金融資產

(i) 分類

本集團將其金融資產分為按攤銷成本計量。

分類取決於實體管理金融資產的業務模式及現金流的合約條款而定。

當且僅當管理該等資產的業務模式變動時，本集團對債務工具重新分類。

(ii) 確認及取消確認

正常渠道的金融資產買賣於交易日期確認，交易日期即本集團承諾收購或出售資產的日期。金融資產在收取金融資產現金流的權利屆滿或已轉讓及本集團將擁有權絕大多數風險及回報轉讓時取消確認。

(iii) 計量

初步確認金融資產時，本集團會按公平值計量，如該金融資產並非按公平值計入損益，則再加上收購金融資產直接招致的交易成本。按公平值計入損益的金融資產交易成本會於綜合全面收益表支銷。

債務工具的其後計量方式取決於本集團管理資產的業務模式及資產的現金流特點。倘資產持有目的為收取合約現金流，且該等現金流全部為本金及利息付款，則按攤銷成本計量。該等金融資產的利息收入使用實際利率法計入融資收入。取消確認的任何收益或虧損直接於綜合全面收益表確認及連同匯兌收益及虧損於「其他收益淨額」呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.6 Financial assets

(iv) Impairment of financial assets

The Group assess on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3 details how the Group determine whether there has been a significant increase in credit risk.

33.7 Financial liabilities

(i) Classification and measurement

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of comprehensive income. Any gain or loss on derecognition is also recognised in consolidated statement of comprehensive income.

(ii) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in consolidated statement of comprehensive income.

33.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

33 其他潛在重大會計政策概要 (續)

33.6 金融資產

(iv) 金融資產減值

本集團按前瞻性基準評估與其按攤銷成本列賬的債務工具相關的預期信貸虧損。所使用的減值方法取決於信貸風險是否大幅提高。附註3詳述本集團釐定信貸風險是否大幅提高的方式。

33.7 金融負債

(i) 分類及計量

金融負債以有效利息法分類為按攤銷成本計量。利息開支及匯兌收益及虧損乃於綜合全面收益表內確認。取消確認的任何收益或虧損亦於綜合全面收益表內確認。

(ii) 取消確認

本集團於金融負債的合約責任已履行、註銷或到期時取消確認金融負債。本集團亦於金融負債的條款遭修訂及經修訂負債的現金流有實質變化時取消確認金融負債。在此情況下，以經修訂條款為基準的新金融負債按公平值確認。所取消金融負債的賬面值與修訂條款後的新金融負債之間的差額於綜合全面收益表內確認。

33.8 抵銷金融工具

當本集團現時有法定可執行權利可抵銷已確認金額，並擬按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並於綜合資產負債表呈報其淨額。本集團亦已訂立不符合抵銷條件但允許在若干情況下（如破產或終止合約）撇銷有關金額的安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.9 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

33.10 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include deposits held at call with banks and cash on hand.

33.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

33.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

33 其他潛在重大會計政策概要 (續)

33.9 存貨

原材料及庫存、在製品及成品以成本值及可變現淨值兩者的較低者列賬。成本包括直接材料、直接勞動力及適當比例的可變及固定其他開支（後者按正常經營能力基準分配）。成本乃按加權平均成本基準分撥至個別存貨項目。可變現淨值為於日常業務過程內的估計售價減估計完成所需成本及銷售所需的估計成本計算。

33.10 現金及現金等價物

就綜合現金流量表的列示而言，現金及現金等價物包括存放於銀行的活期存款及手頭現金。

33.11 股本

普通股被分類為權益。

發行新股份直接應佔增加成本在權益內列為所得款項的扣減（除稅後）。

33.12 貿易及其他應付款項

貿易及其他應付款項指在財政年度結束前向本集團提供的貨物及服務的未支付負債。貿易及其他應付款項被列為流動負債，除非付款在報告期後12個月內未到期。其初步按公平值確認，其後以實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

33.13 Bank Borrowings

Bank borrowings are initially recognised at fair value, net of transaction costs incurred. Bank borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the bank borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Bank borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Bank 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.

33 其他潛在重大會計政策概要 (續)

33.13 銀行借款

銀行借款初步按公平值扣除已產生交易成本確認。銀行借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間的任何差額均採用實際利息法於銀行借款期間內在損益內確認。倘將有可能提取部分或全部融資,則設立貸款融資支付的費用會確認為貸款的交易成本。於此情況下,該項費用將遞延至提款發生時為止。倘並無證據表明將有可能提取部分或全部融資,則費用將被資本化作為流動資金服務的預付款項,並於其相關融資期間內攤銷。

當合約中訂明之責任已獲解除、取消或到期,銀行借款將自財務狀況表內剔除。金融負債賬面值(已消除或轉撥至另一方)與已付代價(包括已轉讓的任何非現金資產或所承擔負債)之間的差額於損益中確認為融資成本。

除非本集團有權無條件將負債的結算遞延至報告期末後至少十二個月,否則銀行借款分類為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.14 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

33 其他潛在重大會計政策概要 (續)

33.14 即期及遞延所得稅

期內所得稅開支或抵免為當前期間根據各司法權區的適用所得稅稅率的應課稅收入的應納稅項(就暫時性差額應佔遞延稅項資產及負債變動作出調整)。

即期所得稅

即期所得稅支出根據本公司及其附屬公司及聯營公司業務經營所在及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，考慮稅務機構有否可能接納不確定稅務處理。本集團根據最有可能的金額或預期值衡量其稅收餘額，其取決於能更好地預測解決不確定性的方法。

遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表中的賬面值之間的暫時差額予以悉數撥備。然而，若遞延稅項負債來自初步確認商譽時，則不予確認。若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計或應課稅損益，且不會招致等額的應課稅及可扣稅暫時差額則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關遞延所得稅資產實現或遞延所得稅負債結算時預期將會應用的稅率(及法例)而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.14 Current and deferred income tax (Continued)

Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

33.15 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

33 其他潛在重大會計政策概要 (續)

33.14 即期及遞延所得稅 (續)

遞延所得稅 (續)

遞延稅項資產僅在未來應課稅金額將可用於利用該等暫時差異及虧損時予以確認。

倘本集團能控制撥回暫時差額的時間及該等差異很可能不會於可見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

倘若存在可依法強制執行的權利將即期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨額基準清償或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

當期及遞延稅項於損益中確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

33.15 僱員福利

(i) 短期債務

薪金(包括非金錢利益)及累積病假的負債預期將於僱員提供有關服務的期末後十二個月內悉數償付(其中僱員所提供的有關服務將就彼等截至報告期末止的服務予以確認)，並按清償負債時預期將予支付的金額計量。有關負債在綜合資產負債表呈列為即期僱員福利債務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.15 Employee benefits (Continued)

(ii) Retirement benefits plans

The Group contributed to a mandatory provident fund scheme (the "MPF Scheme") which is a defined contribution plan and is available to all employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The MPF Scheme cost charged to profit or loss represents contributions payable by the Group to the MPF Scheme.

The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Full time employees of the Group's PRC entity participate in a government mandated multi-employer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other benefits based on certain percentage of the employees' salaries. Full time employees who have passed the probation period are entitled to such benefits.

The Group has no further payment obligations once the contributions have been paid. The contribution are recognised as employee benefit expenses when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group did not have defined benefit plans.

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

33 其他潛在重大會計政策概要 (續)

33.15 僱員福利 (續)

(ii) 退休福利計劃

本集團向強制性公積金計劃(「強積金計劃」)供款，強積金計劃為一項界定供款計劃，而香港所有僱員均可享有。本集團及僱員於強積金計劃的供款乃按僱員的基本薪金的百分比計算。計入損益的強積金計劃成本指本集團於強積金計劃的應付供款。

強積金計劃的資產與本集團的資產分開，由獨立管理的基金持有。

本集團中國實體的全職僱員參與政府強制性多邊僱主界定供款計劃，據此，僱員享有若干退休金福利、醫療福利、失業保險、僱員住房津貼及其他根據僱員薪金的若干比例計付的福利。通過試用期的全職僱員有權享有該等福利。

支付供款後，本集團並無其他付款責任。供款在到期時確認為僱員福利開支，並扣除在供款完全歸屬前離開計劃的僱員沒收的供款。預付供款確認為資產，以可獲得現金退款或可從未來付款中扣除者為限。本集團並無定額福利計劃。

(iii) 花紅計劃

本集團按照計及本公司股東應佔溢利的方程式在作出若干調整後確認花紅負債及開支。本集團於有合約責任或過往慣例已產生推定責任時確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

33.17 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

33.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

33.19 Leases

The Group leases production factory in the PRC and office in Hong Kong. Property leases are typically made for fixed periods of two to ten years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

33 其他潛在重大會計政策概要 (續)

33.16 撥備

當本集團因過往事件而產生現有法定或推定責任，而很可能需要資源流出以履行責任，且金額能可靠估計時，則確認撥備，但不會就未來經營損失確認撥備。

如有多項類似責任，在結算中需要資源流出的可能性乃通過整體考慮責任的類別而定。即使與計入同一類別責任的任何一個項目相關的資源流出可能性極微，惟仍須確認撥備。

撥備乃按管理層對於報告期末清償現有債務所需開支的最佳估計的現值計量。用於釐定現值的貼現率為稅前利率，反映當前市場對貨幣時間價值的評估及負債的特定風險。因時間推移而增加的撥備確認為利息開支。

33.17 利息收入

利息收入採用實際利息法按時間比例基準確認。

33.18 政府補助

當能夠合理地保證將可收取政府補助，而本集團將會符合所有附帶條件時，政府補助會按其公平值確認。

33.19 租賃

本集團租賃中國廠房及香港辦事處。物業租賃一般按兩年至十年的固定期間作出。租賃條款按個別基準磋商並載有不同條款及條件。租賃協議並無施加任何契約，惟租賃資產未必用作借款用途的擔保。

租賃於租賃資產可供本集團使用當日確認為使用權資產及相關負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.19 Leases (Continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

33 其他潛在重大會計政策概要 (續)

33.19 租賃 (續)

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團作為承租人的房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生的資產及負債初步按現值計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款（包括實質固定付款）減任何租賃獎勵應收款項；
- 按指數或利率計算的浮動租賃付款，採用於開始日期的指數或利率初步計量；
- 本集團預期根據剩餘價值保證應付的金額；
- 認購期權的行使價（倘承租人合理確定行使該期權）；及
- 終止租賃罰款（倘租期反映承租人行使該期權）。

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

租賃付款使用租賃中隱含的利率進行貼現。倘無法輕易確定該利率（為集團租賃的一般情況），則使用承租人的增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金而必須支付的利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.19 Leases (Continued)

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets included the rights to use certain properties under leases which are measured at cost. The initial costs of right-of-use assets include the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

33 其他潛在重大會計政策概要 (續)

33.19 租賃 (續)

為釐定增量借款利率，本集團在可能情況下，使用個別承租人最近獲得的第三方融資作為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動。

如個別承租人有現成的可觀察攤銷貸款利率（透過近期融資或市場資料），而該利率與租賃的付款情況相若，本集團實體會以該利率作為起始點釐訂增量借款利率。

本集團未來可能根據指數或利率增加可變租賃付款額，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債會根據使用權資產進行重新評估及調整。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期限內計入損益，以令各期負債餘額產生的利率保持一致。

使用權資產包括租賃項下若干按成本計量的物業之使用權。使用權資產的初始成本包括以下各項：

- 租賃負債的初始計量金額；
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠；
- 任何初始直接成本；及
- 修復費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.19 Leases (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

33.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

33 其他潛在重大會計政策概要 (續)

33.19 租賃 (續)

使用權資產一般於資產可於使用年期或租賃期 (以較短者為準) 按直線法計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。儘管本集團重估呈列於物業、廠房及設備的土地及樓宇，其選擇不重估本集團持有的使用權樓宇。

設備及汽車的短期租賃相關付款及所有租賃低價值資產租賃按直線基準於損益確認為開支。短期租賃為租期12個月或以下的租約。低價值資產包括資訊科技設備及小型辦公室傢俱。

33.20 每股盈利

(i) 每股基本盈利

每股基本盈利乃按下列數據計算：

- 除以本公司擁有人應佔利潤，不包括任何普通股以外的服務權益成本
- 除以該財政年度期間已發行普通股的加權平均股份數目，並根據年內發行的普通股的股利調整 (扣除庫存股)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.20 Earnings per share (Continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

33.21 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

33.22 Research and development costs

Research and development expenditure is recognised as an expense as incurred and classified under of cost of sales when it does not fulfill the criteria of capitalisation.

33 其他潛在重大會計政策概要 (續)

33.20 每股盈利 (續)

(ii) 每股攤薄盈利

每股攤薄盈利調整計算每股基本盈利所用的數據，計入：

- 與潛在攤薄普通股相關的利息及其他融資成本的除所得稅後影響；及
- 在所有潛在攤薄普通股獲轉換的情況下所發行額外普通股的加權平均數。

33.21 股息分派

對於在報告期結束時或之前宣佈的任何股利(已獲適當授權且不再由實體酌情釐定)，但在報告期結束時仍未分派的金額作出撥備。

33.22 研發成本

當研發支出不符合資本化標準時，其於產生及分類為銷售成本後確認為開支。

Financial Summary

財務概要

A summary of the results and of the assets, equity and liabilities of the Group for the published financial years is as follows:

本集團過往刊發財政年度的業績及資產、權益及負債概要列載如下：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度			
		2023 二零二三年 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	2020 二零二零年 HK\$'000 千港元
Revenue	收益	143,779	127,730	132,250	69,499
Profit before taxation	除稅前溢利	28,103	41,432	41,866	16,252
Income tax expense	所得稅開支	6,064	(6,503)	(6,780)	(2,608)
Profit for the year	年內溢利	22,039	34,929	35,086	13,644
Attributable to: Shareholders of the Company	應佔： 本公司股東	22,039	34,929	35,086	13,644

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產與負債

		As at 31 December 於十二月三十一日			
		2023 二零二三年 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	2020 二零二零年 HK\$'000 千港元
Assets	資產				
Non-current assets	非流動資產	24,863	26,422	19,045	12,846
Current assets	流動資產	139,994	122,766	125,155	94,741
Total assets	資產總值	164,857	149,188	144,200	107,587
Equity and liabilities	權益及負債				
Total equity	權益總額	(147,660)	(143,565)	(129,531)	(101,074)
Non-current liabilities	非流動負債	(148)	(79)	–	(79)
Current liabilities	流動負債	(17,049)	(5,544)	(14,669)	(6,434)
Total liabilities	負債總額	(17,197)	(5,623)	(14,669)	(6,513)
Total equity and liabilities	權益及負債總額	(164,857)	(149,188)	(144,200)	(107,587)



BEST LINKING GROUP HOLDINGS LIMITED
永聯豐集團控股有限公司