

STAR SHINE HOLDINGS GROUP LIMITED

應星控股集團有限公司

(Formerly known as Deyun Holding Ltd.)

(前稱為德運控股有限公司*)

(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: 1440

2023 年報
Annual Report

CONTENTS

目錄

	Pages	頁次
Corporate Information	2 公司資料	2
Five-Year Financial Summary	4 五年財務概要	4
Chairman's Statement	5 主席報告	5
Management Discussion and Analysis	8 管理層討論及分析	8
Biographical Details of Directors	16 董事履歷詳情	16
Corporate Governance Report	23 企業管治報告	23
Environmental, Social and Governance Report	44 環境、社會及管治報告	44
Directors' Report	76 董事會報告	76
Independent Auditor's Report	93 獨立核數師報告	93
Consolidated Income Statement	103 綜合收益表	103
Consolidated Statement of Comprehensive Income	104 綜合全面收益表	104
Consolidated Statement of Financial Position	105 綜合財務狀況表	105
Consolidated Statement of Changes in Equity	107 綜合權益變動表	107
Consolidated Statement of Cash Flows	108 綜合現金流量表	108
Notes to the Consolidated Financial Statements	109 綜合財務報表附註	109

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Tsoi Wing Sing (*Chairman*)
Mr. Lin Minqiang
Mr. Larry Stuart Torchin
Ms. Tsoi Lam Ki (appointed on 31 October 2023)
Ms. Jian Xuegen (resigned on 31 October 2023)

Independent non-executive directors

Mr. Chow Kit Ting
Dr. Chiu Kwok Hung, Justin
Mr. Chan Hoi Shan

AUDIT COMMITTEE

Mr. Chow Kit Ting (*Chairman*)
Dr. Chiu Kwok Hung, Justin
Mr. Chan Hoi Shan

REMUNERATION COMMITTEE

Mr. Chan Hoi Shan (*Chairman*)
Mr. Chow Kit Ting
Dr. Chiu Kwok Hung, Justin

NOMINATION COMMITTEE

Mr. Tsoi Wing Sing (*Chairman*)
Dr. Chiu Kwok Hung, Justin
Mr. Chan Hoi Shan

AUDITOR

Mazars CPA Limited
Certified Public Accountants
42/F, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

REGISTERED OFFICE

71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

No. 3888, Chigang Hanxin Road
Jiangkou Town
Hanjiang District, Putian City
Fujian, the PRC

董事會

執行董事

蔡榮星先生 (*主席*)
林民強先生
Larry Stuart Torchin 先生
蔡琳琪女士 (於 2023 年 10 月 31 日獲委任)
簡雪良女士 (於 2023 年 10 月 31 日辭任)

獨立非執行董事

周傑靈先生
趙國雄博士
陳海山先生

審核委員會

周傑靈先生 (*主席*)
趙國雄博士
陳海山先生

薪酬委員會

陳海山先生 (*主席*)
周傑靈先生
趙國雄博士

提名委員會

蔡榮星先生 (*主席*)
趙國雄博士
陳海山先生

核數師

中審眾環(香港)會計師事務所有限公司
執業會計師
香港
灣仔港灣道 18 號
中環廣場 42 樓

註冊辦事處

71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

總部和主要營業地點

中國福建省
莆田市涵江區
江口鎮
赤港涵新路 3888 號

Corporate Information 公司資料

COMPANY SECRETARY

Ms. Xu Jing (CICPA, FCCA, FCPA)

AUTHORISED REPRESENTATIVES

Mr. Tsoi Wing Sing
Ms. Xu Jing

PRINCIPAL BANKERS

Bank of China Company Limited, Changle Sub-branch
Industrial Bank Company Limited, Changle Sub-branch
China Merchants Bank, Fuzhou Branch, Wusi Sub-branch
Bank of China (Hong Kong) Limited

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited
71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PLACE OF BUSINESS IN HONG KONG

Unit 1705, 17/F
Strand 50
50 Bonham Strand
Sheung Wan
Hong Kong

COMPANY'S WEBSITE

www.starshineholdings.com

STOCK NAME

STAR SHINE HLDG

STOCK CODE

1440

公司秘書

徐靜女士 (CICPA, FCCA, FCPA)

授權代表

蔡榮星先生
徐靜女士

主要往來銀行

中國銀行股份有限公司長樂支行
興業銀行股份有限公司長樂支行
招商銀行福州分行五四支行
中國銀行(香港)有限公司

開曼群島主要股份過戶登記處

Appleby Global Services (Cayman) Limited
71 Fort Street
P.O. Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

香港股份過戶登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東 183 號
合和中心
17 樓 1712 至 1716 號舖

香港營業地點

香港
上環
文咸東街 50 號
寶恆商業中心
17 樓 1705 室

公司網址

www.starshineholdings.com

股份名稱

應星控股

股份代號

1440

Five-Year Financial Summary 五年財務概要

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

		Year ended 31 December 截至12月31日止年度				
		2023	2022	2021	2020	2019
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		2023年	2022年	2021年	2020年	2019年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	317,353	134,155	165,942	198,478	203,443
Cost of sales	銷售成本	(293,507)	(137,966)	(126,748)	(124,621)	(136,539)
Gross profit/(loss)	毛利/(損)	23,846	(3,811)	39,194	73,857	66,904
(Loss)/Profit before income tax	除所得稅前 (虧損)/溢利	(8,665)	(8,773)	24,080	52,593	49,075
(Loss)/Profit for the year attributable to owners of the Company	本公司擁有人應佔年 內(虧損)/溢利	(10,091)	(8,937)	21,182	43,821	41,851

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		As at 31 December 於12月31日				
		2023	2022	2021	2020	2019
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		2023年	2022年	2021年	2020年	2019年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	492,175	354,943	380,215	300,020	234,423
Total liabilities	負債總額	(176,291)	(29,045)	(45,509)	(77,069)	(55,155)
Total equity	權益總額	315,884	325,898	334,706	222,951	179,268

The summary above does not form part of the audited consolidated financial statements.

上述摘要並不構成經審核綜合財務報表的一部分。

Chairman's Statement

主席報告

Dear shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Star Shine Holdings Group Limited (formerly known as Deyun Holding Ltd.) (the “**Company**”), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively, the “**Group**”) (and each being “**we**”, “**us**” or “**our Group**” for the purposes of this annual report as appropriate) for the year ended 31 December 2023 (the “**Reporting Period**”).

KEY FINANCIAL HIGHLIGHTS

Revenue (RMB'000)
Gross profit/(loss) (RMB'000)
Loss before income tax (RMB'000)

收益(人民幣千元)
毛利/(損)(人民幣千元)
除所得稅前虧損(人民幣千元)

Loss for the year attributable to owners
of the Company (RMB'000)

本公司擁有人應佔年內虧損
(人民幣千元)

Loss per share
– Basic and diluted (RMB cents)

每股虧損
– 基本及攤薄(人民幣分)

Year ended 31 December
截至12月31日止年度

2023 2022
(Audited) (Audited)
2023年 2022年
(經審核) (經審核)

317,353 134,155
23,846 (3,811)
(8,665) (8,773)

(10,091) (8,937)

(0.80) (0.71)

BUSINESS OVERVIEW

We are a long-established lace manufacturer and dyeing service provider. We are primarily engaged in manufacturing and sales of lace to our customers to produce branded lingerie products on order-by-order basis. For our dyeing services, our customers are mainly lace and swim wear manufacturers who would provide us with their own lace and swimwear fabrics to dye before further fabrication. We are also engaged in footwear business, including design, research and development, sourcing, merchandising, quality control and sales of shoes. Revenue from footwear business segment increased significantly during the Reporting Period, which accounted for approximately 76.7% of the total revenue of the Group (2022: approximately 38.2%).

致各位股東：

本人謹代表Star Shine Holdings Group Limited (應星控股集團有限公司)(前稱德運控股有限公司*)(「本公司」)董事(「董事」)會(「董事會」)·欣然向閣下提呈本公司及其附屬公司(統稱「本集團」)(就本年報而言·各自為「我們」或「集團」)(倘適用))截至2023年12月31日止年度(「報告期間」)的年報。

主要財務摘要

業務回顧

我們為一家歷史悠久的花邊製造商及染整服務供應商。我們主要從事按訂單製造及向客戶銷售花邊以生產品牌內衣產品。就染整服務而言，我們的客戶主要為花邊及泳裝製造商，彼等向我們提供其本身的花邊及泳裝面料，在進一步製造前進行染色。我們同樣從事鞋履業務包括設計、研發、採購、推銷、品質監控及銷售。於報告期間，鞋履業務分部收益大幅增加，佔本集團總收益的約76.7% (2022年：約38.2%)。

* For identification purpose only

* 僅供識別

Chairman's Statement 主席報告

During the Reporting Period, the market economy remained uncertain such as rate hikes, geopolitical tensions and weakening consumer confidence. Although the Mainland China market has reopened, the economic recovery and growth in Mainland China have still fallen short of expectations due to various uncertainties. The Group's lace manufacturing and dyeing business inevitably experienced a certain degree of impact from the market conditions. However, the Group's footwear business benefited from a new customer, offsetting the decline in the lace manufacturing and dyeing business.

We recorded revenue of approximately RMB317.4 million for the Reporting Period, representing an increase of approximately 136.6% from approximately RMB134.2 million for the year ended 31 December 2022. Net loss attributable to owners of the Company of approximately RMB10.1 million was recorded for the Reporting Period representing an increase of approximately 12.9% from approximately RMB8.9 million for the year ended 31 December 2022.

OUTLOOK AND BUSINESS STRATEGY

In the medium to long term, with the increasing environmental awareness and the determined implementation of "dual-carbon" goals, it is foreseeable that more and more environmental protection policies will be introduced. All of these factors raise concerns about the prospects of our Group's lace manufacturing and dyeing business. In light of the explosive growth in the footwear business, our Group will gradually reduce investment of further resources in the lace manufacturing and dyeing business and shift focus to the footwear business. The Group continues to invest more resources in footwear business which aiming to match with the fashion trend and market demand in order to strive for more customers and orders. We believe that these actions will enable us to reduce the risk of the Group and contribute positively to our Group's future earnings and consequentially improve the financial position of our Group.

Going forward, we will adopt a prudent approach to run our existing business operations and also actively identify potential business opportunities that are in the interests of the Company and its shareholders. We will continue to enhance our production efficiency and reduce our operating cost; comply with environmental protection policies; and strengthen our research and development capability and quality control.

報告期間，市場經濟仍面臨着不確定性，如高利率環境、地緣政治局勢緊張及消費者信心疲弱等。雖然中國內地市場已重新開放，但受到各種不明朗因素影響，中國內地經濟復蘇增長仍然未如理想。本集團的花邊製造及染整業務無可避免地受到一定程度的行情影響。但本集團的鞋履業務，得益於其中一位新客戶，抵銷了花邊製造及染整業務的跌幅。

我們於報告期間錄得收入約人民幣317.4百萬元，較截至2022年12月31日止年度約人民幣134.2百萬元增加約136.6%。報告期間錄得本公司擁有人應佔淨虧損約為人民幣10.1百萬元，較截至2022年12月31日止年度約人民幣8.9百萬元增加約12.9%。

前景及業務策略

中長期而言，隨着國家環保意識不斷提高及堅決實現「雙碳」目標的戰略決策，可以預見越來越多環境保護政策將陸續出台。以上種種，都對本集團花邊製造及染整業務的前景造成隱憂。加上鞋履業務的爆發性增長，有見及此，本集團將逐步減少對花邊製造及染整業務的更多投入，將重心放在鞋履業務。本集團繼續在鞋履業務上投入更多資源，緊貼潮流及迎合市場需求，以爭取更多客戶及訂單。我們相信，該等行動將使我們能夠降低本集團的風險，為本集團的未來盈利作出正面貢獻，從而改善本集團的財務狀況。

展望未來，我們將採取審慎方針經營現有的業務營運，同時亦積極物色符合本公司及其股東利益的潛在商機。我們將繼續提高生產效率，降低營運成本；遵守環保政策；並且加強研發能力和質量控制。

Chairman's Statement

主席報告

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our shareholders, customers, suppliers, bankers and other business associates for their trust and support.

By order of the Board

Star Shine Holdings Group Limited

Mr. Tsoi Wing Sing

Chairman

Hong Kong, 28 March 2024

致謝

本人謹代表董事會，感謝全體同仁一直努力不懈及竭誠貢獻。本人亦對全體股東、客戶、供應商、往來銀行及其他業務夥伴的信任及支持表示感謝。

承董事會命

應星控股集團有限公司

主席

蔡榮星先生

香港，2024年3月28日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group derives its revenue from (i) dyeing services; (ii) manufacturing and sales of lace; and (iii) footwear business. The revenue from footwear business maintains a significant growth in the Reporting Period.

Revenue by product types

Breakdown of the Group's revenue by product types is as follows:

		Year ended 31 December 截至12月31日止年度			
		2023		2022	
		RMB'000	% of	RMB'000	% of
		2023年	revenue	2022年	revenue
		人民幣千元	佔收益%	人民幣千元	佔收益%
Dyeing	染整	53,287	16.8	56,108	41.8
Lace	花邊				
– High density	– 高密度	15,968	5.0	21,343	15.9
– Regular density	– 正常密度	4,722	1.5	5,419	4.1
Sub-total	小計	20,690	6.5	26,762	20.0
Footwear	鞋履	243,376	76.7	51,285	38.2
Total	總計	317,353	100.0	134,155	100.0

Revenue by operating geographical regions

Breakdown of the Group's revenue by operating geographical location is as follows:

		Year ended 31 December 截至12月31日止年度			
		2023		2022	
		RMB'000	% of	RMB'000	% of
		2023年	revenue	2022年	revenue
		人民幣千元	佔收益%	人民幣千元	佔收益%
Mainland China and Hong Kong	中國內地及香港	317,353	100.0	134,155	100.0

財務回顧

收益

本集團的收益來自(i)染整服務；(ii)花邊生產及銷售；及(iii)鞋履業務。鞋履業務收益於報告期間大幅增長。

按產品類別劃分的收益

本集團按產品類別劃分的收益明細如下：

		Year ended 31 December 截至12月31日止年度			
		2023		2022	
		RMB'000	% of	RMB'000	% of
		2023年	revenue	2022年	revenue
		人民幣千元	佔收益%	人民幣千元	佔收益%
Dyeing	染整	53,287	16.8	56,108	41.8
Lace	花邊				
– High density	– 高密度	15,968	5.0	21,343	15.9
– Regular density	– 正常密度	4,722	1.5	5,419	4.1
Sub-total	小計	20,690	6.5	26,762	20.0
Footwear	鞋履	243,376	76.7	51,285	38.2
Total	總計	317,353	100.0	134,155	100.0

按營運地理位置劃分的收益

本集團按營運地理位置劃分的收益明細如下：

		Year ended 31 December 截至12月31日止年度			
		2023		2022	
		RMB'000	% of	RMB'000	% of
		2023年	revenue	2022年	revenue
		人民幣千元	佔收益%	人民幣千元	佔收益%
Mainland China and Hong Kong	中國內地及香港	317,353	100.0	134,155	100.0

Management Discussion and Analysis

管理層討論及分析

Dyeing

Market demand has been weakened because of the pandemic. The industry's recovery progress has been further hindered due to the various uncertain factors mentioned earlier. In the face of a sluggish market, competition has become more intense. The Group's dyeing revenue decreased by approximately 5.0% from approximately RMB56.1 million for the year ended 31 December 2022 to approximately RMB53.3 million for the Reporting Period, primarily attributable to the decrease in orders from customers.

Lace

The Group's lace products are classified into (i) regular density lace, and (ii) high density lace. The lace revenue decreased by approximately 22.7% from approximately RMB26.8 million for the year ended 31 December 2022 to approximately RMB20.7 million for the Reporting Period for the reasons mentioned above.

Footwear

The Group recorded revenue from footwear business of approximately RMB243.4 million for the Reporting Period, representing an increase of approximately 3.7 times from approximately RMB51.3 million for the year ended 31 December 2022.

Gross profit/(loss) and gross profit/(loss) margin

The Group recorded a gross profit of approximately RMB23.8 million for the Reporting Period as compared to the gross loss of approximately RMB3.8 million for the year ended 31 December 2022, primary attributable to (i) the decrease in sales of dyeing services and (ii) the considerable growth in footwear business.

Other income

Other income decreased by approximately 18.0% from approximately RMB5.4 million for the year ended 31 December 2022 to approximately RMB4.4 million for the Reporting Period, primarily attributable to the decrease in the last phase of one-off government grants in relation to the listing of the Company.

Other gains, net

Other gains, net for the Reporting Period of approximately RMB2.5 million decreased by approximately 41.1% from approximately RMB4.2 million for the year ended 31 December 2022 mainly represented exchange differences arising from translation of the Group's sales, assets and liabilities denominated in foreign currencies.

染整

經歷疫情洗禮，市場需求已萎縮，加上前文提及的各種不明朗因素，進一步打擊行業的復蘇進度。面對疲弱的行情，競爭更為劇烈。本集團的染整收益由截至2022年12月31日止年度約人民幣56.1百萬元減少約5.0%至報告期間約人民幣53.3百萬元，主要由於客戶訂單減少。

花邊

本集團的花邊產品分為兩大類，即(i)正常密度花邊；及(ii)高密度花邊。由於上述原因，花邊收益由截至2022年12月31日止年度約人民幣26.8百萬元減少約22.7%至報告期間約人民幣20.7百萬元。

鞋履

本集團於報告期間錄得鞋履業務收入約人民幣243.4百萬元，較截至2022年12月31日止年度約人民幣51.3百萬元增加約3.7倍。

毛利(毛損)及毛利(毛損)率

本集團於報告期間錄得毛利約人民幣23.8百萬元，而截至2022年12月31日止年度則錄得毛損約人民幣3.8百萬元，主要由於(i)染整服務的銷售減少；及(ii)鞋履業務的大幅度增長。

其他收入

其他收入由截至2022年12月31日止年度約人民幣5.4百萬元減少約18.0%至報告期間約人民幣4.4百萬元，主要由於有關本公司股份上市的最後一期一次性政府補助減少所致。

其他收益淨額

於報告期間，其他收益淨額由截至2022年12月31日止年度約人民幣4.2百萬元減少約41.1%至約為人民幣2.5百萬元，主要指以外幣計值的本集團銷售額、資產及負債換算產生的差額。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses primarily consist of packaging expenses, commission and staff cost in relation to sales and marketing staff. Selling and distribution expenses increased of approximately 8.7 times from approximately RMB1.7 million for the year ended 31 December 2022 to approximately RMB16.2 million for the Reporting Period, which was in line with the increase in revenue from footwear business.

Administrative expenses

Administrative expenses mainly consist of employment benefit expenses, professional fee, utilities, and office expenses. Administrative expenses increased by approximately 23.6% from approximately RMB14.4 million for the year ended 31 December 2022 to approximately RMB17.8 million for the Reporting Period mainly due to the employment of more staff in Hong Kong and Mainland China by the Group to manage its footwear business.

Impairment loss on property, plant and equipment

The Group recorded an impairment loss on property, plant and equipment of approximately RMB7.4 million (2022: nil) for the Reporting Period mainly due to (i) the deteriorating performance of dyeing services and lace manufacturing and (ii) current market condition.

Finance income, net

Net finance income decreased from approximately RMB2.3 million for the year ended 31 December 2022 to approximately RMB2.0 million for the Reporting Period, primarily attributable to the increase in interest expenses on interest bearing borrowings.

銷售及分銷開支

銷售及分銷開支主要包括包裝開支、佣金及有關銷售及營銷人員的員工成本。銷售及分銷開支由截至2022年12月31日止年度約人民幣1.7百萬元增加約8.7倍至報告期間的約人民幣16.2百萬元，此與鞋履業務的收入增加相符。

行政開支

行政開支主要包括僱員福利開支、專業費用、水電費及辦公室費用。行政開支由截至2022年12月31日止年度約人民幣14.4百萬元增加約23.6%至報告期間約人民幣17.8百萬元，主要由於本集團在香港及中國內地僱用更多員工來管理鞋履業務。

物業、廠房及設備減值虧損

本集團於報告期間錄得物業、廠房及設備的減值虧損約人民幣7.4百萬元（2022年：無）主要是由於(i)染整服務及花邊製造的業務表現不斷惡化及(ii)現行的市場情況。

融資收入淨額

融資收入淨額由截至2022年12月31日止年度約人民幣2.3百萬元減少至報告期間約人民幣2.0百萬元，主要由於計息借款的利息開支增加所致。

* For identification purpose only

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

Income tax expenses

Fujian Deyun Technology Co., Ltd.* (福建德運科技有限公司) (the “**Deyun Technology**”), which engaged in dyeing and lace business of the Group, is recognised as a High and New Technology Enterprise* (高新技術企業) and therefore entitled to a preferential tax rate of 15% for the year ended 31 December 2022 and for the Reporting Period. During the Reporting Period, Hong Kong profits tax has been provided at the rate of 8.25% to 16.5% on the estimated assessable profits. The income tax expense increased from approximately RMB0.2 million for the year ended 31 December 2022 to approximately RMB1.4 million for the Reporting Period, which was mainly due to the profit-making position of the footwear business in the People’s Republic of China (“**PRC**”) for the Reporting Period.

Net loss for the year

As a result of the above factors, the Group recorded a net loss of approximately RMB10.1 million for the Reporting Period as compared to the net loss of approximately RMB8.9 million for year ended 31 December 2022.

Dividend

The Board does not recommend the payment of dividend for the Reporting Period (2022: nil).

LIQUIDITY, CAPITAL RESOURCES AND GEARING

Net current assets

The Group had net current assets of approximately RMB191.4 million as at 31 December 2023 (2022: approximately RMB181.7 million). The current ratio of the Group decreased from approximately 7.7 times as at 31 December 2022 to approximately 2.1 times as at 31 December 2023. The increase in net current assets and decrease of current ratio as at 31 December 2023 was primarily attributable to the overall impact on (i) the increase of cash and cash equivalents; (ii) the increase in trade and bill receivables; (iii) the increase in trade payables and (iv) the increase in interest bearing borrowings.

* For identification purpose only

所得稅開支

從事本集團染整及花邊業務的福建德運科技有限公司(「**德運科技**」)被認定為高新技術企業，因此於截至2022年12月31日止年度及報告期間可按優惠稅率15%納稅。於報告期間，香港利得稅已按該年度估計應課稅溢利的8.25%至16.5%的稅率計提。所得稅開支由截至2022年12月31日止年度約人民幣0.2百萬元增加至報告期間的約人民幣1.4百萬元，主要由於在報告期間中華人民共和國(「**中國**」)鞋履業務出現盈利。

年內淨虧損

由於上述因素，本集團於報告期間錄得淨虧損約人民幣10.1百萬元，而截至2022年12月31日止年度的淨虧損則為約人民幣8.9百萬元。

股息

董事會不建議就報告期間派付股息(2022年：無)。

流動資金、資本資源及資產負債比率

流動資產淨值

於2023年12月31日，本集團的流動資產淨值約為人民幣191.4百萬元(2022年：約人民幣181.7百萬元)。本集團的流動比率由2022年12月31日的約7.7倍降至2023年12月31日的約2.1倍。於2023年12月31日，流動資產淨值增加及流動比率減少主要由於(i)現金及現金等價物增加；(ii)貿易應收款項及應收票據增加；(iii)貿易應付款項增加及(iv)計息借款增加的整體影響所致。

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

Cash and cash equivalents, borrowings and pledge of assets

The Group funds its business and working capital requirements by using a balanced mix of internal resources, borrowings and funds from listing. The Group will adjust its mix of funding mix depending on the costs of funding and its actual needs.

At 31 December 2023, the Group had cash and cash equivalents of approximately RMB269.0 million (2022: approximately RMB187.9 million) and they were denominated in Renminbi (“RMB”), United States Dollar (“USD”) and Hong Kong Dollar (“HKD”).

At 31 December 2023, the Group had borrowings of approximately RMB36.9 million (2022: nil).

At 31 December 2023 and 2022, the Group had no undrawn banking facilities.

At 31 December 2023 and 2022, the Group did not have any assets pledged as securities.

Gearing ratio

At 31 December 2023, the Group had a gearing ratio of 0.1 (2022: nil), calculated by dividing total debt (including borrowings and lease liabilities) by total equity.

Capital structure

At 31 December 2023, the Company's issued share capital was HKD12,600,000 and the number of issued shares of the Company was 1,260,000,000 ordinary shares of HKD0.01 each.

Capital expenditure

For the Reporting Period, the Group incurred cash flows on capital expenditures for the purchase of properties, plant and equipment and intangible assets in the amount of approximately RMB1.5 million (2022: approximately RMB10.6 million).

現金及現金等價物、借款及資產抵押

本集團通過平衡使用內部資源、借款及上市資金滿足其業務及營運資金需求。本集團將視乎資金成本及實際需求調整其資金組合。

於2023年12月31日，本集團的現金及現金等價物約為人民幣269.0百萬元（2022年：約人民幣187.9百萬元），以人民幣（「人民幣」）、美元（「美元」）及港元（「港元」）計值。

於2023年12月31日，本集團的借款約為人民幣36.9百萬元（2022年：無）。

於2023年及2022年12月31日，本集團沒有未提取銀行融資總額。

於2023年及2022年12月31日，本集團並無任何被質押作為抵押的資產。

資產負債比率

於2023年12月31日，本集團的資產負債比率為0.1（2022年：無），乃按債務總額（包括借款及租賃負債）除以權益總額計算。

資本結構

於2023年12月31日，本公司的已發行股本為12,600,000港元，本公司的已發行股份數目為1,260,000,000股每股面值0.01港元的普通股。

資本開支

於報告期間，本集團就購置物業、廠房及設備和無形資產產生資本開支現金流量約人民幣1.5百萬元（2022年：約人民幣10.6百萬元）。

Management Discussion and Analysis

管理層討論及分析

Foreign exchange risks and hedging

The majority of assets and liabilities of the Group are denominated in RMB, USD and HKD, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than the respective functional currencies of the Group's entities. During the Reporting Period, the Group did not hedge its foreign currency exposure. The Group regularly monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

At 31 December 2023, the Group had capital commitments of approximately RMB0.2 million in relation to the purchase of properties, plant and equipment (2022: approximately RMB0.4 million).

CONTINGENT LIABILITIES

At 31 December 2023 and 2022, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The Group's employees are generally remunerated by way of fixed salary and they may also be entitled to a number of welfare benefits, including but not limited to job-nature based subsidy, performance-based bonus, paid leave and share options. The Group also make contributions to mandatory social security funds for its employees. The Group utilises an appraisal system for its employees and considers the appraisal results of individual employees when conducting their salary review and determining the amount of bonuses. To enhance the performance of the employees, the Group provides its employees with adequate and regular trainings.

As at 31 December 2023, the Group had 527 employees (2022: 362 employees) and the Group's total employee benefit expenses (including Directors' emoluments) for the Reporting Period amounted to approximately RMB36.4 million (2022: approximately RMB32.4 million).

外匯風險及對沖

本集團的大部分資產及負債以人民幣、美元及港元計值，並無其他重大資產及負債以其他貨幣計值。本集團面臨因日後商業交易以及確認以本集團各實體的功能貨幣以外的貨幣計值的資產及負債而產生的外幣匯率風險。於報告期間，本集團並無對沖其外幣風險。本集團定期監察外匯風險，並將於有需要時考慮對沖重大外匯風險。

資本承擔

於2023年12月31日，本集團就購置物業、廠房及設備的資本承擔約為人民幣0.2百萬元（2022年：約人民幣0.4百萬元）。

或然負債

於2023年及2022年12月31日，本集團並無任何重大或然負債。

僱員及薪酬政策

本集團的僱員一般以收取固定薪金的方式獲得薪酬，彼等亦有權收取多項福利，包括但不限於按工作性質給予的補貼、績效花紅、有薪假期及購股權。本集團亦為僱員作出強制性社會保障基金供款。本集團為僱員採用一套評核系統，並於進行薪金檢討及釐定花紅金額時考慮個別僱員的評核結果。為提高僱員的績效，本集團為僱員提供足夠及定期的培訓。

於2023年12月31日，本集團共有527名僱員（2022年：362名僱員），本集團於報告期間的僱員福利開支總額（包括董事酬金）約為人民幣36.4百萬元（2022年：約人民幣32.4百萬元）。

Management Discussion and Analysis

管理層討論及分析

DEFINED CONTRIBUTION SCHEME

The employees of the Group's subsidiaries established in the PRC are required to participate in a state-managed retirement benefit scheme operated by the PRC government (the “**Retirement Benefit Scheme**”). The Group is required to contribute a certain percentage of basic payroll costs to the Retirement Benefit Scheme.

The Group joined a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules.

The Group's contributions to the Retirement Benefit Scheme and the MPF Scheme (the “**Defined Contribution Schemes**”) vest fully and immediately with the employees. Accordingly, (i) for the Reporting Period, there was no forfeiture of contributions under the Defined Contribution Scheme; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Scheme at 31 December 2023. The contributions are charged to profit or loss as they become payable in accordance with the rules of the Defined Contribution Scheme.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed herein, the Group did not have any significant investments, material acquisitions and disposals during the Reporting Period.

FUTURE PLANS FOR MAJOR INVESTMENT

During the Reporting Period, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the prospectus of the Company dated 28 December 2020 (the “**Prospectus**”), the Group had no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

界定供款計劃

本集團於中國成立的附屬公司，其僱員須參與由中國政府營運的國家管理退休福利計劃（「**退休福利計劃**」）。本集團須按基本薪金成本的若干百分比對退休福利計劃供款。

本集團為香港的所有僱員參加強制性公積金計劃（「**強積金計劃**」）。強積金計劃已根據《強制性公積金計劃條例》向強制性公積金計劃管理局註冊。強積金計劃的資產與本集團的資產分開，於獨立受託人控制的基金中持有。在強積金計劃下，僱主及其僱員須各自按規則訂定的比率向強積金計劃供款。

本集團對退休福利計劃及強積金計劃（「**界定供款計劃**」）的供款，全額即時歸僱員所有。據此，(i) 於報告期內，並無界定供款計劃項下的供款遭到沒收；及(ii) 於2023年12月31日，本集團並無遭沒收供款，可用於降低界定供款計劃的現有供款水平。供款根據界定供款計劃規則變成應付時於損益扣除。

重大投資、重大收購及出售

除本報告所披露者外，本集團於報告期間概無任何重大投資、重大收購及出售。

重大投資的未來計劃

於報告期間，除本公司日期為2020年12月28日的招股章程（「**招股章程**」）「業務」及「未來計劃及所得款項用途」章節所披露的擴張計劃外，本集團概無重大投資或收購重大資本資產或其他業務的具體計劃。然而，本集團將繼續物色新業務發展機會。

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Net proceeds from the initial public offering (the “IPO”), after deducting underwriting commissions and other relevant expenses, amounted to approximately HKD85.6 million. At 31 December 2023, the net proceeds from the IPO had been applied as follows:

首次公開發售所得款項用途

經扣除包銷佣金及其他相關開支後，首次公開發售（「首次公開發售」）所得款項淨額約為85.6百萬港元。於2023年12月31日，首次公開發售所得款項淨額已按下列方式動用：

Planned use of net proceeds	Planned use of net proceeds	Unused net proceeds at 1 January 2023	Net proceeds used for the Reporting Period	Net proceeds used at 31 December 2023	Unused balance at 31 December 2023	Timeframe for the unused balance
所得款項淨額之計劃用途	HKD million 百萬港元	HKD million 百萬港元	HKD million 百萬港元	HKD million 百萬港元	HKD million 百萬港元	未動用結餘的時間表
Expand dyeing service capacity and enhance efficiency by way of upgrading, replacing and acquiring machineries and facilities	透過升級、更換及購置機器及設施擴充染整服務能力及提升效率	49.9	13.9	2.7	38.7	11.2 By end of 2024 2024年底前
Strengthen research and development capability and quality control for dyeing services	加強染整服務的研發能力及提升品質控制	3.4	0.5	0.5	3.4	- N/A 不適用
Replace a coal-burning-boiler by a natural-gas-boiler	以天然氣鍋爐更換燃煤鍋爐	13.6	5.7	-	7.9	5.7 By end of 2024 2024年底前
Expand integrated enterprise planning resource system	擴展綜合企業資源規劃系統	0.9	-	-	0.9	- N/A 不適用
Repayment of bank loan	償還銀行貸款	9.5	-	-	9.5	- N/A 不適用
General working capital	一般營運資金	8.3	-	-	8.3	- N/A 不適用
		85.6	20.1	3.2	68.7	16.9

Please refer to the Prospectus for the original intended timeframe for utilisation of the net proceeds. Since the outbreak of the COVID-19 has slowed down the economic of Mainland China and the world, orders of Dyeing services and Laces products had a sharp decrease, and the Group were acting with more caution. Certain plans of the use of proceeds from the IPO were slowing down. The balance of the unutilised proceeds is expected to be utilised in the coming year.

有關動用所得款項淨額的原定時間表，請參閱招股章程。自從COVID-19爆發以來，中國內地及世界經濟放緩，染整服務及花邊產品的訂單銳減，故本集團更謹慎行事。使用首次公開發售所得款項的若干計畫正在放緩。預計未動用所得款項結餘將在來年動用。

EVENT AFTER THE REPORTING PERIOD

The Group does not have any important events after the Reporting Period and up to the date of this annual report.

報告期後事項

本集團於報告期間後至本年報日期並無任何重大事項。

Biographical Details of Directors 董事履歷詳情

EXECUTIVE DIRECTORS

Mr. Tsoi Wing Sing (蔡榮星) (“Mr. Tsoi”), aged 62, is a controlling shareholder, an executive Director, and the chairman of the Board and the Nomination Committee. Mr. Tsoi was appointed as an executive Director of our Company on 30 September 2022. He is responsible for the strategic planning and overall budget of our Group.

Mr. Tsoi has over 30 years of experience in the industry of manufacturing and distribution of shoes. He was the director of Calson Investment Limited from July 1992 to October 2023, a footwear distribution enterprise supplying leather, PVC, textile shoes, sandals, etc. to customers worldwide and a director of Calson Industrial International Company Limited, a company engaged in property development business. Mr. Tsoi is also the executive director of Changzhou Qifa Shoes Co., Ltd.* (常州啟發鞋業有限公司), a company engaged in manufacturing and distribution of shoes and Changzhou Qichen Investment Co., Ltd.* (常州啟辰投資有限公司), a company engaged in real estate sales and property management, and a supervisor of Putian Qiming Shoes Co., Ltd.* (莆田啟明鞋業有限公司), a company engaged in manufacturing and distribution of shoes.

Since November 2023, he has been the director of Hope Faith Limited, a wholly owned subsidiary of the Company.

Mr. Tsoi is also a Standing Committee of the Hunan Provincial Committee of the Chinese People’s Political Consultative Conference (“CPPCC”) Hong Kong Convener, Vice-Chairman of the Hong Kong Provincial CPPCC Member Association, School Supervisor of TWGHs Tsoi Wing Sing Primary School* (東華三院蔡榮星小學校監), Deputy Chairman of Hong Kong Volunteers Federation* (香港義工聯盟常務副主席) and Expert of Silk Road Planning Research Center* (絲路規劃研究中心專家). Mr. Tsoi was also a Standing Committee Member of the 5th Fujian Putian Committee of the CPPCC, the chairman of Tung Wah Group of Hospitals from 2019 to 2020, and the vice chairman of Tung Wah Group of Hospitals from 2015 to 2019. Mr. Tsoi was also awarded the Bronze Bauhinia Star in recognition of his significant contributions and outstanding service over a long period of time in Hong Kong.

Mr. Tsoi is the father of Ms. Tsoi Lam Ki, the executive Director of the Company.

Saved as disclosed in this section, Mr. Tsoi is not connected with any other Directors or members of the senior management of our Company.

* For identification purpose only

執行董事

蔡榮星先生(「蔡先生」)，62歲，控股股東、執行董事兼董事會及提名委員會主席。蔡先生於2022年9月30日獲委任為本公司執行董事。彼負責本集團的戰略規劃及整體預算。

蔡先生於製造及分銷鞋履行業擁有超過30年經驗。於1992年7月至2023年10月，彼為啟星投資有限公司的董事，該公司是一家向全球客戶供應皮革、塑膠、紡織鞋履、涼鞋等的鞋履分銷企業，並為啟星實業(國際)有限公司的董事，該公司從事物業發展業務。蔡先生亦為常州啟發鞋業有限公司(該公司從事鞋履的製造及分銷)及常州啟辰投資有限公司(該公司從事房地產銷售及物業管理)的執行董事，亦為莆田啟明鞋業有限公司(該公司從事鞋履的製造及分銷)的監事。

自2023年11月起，彼擔任合誠有限公司的董事，該公司為本公司的一間全資附屬公司。

蔡先生亦為中國人民政治協商會議(「政協」)湖南省委員會常委香港區召集人、港區省級政協委員聯誼會副會長、東華三院蔡榮星小學校監、香港義工聯盟常務副主席及絲路規劃研究中心專家。蔡先生亦曾任政協福建省莆田市第五屆委員會常務委員、東華三院己亥年董事局主席，2015年至2019年任東華三院董事局副主席。蔡先生亦獲授銅紫荊星章，以表彰他在香港長久以來的重大貢獻及傑出服務。

蔡先生為本公司執行董事蔡琳琪女士的父親。

除本節所披露者外，蔡先生與本公司任何其他董事或高級管理層成員概無關連。

* 僅供識別

Biographical Details of Directors

董事履歷詳情

Mr. Lin Minqiang (林民強), aged 68, is an executive Director. He is responsible for the management, strategic planning and overall budget of the dyeing services and manufacturing and sales of lace business.

Mr. Lin Minqiang has over 30 years of experience in the fabrics weaving and dyeing business. Mr. Lin Minqiang was the committee member of the Party Branch of Longxia Village of Changle District in Fuzhou from April 1978 to August 1992. In August 1988, Mr. Lin Minqiang took the role of the factory director of “Changle Warp Knitted Fabrics Factory”, a collective enterprise established in Fujian, which subsequently reformed as a limited liability company and changed its name into Fujian Changle Xingsheng Warpknitted Fabrics Co., Ltd.* (福建省長樂市興盛經編織物有限公司) (“**Xingsheng**”) in October 1996. Mr. Lin Minqiang was the executive director and the manager of Xingsheng from October 1996 to January 2006. After Deyun Technology merged with Xingsheng by way of absorption. Mr. Lin Minqiang was appointed as a director of Deyun Technology in January 2006. Over the years, he has been responsible for planning the company strategy and overall budget of Deyun Technology.

Mr. Lin Minqiang was awarded the certificate of completion of the course of Business Information Strategy and Knowledge Management CEO Advanced Training Class by School of Information Science and Technology, Tsinghua University in July 2005.

Saved as disclosed in this section, Mr. Lin Minqiang is not connected with any other Directors or members of the senior management of our Company.

林民強先生，68歲，執行董事。彼負責染整服務及花邊製造及銷售業務的管理、策略規劃及整體預算。

林民強先生於布料織造及染整行業擁有超過30年經驗。於1978年4月至1992年8月，林民強先生為福州長樂區壠下村黨分部委員會成員。於1988年8月，林民強先生擔任「長樂市經編織物廠」（一間於福建省成立的集體企業，其後於1996年10月轉型為有限公司並更名為福建省長樂市興盛經編織物有限公司（「興盛」）的廠長。於1996年10月至2006年1月，林民強先生擔任興盛的執行董事及經理。於2006年1月，德運科技透過兼併與興盛合併後，林民強先生獲委任為德運科技的董事。多年間，彼負責德運科技的公司策略規劃及整體預算。

林民強先生於2005年7月獲清華大學信息科學技術學院授出工商企業信息戰略與知識管理總裁高級研修班的結業證書。

除本節所披露者外，林民強先生與本公司任何其他董事或高級管理層成員概無關連。

* For identification purpose only

* 僅供識別

Biographical Details of Directors

董事履歷詳情

Mr. Larry Stuart Torchin (“Mr. Torchin”), aged 73, is an executive Director of the Company. Mr. Torchin was appointed as an executive Director on 30 September 2022. He is responsible for the sales and marketing of the footwear business of our Group.

Mr. Torchin has over 50 years of experience in the footwear and apparel industry. He entered the industry in 1970 working in a footwear chain store in Philadelphia and have since held various positions in several companies across Europe, Asia and South America. In 1979, Mr. Torchin built his first shoe company, an Italian-manufacturing footwear company, Eclisse Footwear Company, which was thereafter sold to G.H. Bass & Company.

Mr. Torchin was the founder and a principal of Larry Stuart Ltd., a premium brand of women’s footwear, which was acquired by Brown Shoe Company in 1995. Mr. Torchin was the President of MTI from 1999 to 2003, which sources and designs footwear for many branded companies and retailers in the United States of America. In 2008, Larry was brought in as a director for Donald J. Pliner (DJP) and which he was also involved in its sale to a private equity firm.

Mr. Torchin currently holds multiple positions across different companies, including being the founder and chief executive officer of LT Group Investment, and principal of Calson Investment Limited since 2003, the advisor for Eclo Technology, and chief executive officer of Traction Design group since 2021.

Saved as disclosed in this section, Mr. Torchin is not connected with any other Directors or members of the senior management of our Company.

Larry Stuart Torchin 先生（「Torchin 先生」），73 歲，本公司執行董事。Torchin 先生於 2022 年 9 月 30 日獲委任為執行董事。彼負責本集團的鞋履銷售及營銷業務。

Torchin 先生於鞋履及服裝行業擁有超過 50 年經驗。彼於 1970 年入行，任職於費城一間連鎖鞋店，此後於歐洲、亞洲及南美洲多家公司擔任各種職位。於 1979 年，Torchin 先生成立名下第一間鞋履公司，即意大利製鞋履公司 Eclisse Footwear Company，隨後將該公司出售予 G.H. Bass & Company。

Torchin 先生為 Larry Stuart Ltd. 的創辦人及負責人，該公司為優質女裝鞋履品牌，於 1995 年被 Brown Shoe Company 收購。於 1999 年至 2003 年，Torchin 先生擔任 MTI 總裁，該公司為美國多間品牌公司及零售商採購及設計鞋履。於 2008 年，Torchin 先生應邀出任 Donald J. Pliner (DJP) 董事，並參與該公司向一間私募股權公司賣盤。

Torchin 先生現時於不同公司擔任多項職務，包括 LT Group Investment 的創辦人兼行政總裁，並自 2003 年起擔任 Calson Investment Limited 的負責人，出任 Eclo Technology 的顧問，以及自 2021 起擔任 Traction Design 集團的行政總裁。

除本節所披露者外，Torchin 先生與本公司任何其他董事或高級管理層成員概無關連。

Biographical Details of Directors

董事履歷詳情

Ms. Tsoi Lam Ki (蔡琳琪) (“Ms. Tsoi”), aged 30, is an executive Director of the Company. Ms. Tsoi was appointed as an executive Director of the Company on 31 October 2023. She is in charge of business development and also responsible for managing product design and development, management of supply chain and enhancement of the operation procedure and efficiency.

Ms. Tsoi has 8 years of experience in the merchandising industry. Ms. Tsoi has worked in Calson Investment Limited from 2016 to 2021, a footwear distribution enterprise supplying leather, textile shoes, sandals, etc. to customers worldwide. Since 2021, she has been the director of Hope Faith Limited, a wholly owned subsidiary of the Company. Ms. Tsoi is also the legal representative and an executive director of Putian Yingchuang Trading Company Limited* (莆田盈創貿易有限公司), a wholly owned subsidiary of the Company, a company incorporated in the People's Republic of China with limited liability.

Ms. Tsoi obtained a Degree of Bachelor of Business Administration from Loyola Marymount University, the United States of America, in 2015.

Ms. Tsoi is the daughter of Mr. Tsoi, the chairman of the Board and the controlling shareholder of the Company.

Saved as disclosed in this section, Ms. Tsoi is not connected with any other Directors or members of the senior management of our Company.

蔡琳琪女士（「蔡女士」），30歲，本公司執行董事。蔡女士於2023年10月31日獲委任為本公司執行董事。彼負責本集團的商務拓展，同時負責管理產品設計與開發、供應鏈管理及提升營運程序與效率。

蔡女士在商品銷售行業擁有8年經驗。蔡女士於2016年至2021年期間任職於啓星投資有限公司，該公司是一家向全球客戶供應皮革、紡織鞋履、涼鞋等的鞋履分銷企業。自2021年起，彼擔任合誠有限公司的董事，該公司為本公司的一間全資附屬公司。蔡女士亦為本公司全資附屬公司莆田盈創貿易有限公司（一家於中華人民共和國註冊成立的有限公司）的法定代表人及執行董事。

蔡女士於2015年取得美國羅耀拉瑪麗蒙特大學之工商管理學士學位。

蔡女士為本公司董事會主席兼控股股東蔡先生的女兒。

除本節所披露者外，蔡女士與本公司任何其他董事或高級管理層成員概無關連。

* For identification purpose only

* 僅供識別

Biographical Details of Directors

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chow Kit Ting (周傑霆) (“Mr. Chow”), aged 39, was appointed as our independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee on 16 December 2020. Mr. Chow is primarily responsible for supervising the management of our Group independently.

Mr. Chow has over 15 years’ experience in the fields of auditing, accounting, corporate finance, compliance and company secretarial. He worked for an international accounting firm and various private or listed companies as financial controller and company secretary. From July 2018 to July 2021, Mr. Chow worked as an independent non-executive director at USPACE Technology Group Limited (formerly known as Eternity Technology Holdings Limited), a company whose shares are listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 1725.HK). He has been the company secretary of Investech Holdings Limited, a company whose shares are listed on the Stock Exchange (Stock Code: 1087.HK) since January 2023. He has been the company secretary of Plus Group Holdings Limited, a company whose shares are listed on the Stock Exchange (Stock Code: 2486.HK) since May 2023.

Mr. Chow obtained a bachelor’s degree of commerce in accounting from Macquarie University, Australia, in November 2007, and an EMBA degree from Chinese University of Hong Kong (香港中文大學) in November 2021. He was accredited as a Certified Public Accountant in CPA Australia and as a member of the Hong Kong Institute of Certified Public Accountants in September 2011 and May 2015, respectively.

Saved as disclosed in this section, Mr. Chow is not connected with any other Directors or members of the senior management of our Company.

獨立非執行董事

周傑霆先生(「周先生」)，39歲，於2020年12月16日獲委任為獨立非執行董事、審核委員會主席及薪酬委員會成員。周先生主要負責獨立監督本集團管理。

周先生於審計、會計、企業融資、合規及公司秘書領域擁有逾15年經驗。他曾於一間國際會計師事務所及多間私人或上市公司擔任財務總監及公司秘書。於2018年7月至2021年7月，周先生於洲際航天科技集團有限公司(前稱恒達科技控股有限公司)擔任獨立非執行董事，該公司股份於香港聯合交易所有限公司(「聯交所」)上市(股份代號：1725)。自2023年1月起，彼一直於威訊控股有限公司擔任公司秘書，該公司股份於聯交所上市(股份代號：1087)。自2023年5月起，彼一直擔任普樂師集團控股有限公司的公司秘書，該公司的股份於聯交所上市(股份代號：2486.HK)。

周先生於2007年11月獲得麥考瑞大學會計學商學士學位，並於2021年11月獲得香港中文大學工商管理碩士學位。彼分別於2011年9月及2015年5月獲認可為澳洲會計師公會會員及香港會計師公會會員。

除本節所披露者外，周先生與本公司任何其他董事或高級管理層成員概無關連。

Biographical Details of Directors

董事履歷詳情

Dr. Chiu Kwok Hung, Justin (趙國雄) (“Dr. Chiu”), aged 73, was appointed as our independent non-executive Director, a member of the Remuneration Committee, Audit Committee and the Nomination Committee on 30 September 2022. Dr. Chiu is primarily responsible for supervising the management of our Group independently.

Dr. Chiu has more than 40 years of international experience in real estate in Hong Kong and overseas. Dr. Chiu joined the CK Group in 1997 and has been an executive director since February 2015 and an executive committee member since June 2015 of CK Asset Holdings Limited, a company listed on the Stock Exchange (stock code: 1113), heading the real estate sales, marketing and property management teams. Dr. Chiu is a director of certain companies controlled by certain substantial shareholders of CK Asset Holdings Limited within the meaning of Part XV of the SFO. Dr. Chiu is also the chairman of ARA Asset Management (Prosperity) Limited as the manager of Prosperity REIT, a company listed on the Stock Exchange (stock code: 808); a non-executive director of ARA Asset Management (Fortune) Limited as the manager of Fortune REIT, a company listed on the Stock Exchange (stock code: 778); and a non-executive director of ESR Group Limited (formerly known as ESR Cayman Limited), a company listed on the Stock Exchange (stock code: 1821).

Dr. Chiu is a Fellow of The Royal Institution of Chartered Surveyors, a Council Member and a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators, a Vice Chairman of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a member of the Singapore Management University International Advisory Council in China, an Adjunct Professor and a member of the Advisory Committee of the School of Business of Hong Kong Baptist University and a Senior Departmental Fellow of the Department of Land Economy at University of Cambridge, the United Kingdom. Dr. Chiu was previously an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-sen University and a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China.

Saved as disclosed in this section, Dr. Chiu is not connected with any other Directors or members of the senior management of our Company.

趙國雄博士（「趙博士」），73歲，於2022年9月30日獲委任為獨立非執行董事、薪酬委員會、審核委員會及提名委員會成員。趙博士主要負責獨立監督本集團的管理。

趙博士於香港及海外累積超過40年的國際房地產業務經驗。趙博士於1997年加入長江集團，自2015年2月起擔任執行董事，並自2015年6月起擔任聯交所上市公司長江實業集團有限公司（股份代號：1113）的執行委員會委員，率領房地產銷售、營銷及物業管理團隊。趙博士為長江實業集團有限公司若干主要股東（定義見證券及期貨條例第XV部）所控制的若干公司之董事。趙博士亦擔任聯交所上市公司泓富產業信託（股份代號：808）管理人泓富資產管理有限公司的主席；聯交所上市公司置富產業信託（股份代號：778）管理人置富資產管理有限公司的非執行董事；以及聯交所上市公司ESR Group Limited（前稱ESR Cayman Limited）（股份代號：1821）的非執行董事。

趙博士為皇家特許測量師學會資深會員、香港董事學會理事及資深會員、香港地產行政師學會資深會員、香港浸會大學基金董事局副主席、加拿大Trent University工商管理學系名譽院士、新加坡管理大學於中國成立之國際諮詢理事會之成員、香港浸會大學工商管理學院客席教授及諮詢委員會成員，以及英國劍橋大學土地經濟學系高級學系院士。趙博士曾為中山大學藥學院名譽教授及中國人民政治協商會議上海市第十二屆委員會常務委員。

除本節所披露者外，趙博士與本公司任何其他董事或高級管理層成員概無關連。

Biographical Details of Directors

董事履歷詳情

Mr. Chan Hoi Shan (陳海山) (“Mr. Chan”), aged 67, was appointed as our independent non-executive Director, the chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee on 30 September 2022. Mr. Chan is primarily responsible for supervising the management of our Group independently.

Mr. Chan has over 40 years of experience in the sales industry. He has worked in the sales team at Devie & Co. Limited in Hong Kong, and thereafter he served as the sales manager at Hüls Far East Co., Ltd in Hong Kong, both of which were principally engaged in chemical trading business. He is currently the director of Goldward Fine Chemicals Ltd which is principally engaged in trading of chemical products.

Saved as disclosed in this section, Mr. Chan is not connected with any other Directors or members of the senior management of our Company.

陳海山先生(「陳先生」)，67歲，於2022年9月30日獲委任為獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員。陳先生主要負責獨立監督本集團的管理。

陳先生於銷售行業具備超過40年經驗。彼曾任職Devie & Co. Limited的香港銷售團隊，其後擔任Hüls Far East Co., Ltd的香港銷售經理，該兩間公司主要從事化學品貿易業務。彼目前為金和精化有限公司的董事，該公司主要從事化工產品貿易。

除本節所披露者外，陳先生與本公司任何其他董事或高級管理層成員概無關連。

Corporate Governance Report

企業管治報告

The Board recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its shareholders as a whole. The Company has adopted a set of corporate governance practices which aligns with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of The Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The Company has also established whistleblowing channels for external parties to raise concerns in relation to possible misconduct of the Group, its employees or Directors in a confidential or anonymous manner, or both. The Board has delegated authority to the Audit Committee to review the Group Anti-Bribery and Anti-Corruption Policy and the Group Whistleblowing Policy periodically and receive updates on matters concerning breaches of the Group Anti-Bribery and Anti-Corruption Policy and whistleblowing disclosures.

The Company has complied with the code provisions set out in the CG Code during the Reporting Period.

The Board will continue to review and improve the corporate governance practices of the Group to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code for the Reporting Period.

CORPORATE GOVERNANCE DUTIES

The Board is responsible for performing the corporate governance duties as set out in code provision A.2.1 of the CG Code. During the Reporting Period, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

董事會深知良好的企業管治對提升本公司的管理水平及保障股東整體利益至為重要。本公司已採納一套企業管治常規，符合聯交所證券上市規則（「上市規則」）附錄C1所載的企業管治守則（「企業管治守則」）的守則條文。

本公司已為外部方設立舉報渠道，供其以保密及／或匿名的方式就本集團、本集團僱員或董事涉嫌可能不恰當行為提出關注。董事會已指定授權審核委員會定期審視本集團反賄賂和反貪污政策，以及本集團舉報政策，並接獲有關違反本集團反賄賂和反貪污政策及舉報披露事宜的最新進展。

本公司於報告期間已遵守企業管治守則所載的守則條文。

董事會將繼續檢討及改善本集團的企業管治常規，以確保遵守企業管治守則。

上市發行人董事進行證券交易的標準守則（「標準守則」）

本公司已採納上市規則附錄C3載述的標準守則作為其有關董事進行證券交易的操守守則。經本公司作出具體查詢後，全體董事確認，彼等於報告期間已遵守標準守則所載的規定標準。

企業管治職責

董事會負責履行企業管治守則的守則條文第A.2.1條所載的企業管治職責。於報告期間，董事會已檢討及討論本集團的企業管治政策，並信納本集團的企業管治政策的成效。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Tsoi Wing Sing is the chairman of the Board and executive Director, who has a pivotal role to the Board in relation to the management, strategic planning and overall budget of our Group.

The Company has not appointed any chief executive officer. The daily operation and management of the Company is monitored by the executive Directors. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company's strategies.

CG Code provision C.2.7 stipulates that the chairman should at least annually hold meetings with independent non-executive directors without the presence of other directors. During the Reporting Period, the Company has conducted such meeting.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance, business and corporate governance. Their skills, expertise and number in the Board ensure that strong independent views and judgement are brought in the Board's deliberations and that such views and judgement carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of the Company and its shareholders.

The Company annually assesses the independence of each independent non-executive Director during their terms of appointment. The Company received written annual confirmation from each independent non-executive Director of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors to be independent.

主席及行政總裁

企業管治守則條文第C.2.1條規定，主席及行政總裁的角色應加以區分，不應由同一人擔任。

蔡榮星先生為董事會主席兼執行董事，在本集團的管理、策略規劃及整體預算方面，對董事會具有舉足輕重的作用。

本公司尚未委任任何行政總裁。本公司的日常營運及管理均由執行董事監控。董事會認為現時架構更適合本公司，因為可促進本公司戰略的有效制定及實施。

企業管治守則條文第C.2.7條規定，主席應在沒有其他董事出席的情況下，至少每年與獨立非執行董事舉行會議。於報告期間，本公司已經舉行有關會議。

獨立非執行董事

獨立非執行董事為高技能專業人士，具備會計、財務、商業及企業管治領域的廣泛專長及經驗。彼等於董事會中的技能、專業知識及所佔人數肯定為董事會的分析帶來務實獨立的意見與判斷，而該意見及判斷於董事會的決策過程甚具分量。彼等的存在及參與亦令董事會可繼續高度遵守財務及其他強制性申報規定，並在維護本公司及其股東利益上發揮適當的制衡作用。

本公司每年評估各獨立非執行董事於任期內的獨立性。根據上市規則第3.13條，本公司已收到各獨立非執行董事有關其獨立性的年度書面確認書。本公司認為全體獨立非執行董事均屬獨立。

THE BOARD

The Board currently comprises four executive Directors and three independent non-executive Directors. The Board's composition during the Reporting Period and as at the date of this annual report is set out as follows:

Executive Directors

Name 姓名	Age 年齡	Gender 性別	Date of joining the Group 加入本集團日期	Roles and responsibilities 角色及職責
Mr. Tsoi Wing Sing 蔡榮星先生	62 62歲	Male 男	30 September 2022 2022年9月30日	Overseeing the strategic planning and overall budget of our Group 監察本集團的策略規劃及整體預算
Mr. Lin Minqiang 林民強先生	68 68歲	Male 男	23 January 2006 2006年1月23日	Overseeing the management, strategic planning and overall budget of the business of dyeing services and manufacturing of lace of our Group 監察本集團花邊染整服務及製造業務的管理、策略規劃及整體預算
Mr. Larry Stuart Torchin Larry Stuart Torchin先生	73 73歲	Male 男	30 September 2022 2022年9月30日	Overseeing sales and marketing of the footwear business of our Group 監察本集團的鞋履銷售及營銷業務
Ms. Tsoi Lam Ki ⁽ⁱ⁾ 蔡琳琪女士 ⁽ⁱ⁾	30 30歲	Female 女	1 December 2021 2021年12月1日	Overseeing business development, management of product design and development, management of supply chain, and enhancement of the operation procedures and efficiency of our Group 監察本集團的商務拓展，產品設計與開發管理，供應鏈管理及提升營運程序與效率

⁽ⁱ⁾ Ms Tsoi Lam Ki had obtained the legal advice on 31 October 2023 referred to in Listing Rule 3.09D, and she has confirmed she understood her obligations as a director of a listed issuer.

董事會

董事會目前由四名執行董事及三名獨立非執行董事組成。董事會於報告期間及本年報日期的組成載列如下：

執行董事

⁽ⁱ⁾ 蔡琳琪女士於2023年10月31日取得上市規則第3.09D條法律建議，且彼已確認明白身為上市發行人的董事責任。

Independent Non-executive Directors

獨立非執行董事

Name 姓名	Age 年齡	Gender 性別	Date of joining the Group 加入本集團日期	Roles and responsibilities 角色及職責
Mr. Chow Kit Ting 周傑靈先生	39	Male 男	16 December 2020 2020年12月16日	Supervising and providing independent advice to our Group; serves as the chairman of the Audit Committee; serves on the Remuneration Committee 監督本集團及向其提供獨立意見；擔任審核委員會主席；擔任薪酬委員會成員
Dr. Chiu Kwok Hung, Justin 趙國雄博士	73	Male 男	30 September 2022 2022年9月30日	Supervising and providing independent advice to our Group; serves on the Remuneration Committee, the Audit Committee and the Nomination Committee 監督本集團及向其提供獨立意見；擔任薪酬委員會、審核委員會及提名委員會成員
Mr. Chan Hoi Shan 陳海山先生	67	Male 男	30 September 2022 2022年9月30日	Supervising and providing independent advice to our Group; serves as the chairman of the Remuneration Committee, serves on the Audit Committee and the Nomination Committee 監督本集團及向其提供獨立意見；擔任薪酬委員會主席、審核委員會及提名委員會成員

Biographical details of the members of the Board and relationship between members of the Board are set out in the section headed "Biographical Details of Directors" in this annual report.

董事會成員的履歷詳情及董事會成員之間的關係載於本年報「董事履歷詳情」一節。

Corporate Governance Report 企業管治報告

The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as the executive Directors possess extensive experience in managing the Group's business operations; and professional knowledge in the fabrics weaving industry, dyeing industry, and footwear industry while the three independent non-executive Directors possess professional knowledge and broad experience in accounting, finance, business and corporate governance. The Directors are of the opinion that the current Board structure can ensure the independence and objectivity of the Board and also safeguard the interests of the Company and its shareholders.

During the Reporting Period, the Board at all times met the requirement of the Listing Rules of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

DELEGATION BY THE BOARD

The Board is responsible for the leadership and control of the Company. It oversees the Group's business, strategic decisions, financial performance and internal controls and it is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board shall make decisions objectively in the interests of the Company and its shareholders. Daily business operations and management, inter alia, the implementation of strategies are delegated to the executive Directors along with other senior management. They report periodically to the Board their work and business decisions.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of Mr. Tsoi Wing Sing, Mr. Larry Stuart Torchin, Dr. Chiu Kwok Hung, Justin and Mr. Chan Hoi Shan has signed a letter of appointment with our Company up to a term of three years commencing from 30 September 2022. Each of Mr. Lin Minqiang and Mr. Chow Kit Ting has signed a letter of appointment with our Company up to a term of three years which commenced from 16 December 2020 and Mr. Chow Kit Ting renewed his appointment on 30 September 2022. Ms. Tsoi Lam Ki has signed a letter of appointment with our Company up to a term of three years commencing from 31 October 2023. These appointments may be terminated in accordance with the terms of the letter of appointment.

董事會相信，由於執行董事於管理本集團業務運營方面擁有豐富的經驗；及具備布料織造行業、染整行業及鞋履行業的專業知識，而三名獨立非執行董事具備會計、財務、商業及企業管治領域的專業知識及廣泛經驗，因此董事會組成反映本集團在業務發展及有效領導所需的必要技能與適當經驗兩者之間的平衡。董事會認為，現時董事會架構可確保董事會的獨立性及客觀性，亦能保障本公司及其股東的利益。

於報告期間，董事會始終符合上市規則關於至少須有三名獨立非執行董事（至少佔董事會三分之一），並且其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專長的規定。

董事會授權

董事會負責領導及控制本公司，監察本集團的業務、策略決策、財務業績及內部控制，亦共同負責指導及監督本公司的事務，促進本公司的成功。董事會須客觀地作出符合本公司及其股東利益的決策。執行董事連同其他高級管理層獲授權日常業務運營及管理，其中包括策略實施。彼等定期向董事會匯報其工作及業務決策。

委任、重選及罷免董事

蔡榮星先生、Larry Stuart Torchin先生、趙國雄博士和陳海山先生已各自與本公司簽署委任函，自2022年9月30日起，為期三年。林民強先生及周傑靈先生已各自與本公司簽署委任函，自2020年12月16日起，為期三年，周傑靈先生於2022年9月30日重續其委任。蔡琳琪女士已與本公司簽署委任函，自2023年10月31日起，為期三年。此等委任可根據委任函的條款終止。

Corporate Governance Report 企業管治報告

Pursuant to article 108 of the articles of association of the Company (the “**Articles**”), at each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to article 112 of the Articles, at any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in a general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of our Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of our Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place.

Pursuant to articles 108 and 112 of the Articles, Mr. Tsoi Wing Sing, Mr. Lin Mingqiang and Ms. Tsoi Lam Ki will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting (“**AGM**”).

根據本公司的組織章程細則（「**細則**」）第108條，於每屆股東週年大會上，當時在任的三分之一董事須輪值退任。然而，倘董事人數並非為三的倍數，則退任董事人數為最接近但不少於三分之一的人數。每年退任的董事應為自彼等上次重選或獲委任起計任期最長者，惟倘不同人士於同日成為或於上次獲重選為董事，則以抽籤決定何者退任（除非彼等私下另有協定）。

根據細則第112條，董事會有權隨時或不時委任任何人士為董事，以填補董事會臨時空缺或增加現有董事會人數，惟須受股東於股東大會上可能釐定的任何董事人數上限（如有）所規限。任何就此獲委任以填補臨時空缺的董事任期僅至其獲委任後的本公司首屆股東大會為止，屆時須於有關大會上重選連任。任何就此獲委任以增加現有董事會人數的董事任期僅至其獲委任後的本公司首屆股東週年大會為止，並符合資格於有關大會上重選連任。於釐定將於股東週年大會上輪值退任的董事人選或董事數目時，任何就此獲董事會委任的董事不得計算在內。

本公司可通過普通決議案罷免任何任期仍未屆滿的董事（惟不妨礙有關董事就其與本公司所訂立任何合約遭違反而可能提出的任何索償），且本公司可通過普通決議案委任另一名人士填補有關空缺。

根據細則第108及112條，蔡榮星先生、林民強先生及蔡琳琪女士將於應屆股東週年大會（「**股東週年大會**」）上退任，惟彼等符合資格並願意應選連任。

BOARD DIVERSITY POLICY

To enhance the effectiveness of our Board and to maintain high standard of corporate governance, the Company has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of the Board. The Board Diversity Policy sets out the criteria in selecting candidates to the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Company is also committed to adopting a similar approach to promote diversity of the management (including but not limited to the senior management) to enhance the effectiveness of corporate governance. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of fabrics weaving and dyeing, footwear business, auditing and accounting and business administration. Furthermore, the Directors range from 30 years old to 73 years old, and comprise 6 males and 1 female.

The Nomination Committee is responsible for ensuring the diversity of Board members and compliance with relevant codes governing board diversity under the CG Code. The Nomination Committee will review the Board Diversity Policy and diversity profile (including gender balance) from time to time to ensure its continued effectiveness. The Nomination Committee will discuss any revision that may be required and recommend any such revisions to the Board. The Company will also disclose in the corporate governance report on the Board’s composition under diversified perspectives on an annual basis.

董事會多元化政策

為提高董事會成效及保持高水平的企業管治，本公司已採納董事會多元化政策（「**董事會多元化政策**」），當中載列為達致及保持董事會多元化的目標及措施。董事會多元化政策列明挑選董事會候選人的標準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。最終將按候選人的長處及可為董事會帶來的貢獻而作決定。

本公司亦致力於採用類似方式促進管理層（包括但不限於高級管理層）多元化，以提升企業管治的成效。董事之間的知識及技能均衡搭配，包括布料織造及染整、鞋履業務、審計及會計及業務管理領域的知識及經驗。此外，董事介乎30歲至73歲，包括6名男士及1名女士。

提名委員會負責確保董事會成員多元化及遵守企業管治守則中規管董事會多元化的相關守則。提名委員會將不時檢討董事會多元化政策及多元化情況（包括性別均衡），確保其維持效力。提名委員會將討論任何可能須作出的修訂，並向董事會提出修訂的推薦建議。本公司亦會每年於企業管治報告中根據多元化觀點披露董事會組成。

NOMINATION POLICY

The Company has adopted a nomination policy (the “**Nomination Policy**”) for the Nomination Committee to consider and make recommendations on suitable candidates for directorship.

Selection criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) reputation for integrity;
- (2) accomplishment and experience in the business in which the Group is engaged in;
- (3) commitment in respect of available time and relevant interest;
- (4) diversity in all its aspects, including but not limited to race, gender, age (18 years or above), cultural and educational background and length of service;
- (5) qualifications which include professional qualifications, skills, knowledge and industry experience that are relevant to the Company’s business and corporate strategy;
- (6) the number of existing directorships and other commitments that may demand the attention of the candidate;
- (7) requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules;
- (8) Board Diversity Policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and
- (9) such other perspectives appropriate to the Company’s business.

The aforesaid factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person as it considers appropriate.

提名政策

本公司已為提名委員會採納提名政策（「**提名政策**」），以考慮合適的董事候選人並提出推薦建議。

甄選標準

於評估建議候選人適合與否時，提名委員會將使用下列因素作為參考：

- (1) 誠信聲譽；
- (2) 於本集團所從事業務方面的成就及經驗；
- (3) 可投入時間及相關事務關注的承諾；
- (4) 各方面的多元化，包括但不限於種族、性別、年齡（18歲或以上）、文化及教育背景以及服務年限；
- (5) 資歷，包括與本公司業務及企業策略相關的專業資格、技能、知識及行業經驗；
- (6) 現有董事人數以及需有關候選人專注履行的其他承諾；
- (7) 上市規則關於董事會須設有獨立非執行董事的規定，及候選人參照上市規則第3.08、3.09及3.13條所載的獨立性指引是否屬獨立人士；
- (8) 本公司的董事會多元化政策及提名委員會為達到董事會多元化而採納的任何可計量目標；及
- (9) 對本公司業務而言屬適當的其他方面。

上述因素僅供參考，並不旨在涵蓋所有因素，亦不具決定性作用。提名委員會可酌情提名其認為合適的任何人士。

Procedures for nominating director

Subject to the provisions in the Articles and the Listing Rules, if the Board recognises the need for an additional Director or a member of senior management, the following procedures will be followed:

- (1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;
- (2) The Nomination Committee and/or the company secretary of the Company will provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Law of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;
- (3) The Nomination Committee will make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;
- (4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;
- (5) In the case of the appointment of an independent non-executive director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and
- (6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

提名董事程序

在細則及上市規則條文的規限下，如董事會認定需要新增董事或高級管理人員，則須遵循以下程序：

- (1) 提名委員會及／或董事會將根據甄選標準所載標準確定潛在候選人（可能在外部機構及／或顧問協助下進行）；
- (2) 提名委員會及／或本公司的公司秘書將向董事會提供候選人個人履歷詳情，及候選人與本公司及／或董事之間關係的詳情、所擔任董事職務、技能與經驗、投入大量時間的其他職位，及上市規則、開曼群島公司法及其他監管規定董事會任命任何候選人須提供的其他詳情；
- (3) 提名委員會將就建議候選人及委任的條款及條件向董事會提出推薦建議；
- (4) 提名委員會應確保建議候選人將能加強董事會的多元化，尤其要關注性別平衡；
- (5) 就委任獨立非執行董事而言，提名委員會及／或董事會應獲取有關建議董事的所有資料，使董事會根據上市規則第3.08、3.09及3.13條（經聯交所可能不時作出的任何修訂）所載因素充分評估董事的獨立性；及
- (6) 董事會其後將根據提名委員會的推薦建議進行商討並決定是否委任。

Monitoring and reporting

The Nomination Committee monitors the implementation of the Nomination Policy and reports to the Board annually.

PROCEEDINGS OF GENERAL MEETINGS, BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meeting and proceedings as it thinks fit and may determine the quorum necessary for the transaction of business. An AGM shall be called by at least 21 days' notice in writing, and a general meeting of the Company, other than an AGM, shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

A meeting of the Board or any committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting.

A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution).

At least four regular Board meetings involving active participation, either in person or through electronic means of communication, of a majority of Directors will be held at approximately quarterly intervals in each financial year to comply with code provision C.5.1 of the CG Code. All Directors will have the opportunity to include matters in the agenda for the regular board meetings. Written notice of at least 14 days will be given of a regular board meeting to all Directors, and agenda and accompanying board papers will be sent to all Directors at least 3 days before the intended date of meeting. Five Board meetings were held during the Reporting Period.

監察及匯報

提名委員會監察提名政策的執行情況，並每年向董事會匯報。

股東大會、董事會會議及董事會委員會會議的議事程序

董事會可按其認為合適的方式召開會議處理事務、續會及以其他方式規管其會議及議事程序，並可釐定處理事務所需的法定人數。本公司召開股東週年大會，須有為期最少21個完整營業日的書面通知，而除股東週年大會外，本公司的其他股東大會亦須有為期最少14日的書面通知，方可召開。通知期並不包括送達或視作送達當日，亦不包括發出通知當日，且通知須列明舉行會議的時間、地點及議程以及將於會上審議的決議案的詳情，倘有特別事項，則須說明有關事項的一般性質。

董事會或董事會轄下任何委員會可透過電話、電子或其他通訊設備（必須讓全體與會人士互相聆聽）舉行會議。

董事不得就有關其或其任何緊密聯繫人擁有重大權益的任何合約或安排或建議的任何董事會決議案投票或計入法定人數內，而倘董事就任何上述決議案投票，彼就該項決議案的投票將不計算在內，且該董事將不計入法定人數。

為遵守企業管治守則守則條文第C.5.1條，本公司將於各財政年度舉行至少四次定期董事會會議，大約每季一次，且相關會議將有過半數董事親身出席或以電子通訊方式積極參與。全體董事均將有機會將事項加入定期董事會會議的議程。定期董事會會議將至少提前14天書面通知全體董事，並且議程及隨附董事會文件將於會議擬定日期前至少3天發送予全體董事。本公司於報告期間舉行五次董事會會議。

Corporate Governance Report 企業管治報告

The attendance records of each Director at the Board and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

於報告期間，各董事於本公司舉行的董事會及董事會委員會會議的出席記錄載於下表：

Name of Directors 董事姓名		Attendance/Number of Meetings 出席次數／會議次數			
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會
Executive Directors 執行董事					
Mr. Tsoi Wing Sing	蔡榮星先生	5/5	–	1/1	–
Mr. Lin Minqiang	林民強先生	5/5	–	–	–
Mr. Larry Stuart Torchin	Larry Stuart Torchin 先生	5/5	–	–	–
Ms. Tsoi Lam Ki (appointed on 31 October 2023)	蔡琳琪女士(於2023年10月31日獲委任)	1/1	–	–	–
Ms. Jian Xuegen (resigned on 31 October 2023)	簡雪良女士(於2023年10月31日辭任)	4/4	–	–	–
Independent Non-Executive Directors 獨立非執行董事					
Mr. Chow Kit Ting	周傑霆先生	5/5	3/3	–	1/1
Dr. Chiu Kwok Hung, Justin	趙國雄博士	5/5	3/3	1/1	1/1
Mr. Chan Hoi Shan	陳海山先生	5/5	3/3	1/1	1/1

The management has been providing all members of the Board a monthly update in accordance with code provision D.1.2 of the CG Code.

管理層已根據企業管治守則的守則條文第D.1.2條向董事會全體成員提供每月更新。

BOARD COMMITTEES

The Board has established three committees, namely the audit committee (“**Audit Committee**”), the remuneration committee (“**Remuneration Committee**”) and the nomination committee (“**Nomination Committee**”), for overseeing particular aspects of the Company’s affairs. All committees have been established with defined written terms of reference, which were posted on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.starshineholdings.com). All committees should report to the Board on their decisions or recommendations made. All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

董事會委員會

董事會已成立三個委員會，即審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」），以監察本公司事務的特定方面。所有委員會均設有特定書面職權範圍，分別刊載於聯交所網站(www.hkex.com.hk)及本公司網站(www.starshineholdings.com)。所有委員會須向董事會匯報其作出的決定或推薦建議。所有委員會均獲提供充足資源以履行其職責，並可於適當情況下提出合理要求以尋求獨立專業意見，費用由本公司支付。

Audit Committee

The Group established the Audit Committee on 16 December 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

The Audit Committee is chaired by Mr. Chow Kit Ting, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules and have two other members, namely Dr. Chiu Kwok Hung, Justin and Mr. Chan Hoi Shan.

The primary duties of the Audit Committee include, but are not limited to, the following: (i) assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group; (ii) overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (iii) developing and reviewing the policies and practices on corporate governance; (iv) making recommendations to the Board; and (v) ensuring that good corporate governance practices and procedures are established.

During the Reporting Period, the Audit Committee held three meeting and the work performed by the Audit Committee was summarised as follows:

- (1) reviewed the Company's interim results and annual results;
- (2) reviewed the findings and recommendations from external auditors;
- (3) reviewed the independence and engagement of the external auditors;
- (4) reviewed the audit plan, the development in new accounting standards and their impact on the Group's financial performance and position;
- (5) reviewed the adequacy of resources, qualifications and experience of staff in the Group's accounting and financial reporting functions;
- (6) reviewed the effectiveness of the Group's risk management and internal control systems;
- (7) reviewed the Company's corporate governance policies and practices;
- (8) reviewed the Group Anti-Bribery and Anti-Corruption Policy and the Group Whistleblowing Policy; and
- (9) reviewed and recommended for the Board's approval the appointment of the new auditor and related matters.

審核委員會

本集團於2020年12月16日根據上市規則第3.21條及企業管治守則第D.3段成立審核委員會，並訂明書面職權範圍。審核委員會的職權範圍可於聯交所及本公司網站查閱。

審核委員會主席為周傑霆先生，彼擁有上市規則第3.10(2)條及第3.21條規定的適當專業資格，另有兩名其他成員，即趙國雄博士及陳海山先生。

審核委員會的主要職責包括(但不限於)下列各項：
(i)協助董事會就本集團財務申報流程、內部控制及風險管理系統的有效性向董事會提供獨立意見；
(ii)監察審計流程以及履行董事會指派的其他職務及職責；
(iii)制定及檢討企業管治政策及慣例；
(iv)向董事會提出推薦建議；及
(v)確保設立良好的企業管治常規及程序。

於報告期間，審核委員會已舉行三次會議，審核委員會進行的工作概述如下：

- (1) 審閱本公司中期業績及全年業績；
- (2) 檢討外聘核數師的調查結果及推薦建議；
- (3) 檢討外聘核數師的獨立性及聘用；
- (4) 檢討審核計劃、新會計準則的發展及對本集團財務業績及狀況的影響；
- (5) 檢討本集團會計及財務報告職能的資源、員工資歷及經驗是否充足；
- (6) 檢討本集團風險管理及內部控制系統的成效；
- (7) 審視本公司企業管治政策及慣例；
- (8) 審視本集團反賄賂和反貪污政策以及本集團的舉報政策；及
- (9) 審視及建議董事會批准委任新外聘核數師及相關事宜。

Corporate Governance Report 企業管治報告

The Audit Committee has reviewed with the management of the Company the annual results and annual report of the Company for the Reporting Period, including accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the Reporting Period comply with applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

Remuneration Committee

The Company has established the Remuneration Committee on 16 December 2020 with written terms of reference in compliance with paragraph E of the CG Code. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee is chaired by Mr. Chan Hoi Shan, and have two other members, namely Mr. Chow Kit Ting and Dr. Chiu Kwok Hung, Justin.

The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to the Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all executive Directors and senior management and making recommendations to the Board on the remuneration of non-executive Directors; and (iii) reviewing and approving the management's remuneration proposal with reference to corporate goals and objectives resolved by the Board from time to time.

During the Reporting Period, the Remuneration Committee held one meeting to review the performance and remuneration packages and emoluments of the Directors and senior management and considered that they are fair and reasonable during the Reporting Period.

審核委員會已與本公司管理層審閱本公司於報告期間的全年業績及年報，包括本集團採納的會計原則及慣例，並對內部控制及財務報告事宜進行討論。審核委員會認為，本集團於報告期間的綜合財務報表符合適用會計準則及上市規則，並已作出充分披露。

薪酬委員會

本公司於2020年12月16日根據企業管治守則第E段成立薪酬委員會，並訂明書面職權範圍。薪酬委員會的職權範圍可於聯交所及本公司網站查閱。

薪酬委員會主席為陳海山先生，另有兩名其他成員，即周傑靈先生及趙國雄博士。

薪酬委員會的主要職責包括(但不限於)下列各項：(i)就全體董事及高級管理層的薪酬政策及架構以及建立有關制訂薪酬政策的正式透明程序向董事會提供推薦建議；(ii)釐定全體執行董事及高級管理層的特定薪酬待遇，並就非執行董事的薪酬向董事會提供推薦建議；及(iii)參考董事會不時議決的公司目標，審查及批准管理層的薪酬建議。

於報告期間，薪酬委員會已舉行一次會議，以檢討董事及高級管理層的表現以及薪酬待遇及酬金，並認為於報告期間屬公平合理。

Nomination Committee

The Company has established a Nomination Committee on 16 December 2020 with written terms of reference in compliance with paragraph B.3 of the CG Code. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

The Nomination Committee is chaired by Mr. Tsoi Wing Sing, and have two other members, namely Dr. Chiu Kwok Hung, Justin and Mr. Chan Hoi Shan.

The primary duties of our Nomination Committee include, but are not limited to, the following: (i) reviewing the structure, size and composition of the Board; (ii) assessing the independence of independent non-executive Directors; (iii) making recommendations to the Board on matters relating to the appointment and re-appointment of Director; and (iv) reviewing the Board Diversity Policy.

During the Reporting Period, the Nomination Committee held one meeting and the Nomination Committee reviewed the structure, size and composition of the Board, assessing the independence of independence non-executive Directors, identify individuals suitably qualified to become board members and make recommendations to the Board and reviewed the Board Diversity Policy and other matters of the Company.

DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) which aims to ensure sustainable development of its business operations and to provide a favorable return to its shareholders.

The declaration and payment of future dividends will be subject to the decision of the Board having regard to various factors, including but not limited to the Group’s business operation and financial performance, profitability, business development, prospect, capital requirements, and economic outlook. Declaration and payment of dividends is also subject to any applicable laws and the Articles. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Board in the future. Currently, the Group does not have a fixed dividend policy and does not have a pre-determined dividend distribution action.

The Board will review the Dividend Policy from time to time and may exercise its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as the Board thinks fit and necessary. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that any dividend will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

提名委員會

本公司於2020年12月16日根據企業管治守則第B.3段成立提名委員會，並訂明書面職權範圍。提名委員會的職權範圍可於聯交所及本公司網站查閱。

提名委員會主席為蔡榮星先生，另有兩名其他成員，即趙國雄博士及陳海山先生。

提名委員會的主要職責包括(但不限於)下列各項：(i)檢討董事會的架構、人數及組成；(ii)評估獨立非執行董事的獨立性；(iii)就委任及重新委任董事的事宜向董事會提供推薦建議；及(iv)檢討董事會多元化政策。

於報告期間，提名委員會已舉行一次會議，提名委員會檢討董事會的架構、人數及組成，評估獨立非執行董事的獨立性，物色合適、具備資成為董事會成員的人選，並向董事會作推薦建議，並檢討董事會多元化政策及本公司的其他事宜。

股息政策

本公司已採納股息政策(「**股息政策**」)，旨在確保其業務營運可持續發展，並為其股東提供可觀回報。

宣派及派付未來股息須由董事會決定，董事會會事先考慮多項因素，包括但不限於本集團的業務營運及財務表現、盈利能力、業務發展、前景、資本需求及經濟前景。宣派及派付股息亦受任何適用法律及細則所規限。過往分派的股息未必可作為日後董事會可能宣派或派付股息水平的參考或釐定基礎。目前，本集團並無固定的股息政策，亦無預先釐定的股息分派行動。

董事會將不時檢討股息政策，倘董事會認為合適或必要，可行使其全權酌情權隨時更新、修訂及／或修改股息政策。股息政策並非本公司就派付任何特定金額股息的具有法律約束力承諾及／或不會規定本公司於任何時間或不時宣派股息。

CORPORATE GOVERNANCE FUNCTION

The Board has delegated the corporate governance function to the Audit Committee, whose authorities include:

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

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

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to the CG Code provision C.1.4, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company recommends and/or arranges the Directors to participate in Director's training courses in order to develop and refresh their knowledge and skills. In addition, the Company also provides relevant reading materials to the Directors for their studying and reference. All Directors, namely Mr. Tsoi Wing Sing, Mr. Lin Minqiang, Mr. Larry Stuart Torchin, Ms. Tsoi Lam Ki, Mr. Chow Kit Ting, Dr. Chiu Kwok Hung, Justin and Mr. Chan Hoi Shan confirmed that they have complied with the CG Code provision C.1.4 during the Reporting Period by attending seminars and briefings and reading relevant materials.

企業管治職能

董事會已將企業管治職能授權予審核委員會，該等權限包括：

1. 制訂及檢討本公司的企業管治政策及常規；
2. 檢討及監察董事及高級管理層的培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
4. 制訂、檢討及監察適用於僱員及董事的行為守則及合規手冊(如有)；及
5. 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

企業管治政策的制定重點在於董事會質素、有效內部控制、嚴格披露慣例，以及對本公司所有股東的透明度及問責性。董事會致力遵守守則條文，並定期檢討其企業管治政策以維持高水平商業操守及企業管治，確保本集團營運全面符合適用法律及法規。

持續專業發展

根據企業管治守則條文第C.1.4條，全體董事應參與持續專業發展項目以發展及更新彼等的知識及技能，確保彼等對董事會作出明智及相關的貢獻。本公司推薦及／或安排董事參加董事培訓課程，以發展及更新其知識及技能。此外，公司亦提供相關閱讀資料供董事學習參考。全體董事(即蔡榮星先生、林民強先生、Larry Stuart Torchin先生、蔡琳琪女士、周傑靈先生、趙國雄博士及陳海山先生)於報告期間通過出席研討會和簡報會及閱讀相關材料確認其遵守了企業管治守則條文第C.1.4條。

AUDITOR'S REMUNERATION

PricewaterhouseCoopers resigned as auditor of the Company and Mazars CPA Limited was appointed as auditor of the Company to fill the casual vacancy, both with effect from 4 December 2023. During the Reporting Period, the remuneration paid or payable to the Company's auditor is set out below:

核數師薪酬

羅兵咸永道會計師事務所辭任本公司核數師一職，而中審眾環(香港)會計師事務所有限公司已獲委任為本公司核數師，以填補臨時空缺，兩者均於2023年12月4日起生效。於報告期間，向本公司核數師支付及應付的薪酬如下：

Services rendered	所提供的服務	Fee paid or payable 已付及應付費用 RMB'000 人民幣千元
PricewaterhouseCoopers	羅兵咸永道會計師事務所	
– Non-audit services	– 非審計服務	447
Mazars CPA Limited	中審眾環(香港)會計師事務所有限公司	
– Audit services	– 審計服務	895
– Non-audit services	– 非審計服務	45
		1,387

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Reporting Period. In preparing the consolidated financial statements for the Reporting Period, the Directors:

- assessed the reasonableness of preparing the consolidated financial statements taking into consideration the Group's financial performance, position, cash flows and liquidity ratios;
- selected suitable accounting policies and applied them consistently; and
- made judgements and estimates in a prudent, fair and reasonable manner.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on page 93 to page 102 of this annual report.

綜合財務報表的責任確認

董事確認彼等編製本公司於報告期間的財務報表的責任。編製於報告期間的綜合財務報表時，董事已：

- 根據本集團的財務表現、狀況、現金流量及流動資金比率，評估編製綜合財務報表的合理性；
- 挑選適當會計政策及貫徹應用該等政策；及
- 作出審慎、公平及合理的判斷及估計。

就董事所知，並無任何重大不明朗事件或情況可能會嚴重影響本公司持續經營能力。本公司獨立核數師就其對綜合財務報表的申報責任聲明載於本年報第93頁至102頁「獨立核數師報告」一節。

INTERNAL CONTROL

Risk management and internal control

The Group maintains an effective internal control and risk management system to safeguard the investment of the Company's shareholders and the Group's assets at all times.

The Directors acknowledge that they have overall responsibility for overseeing the Company's internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems will be conducted by the Board at least annually.

The Company has established the following risk management procedures to provide reasonable assurance against material errors, losses or fraud:

- (1) Identify risks: Identify major and significant risks that could affect the achievement of goals of the Group;
- (2) Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence; and
- (3) Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each function or operation are documented to communicate to the Board and management for reviews.

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

內部控制

風險管理及內部控制

本集團維持有效的內部控制及風險管理系統，始終保障本公司股東的投資及本集團的資產。

董事確認彼等全面負責監察本公司內部控制、財務監控及風險管理系統，並須監督其持續經營基準的有效性。董事會將至少每年對風險管理及內部控制系統的有效性進行審閱。

本公司設立以下風險管理程序，以對重大錯誤、損失或欺詐提供合理保證：

- (1) 識別風險：識別可能影響達成本集團目標的主要及重大風險；
- (2) 風險評估：根據已識別風險的可能影響及其出現的可能性作出評估及評核；及
- (3) 風險舒緩：策劃有效的監管活動，務求舒緩風險。

風險識別及評估會每年進行或更新，各職能或業務的風險評估、評核及舒緩結果會進行記錄，供董事會及管理層審閱。

然而，本集團的風險管理及內部控制系統的設計旨在管理而非消除未能達成業務目標的風險，僅可對重大失實聲明或損失提供合理而非絕對保證。

Corporate Governance Report 企業管治報告

A review on the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out by an independent consultancy company. The independent consultancy company has conducted analysis and independent assessment on the adequacy and the effectiveness of the internal control system and risk management of the Group, and has submitted the findings and recommendations to the Audit Committee and the Board. Over the Audit Committee meeting and Board meeting held on 28 March 2024, the Audit Committee and the Board reviewed the report issued by independent consultancy company and they are of the view that the internal control measures in place are adequate and effective to safeguard the interest of Company's shareholders and the Group's assets.

The Group does not have an internal audit function. Taking into account the size, nature and complexity of the Group's business, the Board have sufficient capacity to oversee the design and implementation of the risk management and internal control system and to assess its effectiveness, and accordingly there is no immediate need to set up an internal audit function within the Group.

The Group has implemented a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information. The policy provides guidelines to the Directors and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- (1) define the requirements of periodic financial and operational reporting to the Board to enable them to assess inside information and make timely disclosures, if necessary;
- (2) controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public; and
- (3) procedures of communicating with the Group's stakeholders in ways which are in compliance with the Listing Rules.

獨立顧問公司已對本公司的內部控制系統(包括財務、運營及合規控制以及風險管理職能)進行審閱。獨立顧問公司已對本集團內部控制系統及風險管理的充分性及有效性進行分析及獨立評估，並已向審核委員會及董事會遞交調查結果及推薦建議。於2024年3月28日舉行的審核委員會會議及董事會會議上，審核委員會及董事會審閱獨立顧問公司發出的報告，彼等認為，已制定的內部控制措施屬充分有效，可保障本公司股東及本集團資產的利益。

本集團並無內部審核職能。經考慮本集團業務的規模、性質及複雜程度，董事會擁有充足的能力監督風險管理及內部控制系統的設計及實施，並可評估其有效性，因此毋須即時於本集團建立內部審核職能。

本集團已實施有關內幕消息披露的政策，其中載有處理及發佈內幕消息的程序及內部控制。該政策為本集團董事及所有相關僱員提供指導方針，確保存在適當的保障措施，防止本公司違反法定披露要求。其亦載有適當的內部控制及報告系統，以識別及評估潛在內幕消息。

採取的主要程序包括：

- (1) 向董事會界定定期財務及經營報告要求，以使彼等能夠評估內幕消息及進行及時披露(倘需要)；
- (2) 按須知基準控制僱員獲悉內幕消息的途徑，向公眾恰當披露前確保內幕消息絕對保密；及
- (3) 按符合上市規則要求的方式與本集團持份者進行溝通的程序。

COMPANY SECRETARY

Ms. Xu Jing, aged 46, was appointed as the company secretary of the Company on 20 February 2020 and she is responsible for the Group's company secretarial duties and corporate governance matters in relation to the Company. Ms. Xu Jing possesses the necessary qualification and experience, and is capable of performing the functions of a company secretary. During the Reporting Period, Ms. Xu Jing confirmed that she has taken no less than 15 hours of relevant professional training as required under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An AGM of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting.

SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to article 64 of the Articles, extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

Shareholders may send written enquiries to the Company for the attention of the company secretary at the Company's principal place of business in Hong Kong.

公司秘書

徐靜女士，46歲，於2020年2月20日獲委任為本公司的公司秘書，負責本集團的公司秘書職務及有關本公司的企業管治事宜。徐靜女士具備必要資格及經驗，有能力履行公司秘書職務。於報告期間，徐靜女士確認彼已根據上市規則第3.29條的規定參與不少於15個小時的相關專業培訓。

股東權利

本公司的股東大會為股東與董事會提供溝通機會。本公司每年舉行股東週年大會，地點由董事會釐定。股東週年大會以外的各股東大會均稱為股東特別大會。

股東召開股東特別大會

根據細則第64條，股東特別大會須在一名或以上於遞呈要求當日持有於本公司股東大會投票的本公司繳足股本不少於十分之一的股東要求下召開。有關要求須以書面向董事會或本公司秘書提出，述明要求董事會召開股東特別大會以處理要求內訂明的任何事項。該大會須於該項要求遞呈後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈要求人士可以相同方式召開大會，而本公司須向遞呈要求人士償付所有由遞呈要求人士因董事會未能召開大會而產生的所有合理開支。

股東向董事會提問

股東可透過本公司的香港主要營業地點向本公司發出書面查詢，並註明收件人為公司秘書。

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETINGS

Shareholders of the Company are requested to follow article 64 of the Articles for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed "Shareholders to convene an extraordinary general meeting".

Pursuant to article 113 of the Articles, no person (other than a retiring Director) shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office of the Company or at the Hong Kong branch share registrar and transfer office of the Company. The period for lodgement of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

The procedures for shareholders of the Company to propose a person for election as a Director is posted on the website of the Company. Shareholders or the Company may refer to the above procedures for putting forward any other proposals at general meetings.

股東於股東大會提呈議案的程序

本公司股東向股東特別大會提呈決議案時須遵守細則第64條。規定及程序載於上文「股東召開股東特別大會」一段。

根據細則第113條，任何非退任董事的人士概無資格於任何股東大會上膺選董事職務（獲董事會推薦候選人除外），除非有意提名該人士候選董事的書面通知，以及被提名的人士表明願意參選的書面通知已送交至本公司的總辦事處或本公司香港股份過戶登記分處。提交該等通知的期間將不早於寄發指定進行選舉的股東大會通知的翌日開始，並在不遲於有關股東大會日期前七天完結，而向本公司發出有關通知的最短期間必須至少為七天。

本公司股東提名某一人士參選董事的程序刊載於本公司網站。股東或本公司可參閱上述於股東大會提呈任何其他議案的程序。

INVESTORS RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manner:

- Delivery of annual and interim results and reports to all shareholders;
- Publication of announcements on the annual and interim results on the website of the Company and the website of the Stock Exchange, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meeting of the Company is also an effective communication channel between the Board and shareholders.

The Company has in place a shareholder communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's head office or principal place of business in Hong Kong. The Company also maintains a website at www.starshineholdings.com where up-to-date information and updates of the Company's operations, performances and strategies are available to public access.

CONSTITUTIONAL DOCUMENTS

On 25 May 2023, the Company adopted the second amended and restated memorandum and articles of association for the purpose of (i) conforming with the Core Shareholder Protection Standards set out in the Listing Rules; (ii) incorporating other corresponding house-keeping and consequential amendments; and (iii) reflecting the Change of Company Name, which had been uploaded to the websites of the Company and the Stock Exchange. Save as disclosed above, there had been no changes in the constitutional documents of the Company during the Reporting Period.

投資者關係

本公司致力實行公開、定期溝通及向其股東合理披露資料的政策。本公司透過下列方式向股東傳達資料：

- 向所有股東送呈年度及中期業績及報告；
- 根據上市規則的持續披露責任，於本公司網站及聯交所網站刊登年度及中期業績公告，以及刊發其他公告及股東通函；及
- 本公司股東大會亦為董事會與股東的有效溝通橋樑。

本公司已訂立股東溝通政策以確保股東的意見及關注得到適當解決。該政策定期檢討以確保其有效性。

本公司持續促進投資者關係，加強與現有股東及潛在投資者的溝通，同時歡迎各位投資者、持份者及公眾提出建議。如對董事會或本公司有任何詢問，可郵寄至本公司總辦事處或香港主要營業地點。本公司亦設有網站（網址為 www.starshineholdings.com），刊載最新資料及更新本公司營運、表現及策略，以供公眾查閱。

組織章程文件

於2023年5月25日，本公司採納經二次修訂及重列的組織章程大綱及細則，以(i)與上市規則所載核心股東保障準則保持一致；(ii)加入其他相應內務及文書修訂；及(iii)反映公司名稱更改，並已上載於本公司及聯交所網站。除上文所披露者外，本公司的組織章程文件於報告期間概無變動。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

Star Shine Holdings Group Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) presents the Environmental, Social and Governance (“**ESG**”) report, which contains information on the Group’s business activities, ESG governance, strategies, performances and ongoing commitment towards sustainable development. This ESG report is intended to enhance the confidence and understanding of the stakeholders towards the Group.

COMPANY PROFILE

The Company is an investment holding company. The Group is principally engaged in (i) manufacturing of lace and provision of dyeing services; and (ii) footwear business. Services and products of the Group’s business segment can be broadly categorised into (i) dyeing services; (ii) manufacturing of lace and provision of dyeing services; and (iii) footwear business. The Group’s business operations are carried out in Mainland China and Hong Kong.

REPORTING PERIOD AND SCOPE

The Group presents its ESG report that captures the ESG performance of the Group from 1 January 2023 to 31 December 2023.

Based on the principle of materiality, the scope of this report covers the Group’s business operations in both Mainland China and Hong Kong. All the companies of the Group were included in the assessment of ESG performance for the purpose of this report.

BASIS FOR COMPILATION OF THE REPORT

This report was prepared with reference to the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) set out in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). An assessment on the applicability and materiality of the relevant key performance indicators under the ESG Reporting Guide had been conducted.

關於本報告

應星控股集團有限公司(「**本公司**」及其附屬公司，統稱為「**本集團**」)呈列環境、社會及管治(「**ESG**」)報告，當中載列有關本集團業務活動、ESG管理、策略、表現及貫徹可持續發展有關的資料。本ESG報告旨在增強持份者對本集團的信心及了解。

公司簡介

本公司為一家投資控股公司。本集團主要從事(i)製造花邊及提供染整服務；及(ii)鞋履業務。本集團業務分部的服務及產品可大致分為(i)染整服務；(ii)製造花邊及提供染整服務；及(iii)鞋履業務。本集團於中國內地及香港經營業務。

報告期間及範圍

本集團謹此提呈其ESG報告，本報告總結了本集團自2023年1月1日至2023年12月31日的ESG表現。

基於重要性原則，本報告的範圍涵蓋在本集團於中國內地及香港的業務。就本報告而言，本集團所有公司均已納入ESG表現評估。

報告編製基準

本報告乃參考香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄C2所載的環境、社會及管治報告指引(「**ESG報告指引**」)而編製。本公司已評估環境、社會及管治指引下相關關鍵績效指標的適用性及重要性。

Environmental, Social and Governance Report 環境、社會及管治報告

ESG REPORTING PRINCIPLES

The Group applied the following principles in this report:

Materiality: In compliance with the requirements of materiality principle defined by the Stock Exchange, the ESG issues considered by the board (the "Board") of directors (the "Directors") and the ESG working group, stakeholders communication, identification process of substantive issues and the substantive issues are disclosed in the corresponding part of this report.

Quantitative: Targets have been set by the Group to reduce the emissions from business operations and to evaluate the effectiveness of ESG policies and management systems. Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained below.

Balance: This report shall provide an unbiased picture of the Group's performance during the year ended 31 December 2023 (the "Reporting Period") and should avoid selections, omissions, or presentation formats that may inappropriately influence the decision or judgment made by the report readers.

Consistency: The statistical methodologies applied to the data disclosed in this report shall be consistent.

ESG GOVERNANCE

The Group acknowledges the importance of ESG commitment and it takes ESG into consideration in its decision making process. The Group has developed an ESG governance structure to integrate ESG into its business operations and align ESG governance with its strategic growth. The ESG governance structure is divided into two components, namely the Board and an ESG working group.

The Board has overall responsibility for the Group's ESG strategy and reporting. It oversees the overall governance and progress of the Group's ESG management system, policies, commitments, strategies and objectives. It also participates in the evaluation and determination of ESG-related risks. The Group implemented ESG management system and policies to ensure compliance with the relevant environmental protection laws and regulations, achieve other ESG objectives and mitigate ESG-related risks. It also formed a designated ESG working group to oversee and monitor the implementation and effectiveness of the ESG management system and policies. The ESG working group reports to the Board regularly. In order to evaluate, prioritise and manage the Group's material ESG issues, the Board discusses and reviews the Group's ESG-related risks, performance, progress, goals and targets regularly with the assistance of the ESG working group. The Board reviewed the contents disclosed in this report.

ESG 報告原則

本集團於本報告中應用下列原則：

重要性：本報告遵循聯交所重要性原則規定，本報告相應部分披露董事（「董事」）會（「董事會」）及 ESG 工作小組審議的 ESG 事宜、利益相關方溝通、實質性議題識別過程及實質性議題。

量化：本集團已設定目標，以減少業務營運產生的排放，並評估 ESG 政策及管理系統的有效性。本報告中定量關鍵績效指標的統計標準、方法、假設及／或計算工具，以及轉換因素的來源，均在下文進行說明。

平衡：本報告不偏不倚地呈報本集團於截至 2023 年 12 月 31 日止年度（「報告期間」）內的表現，避免可能會不恰當地影響報告讀者決策或判斷的選擇、遺漏或呈報格式。

一致性：本報告披露數據所使用的統計方法均保持一致。

ESG 治理

本集團確認 ESG 承諾的重要性，並在其決策過程中考慮 ESG。本集團已製定 ESG 治理結構，將 ESG 融入其業務運營及使 ESG 治理與本集團戰略增長保持一致。ESG 治理架構分為董事會和 ESG 工作小組兩部分。

董事會全面負責本集團的 ESG 策略及報告。其監督本集團 ESG 管理系統、政策、承諾、策略及目標的全面治理及進度。其亦參與 ESG 相關風險評估及釐定。本集團實施 ESG 管理制度及政策，以確保遵守有關環保法律法規、實現其他 ESG 目標並減輕 ESG 相關風險。其亦成立一個專項 ESG 工作小組，以監督及監控 ESG 管理系統及政策的實施及成效。ESG 工作小組定期向董事會報告。為了評估、優先考慮和管理本集團的重大 ESG 議題，董事會在 ESG 工作小組的協助下定期討論和審查本集團的 ESG 相關風險、績效、進度、目標和指標。董事會檢討本報告中披露的內容。

Environmental, Social and Governance Report 環境、社會及管治報告

The data and information in this ESG report are sourced from the relevant documents, reports, statistical data, management and operation information collected by the Group.

Information relating to the Group's corporate governance structure and practices has been set out in the section headed "Corporate Governance Report" of this annual report.

ESG STRATEGIES

The Group believes that it is essential to implement appropriate ESG strategies in order to achieve sustainable corporate development. Key ESG strategies of the Group are set out below:

- Maintain regular communications with stakeholders to identify ESG aspects that are material and relevant.
- Maintain high environmental and social standards to ensure sustainable development of the Group's business operations.
- Comply with all relevant laws and regulations in relation to the Group's business operations including health and safety, workplace conditions, employment and the environment.
- Encourage employees, customers, suppliers and other stakeholders to participate in environmental and social activities that benefit the community as a whole.
- Review the ESG strategies on an annual basis.

本ESG報告的數據及資料均來自本集團收集的相關文件、報告、統計數據、管理和營運資料。

有關本集團企業管治架構及慣例的資料載於本年報「企業管治報告」一節。

ESG 策略

本集團認為，為了實現企業的可持續發展，實施適當的ESG策略實屬必要。本集團的主要ESG策略載列如下：

- 保持與持份者定期溝通，以發現重要及相關的ESG方面。
- 維持高水平環境及社會標準，確保本集團業務運營的可持續發展。
- 遵守與本集團業務運營有關的所有相關法律法規，包括健康和 safety、工作場所條件、就業及環境。
- 鼓勵員工、客戶、供應商及其他持份者參與有利於整個社區的環境及社會活動。
- 每年審閱ESG策略。

STAKEHOLDER ENGAGEMENT

The Group listens to its stakeholders as their contributions are critical to the Group's long-term success and development. The Group communicates with its stakeholders regularly through diverse channels to understand their concerns and respond in a timely manner. The table below sets forth the key stakeholders identified by the Group and provides the basis for identifying substantive ESG issues of the Group.

持份者參與

本集團傾聽持份者的意見，因為彼等的貢獻對本集團的長期成功及發展至關重要。本集團通過各種渠道定期與持份者溝通，以了解彼等的關切並及時做出回應。下表載列本集團識別的主要持份者，並為識別本集團的重大ESG問題提供基礎。

Stakeholders 持份者	Expectations and concerns 期望及關切	Management responses 管理層回應
Shareholders 股東	<ul style="list-style-type: none"> Act in the best interest of shareholders 為股東最佳利益行事 Return on investment 投資回報 Information disclosure 資料披露 Compliance with laws and regulations 遵守法律法規 	<ul style="list-style-type: none"> Actively identify attractive business opportunities 積極物色具吸引力的商機 Improve profitability 改善盈利能力 Regular information disclosure 定期資料披露 Enhance risk management and internal controls 加強風險管理及內部控制
Governments and regulatory bodies 政府及監管機構	<ul style="list-style-type: none"> Compliance with laws and regulations 遵守法律法規 Business and economic development 業務及經濟發展 Social contribution 社會貢獻 Fulfilment of tax obligations 履行稅務義務 Environment protection 環境保護 	<ul style="list-style-type: none"> Enhance risk management and internal controls 加強風險管理及內部控制 Regular update on relevant laws and regulations 定期更新相關法律法規 Pay tax in full and on time 按時足額繳稅 Purchase/upgrade facilities to reduce emissions arising from the production process 購買／升級設施以減少生產過程中產生的排放

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Expectations and concerns 期望及關切	Management responses 管理層回應
Employees 僱員	<ul style="list-style-type: none"> Employee compensation and benefits 員工薪酬及福利 Training and career development 培訓及職業發展 Safe working environment 安全工作環境 	<ul style="list-style-type: none"> Offer attractive salary and incentives based on performance 根據業績提供具吸引力的薪水及獎勵 Provide regular trainings for employees 提供定期員工培訓 Monitor work safety and make sure employees are familiar with the work safety handbook 監控工作安全並確保員工熟悉工作安全手冊
Customers 客戶	<ul style="list-style-type: none"> Quality products and services 優質產品及服務 Protection of customers rights 保障客戶權利 	<ul style="list-style-type: none"> Enhance quality control on production process and products 加強生產過程及產品的質量控制 Perform the contract according to law 依法履約
Suppliers 供應商	<ul style="list-style-type: none"> Integrity cooperation 誠信合作 Business ethics and credibility 商業操守與誠信 	<ul style="list-style-type: none"> Build a long-term reliable supply chain 建立長期可靠的供應鏈 Perform the contract according to law 依法履約
Communities/public 社區／公眾	<ul style="list-style-type: none"> Environmental protection 環境保護 Employment opportunities 就業機會 	<ul style="list-style-type: none"> Reduce environmental pollutions 減少環境污染 Purchase/upgrade facilities to reduce emissions arising from the production process 購買／升級設施以減少生產過程中產生的排放 Provide equal employment opportunities 提供平等的就業機會

Environmental, Social and Governance Report

環境、社會及管治報告

MATERIALITY ASSESSMENT

The ESG working group reviews the Group's operations and identifies relevant ESG issues and assesses the importance of related matters to its businesses and stakeholders. The ESG working group regularly collects information and views from relevant departments and stakeholders of the Group to identify significant ESG issues. The table below sets forth the Group's significant ESG issues based on their relative importance:

重要性評估

ESG工作小組審查本集團的運營並識別相關ESG議題，並評估相關事項對其業務及持份者的重要性。ESG工作小組自本集團相關部門及持份者定期收集資料及意見，以識別重大ESG議題。下表載列基於相對重要性的本集團重大ESG議題：

ESG aspects as set forth in ESG Reporting Guide ESG報告指引載列的ESG方面

The Group's significant ESG issues 本集團的重大ESG議題

(A) Environmental (A) 環境

A1 Emissions
A1 排放

Air pollutant emissions
空氣污染物排放
Greenhouse gas ("GHG") emissions
溫室氣體(「溫室氣體」)排放
Sewage treatment
污水處理
Hazardous waste management
有害廢棄物管理

A2 Use of Resources
A2 資源利用

Energy management
能源管理
Water management
用水管理

A3 Environment and Natural Resources
A3 環境及天然資源

Negative environmental impacts arising from business operations
業務運營產生的負面環境影響

A4 Climate Change
A4 氣候變化

Global warming
全球變暖

Environmental, Social and Governance Report

環境、社會及管治報告

ESG aspects as set forth in ESG Reporting Guide ESG 報告指引載列的 ESG 方面

The Group's significant ESG issues 本集團的重大 ESG 議題

(B) Social

(B) 社會

B1 Employment

B1 僱傭

Recruitment, promotion, and dismissal Compensation and benefits

招聘、晉升及解僱薪酬及福利

Equal opportunities, diversity, and anti-discrimination

平等機會、多樣性及反歧視

B2 Health and Safety

B2 健康及安全

Safety production management

安全生產管理

B3 Development and Training

B3 發展及培訓

Employee development and training

員工發展及培訓

B4 Labour Standards

B4 勞工準則

Prevention of child and forced labour

防止童工及強制勞工

B5 Supply Chain Management

B5 供應鏈管理

Supply chain management

供應鏈管理

B6 Product Responsibility

B6 產品責任

Product quality and safety

產品質量及安全

Customer satisfaction

客戶滿意度

B7 Anti-corruption

B7 反貪污

Anti-corruption, fraud prevention and anti-money laundering

反貪污、反欺詐及反洗錢

B8 Community Investment

B8 社區投資

Corporate social responsibility

企業社會責任

CONFIRMATION AND APPROVAL

This ESG report had undergone the internal review process of the Group and was reviewed by the Board. During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents comply with the requirements of the ESG Reporting Guide.

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of this ESG report or the Group's performances in sustainable development by mailing to Unit 1705, 17/F Strand 50, 50 Bonham Strand, Sheung Wan, Hong Kong.

確認及批准

本 ESG 報告已通過本集團的內部審閱程序，並由董事會審閱。於報告期間，本集團確認其已就 ESG 議題制定適當且有效的管理政策及內部監控制度，並確認所披露內容符合 ESG 報告指引的規定。

聯繫我們

本集團歡迎持份者提出意見及建議。您可以就本 ESG 報告或本集團在可持續發展方面的表現郵寄至香港上環文咸東街 50 號寶恆商業中心 17 樓 1705 室提出寶貴意見。

A. ENVIRONMENT

The Group acknowledges its responsibility to protect the environment and it has implemented policies to reduce emissions and improve the efficiency in the use of resources.

The Group's business is subject to various environmental protection laws and regulations of People's Republic of China (the "PRC") as well as environmental regulations promulgated by the local governments where the Group operates. Under the prevailing laws and regulations in the PRC, the Group is subject to provisions including Environmental Protection Law of the PRC (中華人民共和國環境保護法), Promotion of Cleaner Production Law of the PRC (中華人民共和國清潔生產促進法), Water Pollution Prevention and Control Law of the PRC (中華人民共和國水污染防治法), Prevention and Control of Environmental Noise Pollution Law of the PRC (中華人民共和國環境噪聲污染防治法), and Prevention and Control of Solid Waste Pollution Law of the PRC (中華人民共和國固體廢物污染環境防治法).

To ensure compliance with the latest environmental laws and regulations, the Group has implemented stringent environmental protection policies setting out its goals and policies in relation to environmental matters. The Group has also installed air filtration facilities and sewage treatment system to reduce emissions. The Group obtained a certificate for complying with the requirement of GB/T 24001-2016/ISO14001:2015 for its environmental management system on 11 October 2018.

The Group is required under the PRC law to obtain a valid pollutant discharge permit for its production facilities.

During the Reporting Period, the Group obtained all relevant pollutant discharge permit and it complied with all applicable environmental laws and regulations in all material respects and had not been subject to any material penalty in relation to environmental protection.

A. 環境

本集團承認其保護環境的責任，並已實施政策減少排放及提高資源利用效率。

本集團的業務須遵守多項中華人民共和國(「中國」)環境保護法律及法規，以及我們營運所在地方政府所頒佈的環境法規。根據現行中國法律及法規，本集團受中華人民共和國環境保護法、中華人民共和國清潔生產促進法、中華人民共和國水污染防治法、中華人民共和國環境噪聲污染防治法及中華人民共和國固體廢物污染環境防治法的條文所約束。

為確保遵守最新環境法律法規，本集團已實施嚴格的環境保護政策，載列與環境事項有關的目標及政策。本集團亦安裝空氣過濾設施及污水處理系統以減少排放。本集團已於2018年10月11日就其環境管理系統獲得符合GB/T 24001-2016/ISO14001:2015要求的認證。

根據中國法律，本集團須為其生產設施取得有效的污染物排放許可證。

於報告期間，本集團已取得所有相關的污染物排放許可證，並在所有重大方面均已遵守所有適用環境法律法規，且並無受到任何與環境保護有關的重大罰款。

A.1 Emissions

Emissions from the Group's production process include air pollutants, sewage and solid waste.

In order to reduce the level of pollution, the Group has (i) upgraded its boilers to generate heat from natural gas for its dyeing services, which would significantly reduce the amount of air pollutants emitted; and (ii) installed a sewage treatment system to collect and process sewage to reduce hazardous substance in the sewage generated during the dyeing process and in accordance with different national standards (GB 13271-2014 for air and GB 4287-2012 for wastewater) in the PRC, which are comparable to corresponding international standards. An online real-time monitoring system has also been installed to connect such facilities to environmental authority of the PRC government, ensuring that the Group can meet the pollutant emission standard at all times. The Group has been spending continuous effort to enhance its equipment and facilities for satisfying the increasingly stringent environmental protection requirement. During the Reporting Period, the Group did not exceed any maximum pollutants emission standards under the monitoring system and maintained a clean record with the government.

To complement with the use of natural-gas-boiler, the Group has also acquired some crucial waste treatment equipment, including flue gas purifying treatment machines which can transform and filter the concentrated smoke produced by its natural-gas-boiler to less harmful substances and water vapour. This new equipment allows the Group to control the amount of pollutants emitted to the environment in a more stable way and fulfil the discharge standard stipulated by the PRC government.

A.1 排放

本集團生產過程中的排放包括空氣污染物、廢水及固體廢棄物。

為減少污染程度，根據與相應國際標準可資比較的不同國家標準（就空氣而言為GB 13271-2014及就污水而言為GB 4287-2012），本集團已(i)升級其鍋爐以利用天然氣產生熱量用於其染整服務，可大幅減少所排放的空氣污染物；及(ii)安裝污水處理系統以收集及處理廢水，減少我們染整過程中所產生廢水的有害物質。本集團亦已安裝網上實時監控系統，連接該等設備至中國政府的環保機關，確保我們任何時候均遵守污染物排放標準。本集團持續努力升級設備及設施，滿足日益嚴格的環保規定。於報告期間，本集團並無超過監控制度下的最高污染物排放標準，並於政府保持清白記錄。

為配合使用天然氣鍋爐，本集團亦購置若干重要廢棄物處理設備，包括煙氣淨化處理機，可將天然氣鍋爐產生的濃縮煙霧轉化及淨化為危害較小的物質及水蒸汽。該新設備使本集團可更穩定地控制排放至環境的污染物數量，以及符合中國政府規定的排放標準。

Environmental, Social and Governance Report

環境、社會及管治報告

Besides, the Group has a number of vehicles for travelling and transportation of materials and products, which generate exhaust gas from the combustion of petrol and diesel. The Group's emission reduction measures for vehicles include:

- turn off the engine when the vehicle is not in use;
- plan routes ahead of time to reduce route repetition and optimise fuel consumption;
- undergo maintenance service regularly to ensure optimal engine performance and fuel use;
- use electric vehicles; and
- optimise operational procedures to increase efficiency and reduce vehicle idling rates.

(i) Air pollutant emissions

During the Reporting Period, air pollutants generated from the use of the Group's coal-burning-boiler contributed to the emission of 18.04 kg (2022: 18.76 kg) of nitrogen oxides (NOx), 18.52 kg (2022: 19.26 kg) of sulphur oxides (SOx) and 3.02 kg (2022: 3.14 kg) of respiratory suspended particles (PM), and air pollutants generated from the use of the Group's motor vehicles contributed to the emission of 58.22 kg (2022: 352.24 kg) of nitrogen oxides (NOx), 0.73 kg (2022: 0.61 kg) of sulphur oxides (SOx) and 4.32 kg (2022: 33.82 kg) of respiratory suspended particles (PM).

Air pollutant emissions reduction target

To better manage the Group's ESG performance, the Group decides to set quantifiable targets for air pollutant emissions as follows:

Environmental indicators 環境指標	Reduction target 減排目標	Baseline year 基線年度	Status 狀況
NOx emission intensity 氮氧化物排放密度	Reduce 2% by Year 2027 2027年前減少2%	Year 2022 2022年	In progress 進行中
SOx emission intensity 硫氧化物排放密度	Reduce 2% by Year 2027 2027年前減少2%	Year 2022 2022年	In progress 進行中
PM emission intensity 懸浮粒子排放密度	Reduce 2% by Year 2027 2027年前減少2%	Year 2022 2022年	In progress 進行中

此外，本集團擁有大量用於出行及運輸材料及產品的機動車，該等機動車通過燃燒汽油及柴油產生廢氣。本集團的機動車減排措施包括：

- 在機動車閒置時關閉發動機；
- 提前計劃路線，以減少路線重複並優化燃油消耗；
- 定期進行維護服務以確保最佳的發動機性能及燃油消耗；
- 使用電動車；及
- 優化營運程序，以提高使用效率並減少汽車空轉率。

(i) 空氣污染物排放

於報告期間，使用本集團的燃煤鍋爐產生的空氣污染物導致排放18.04 千克（2022年：18.76 千克）氮氧化物（NOx）、18.52 千克（2022年：19.26 千克）硫氧化物（SOx）及3.02 千克（2022年：3.14 千克）可吸入懸浮顆粒物（PM）以及使用本集團的機動車產生的空氣污染物導致排放58.22 千克（2022年：352.24 千克）氮氧化物（NOx）、0.73 千克（2022年：0.61 千克）硫氧化物（SOx）及4.32 千克（2022年：33.82 千克）可吸入懸浮顆粒物（PM）。

空氣污染物減排目標

為更好地管理本集團的ESG 績效，本集團決定為空氣污染物排放設定可量化的目標，具體如下：

Environmental, Social and Governance Report

環境、社會及管治報告

(ii) GHG emissions

During the Reporting Period, the Group's activities contributed to 37,030.85 tonnes (2022: 38,209.38 tonnes) of carbon dioxide equivalent (carbon dioxide, methane, nitrous oxide and hydrofluorocarbons) GHG emissions. The table below sets forth details of the Group's GHG emissions by scope:

(ii) 溫室氣體排放

於報告期間，本集團業務活動產生 37,030.85 噸（2022 年：38,209.38 噸）二氧化碳當量（二氧化碳、甲烷、一氧化二氮及氫氟碳化合物）的溫室氣體排放。下表載列本集團按範圍劃分的溫室氣體排放詳情：

Scope of GHG emissions 溫室氣體排放範圍	Unit 單位	For the year ended 31 December 2023 截至 2023 年 12 月 31 日止 年度 Emission 排放量	For the year ended 31 December 2022 截至 2022 年 12 月 31 日止 年度 Emission 排放量
Scope 1 Direct emissions 範圍 1 直接排放			
Consumption of coal during the use of coal-burning-boiler 燃煤鍋爐使用過程中的煤炭消耗	tCO ₂ e 噸二氧化碳當量	24,334.02	25,308.45
Combustion of petrol and diesel for mobile vehicles 機動車汽油及柴油消耗	tCO ₂ e 噸二氧化碳當量	119.40	97.82
Scope 2 Indirect emissions 範圍 2 間接排放			
Purchased electricity 外購電力	tCO ₂ e 噸二氧化碳當量	12,267.71	12,629.05
Scope 3 Other indirect emissions 範圍 3 其他間接排放			
Paper waste disposal 廢紙處置	tCO ₂ e 噸二氧化碳當量	–	0.96
Water consumption 耗水量	tCO ₂ e 噸二氧化碳當量	305.88	173.10
Business air travel 商務空旅	tCO ₂ e 噸二氧化碳當量	3.84	–
Total GHG emissions 溫室氣體排放總量	tCO₂e 噸二氧化碳當量	37,030.85	38,209.38
Intensity 密度	tCO₂e/employee (note 3) 噸二氧化碳當量／僱員 (附註 3)	70.27	105.55

Environmental, Social and Governance Report

環境、社會及管治報告

Notes:

- (1) GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, “How to prepare an ESG Report – Appendix C2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, and the latest released emission factors of China’s regional power grid basis.
- (2) The above emission data does not include the removal of CO₂ contributed by recycling of paper.
- (3) At 31 December 2023, the Group had 527 (2022: 362) full-time employees in total. The data is also used for calculating other intensity data.

Scope 1 – Direct emissions

Scope 1 direct emissions are generated from the use of the Group’s boilers and motor vehicles. The Group is taking the proactive measures to reduce these emissions and these measures are set out in the section headed “A.1 Emissions” above.

Scope 2 – Indirect emissions

Scope 2 indirect emissions are generated from the use of purchased electricity. Measures to reduce these emissions are set out in the section headed “A.2 Use of resources” below.

Scope 3 – Other indirect emissions

Scope 3 other indirect emissions are generated from paper consumption and water consumption. The measures to reduce paper and water consumption are set out in the section headed “A.2 Use of resources” below.

附註：

- (1) 溫室氣體排放數據乃按二氧化碳當量呈列，並參照包括但不限於世界資源研究所及世界可持續發展工商理事會刊發的《溫室氣體盤查議定書：企業會計與報告標準》、聯交所發佈的《如何準備環境、社會及管治報告－附錄C2：環境關鍵績效指標匯報指引》及最新發佈的中國區域電網基準線排放因數。
- (2) 以上排放數據不包括因回收紙張而產生的二氧化碳排放量。
- (3) 於2023年12月31日，本集團共有527（2022年：362名）全職員工。該數據亦用於計算其他密度數據。

範圍1－直接排放

範圍1直接排放乃由使用本集團的鍋爐及機動車產生。本集團正採取積極措施以減少該等排放，該等措施載於上文「A.1 排放」一節。

範圍2－間接排放

範圍2間接排放乃由外購電力產生。有關減少該等排放的措施載於下文「A.2 資源利用」一節。

範圍3－其他間接排放

範圍3其他間接排放乃由紙張消耗及用水產生。有關減少紙張及水消耗的措施載於下文「A.2 資源利用」一節。

Environmental, Social and Governance Report

環境、社會及管治報告

GHG emissions reduction target

To better manage the Group's ESG performance, the Group decides to set quantifiable targets for GHG emissions as follows:

Environmental indicators 環境指標	Reduction target 減排目標	Baseline year 基線年度	Status 狀況
GHG emissions 溫室氣體排放	Reduce 2% by Year 2027 2027年前減少2%	Year 2022 2022年	In progress 進行中

(iii) Sewage discharge

Sewage is generated during the Group's dyeing process. Sewage is treated and discharged in accordance with the Discharge Standard of Water Pollutant for Dyeing and Finishing of Textile Industry (《紡織染整工業水污染物排放標準》). Measures to reduce hazardous substance in the sewage generated during the dyeing process are set out in the section headed "A.1 Emissions" above. The table below sets forth details of the Group's sewage discharge:

Sewage discharge 污水排放	Unit 單位	For the year ended 31 December 2023 截至2023年 12月31日止 年度 Intensity 密度	For the year ended 31 December 2022 截至2022年 12月31日止 年度 Intensity 密度
CODcr	Mg/L 毫克/升	21.99	26.00
Ammonia nitrogen 氨氮	Mg/L 毫克/升	2.59	2.00
Total nitrogen 總氮	Mg/L 毫克/升	3.9	3.15

Sewage discharge reduction target

To better manage the Group's ESG performance, the Group decides to set quantifiable targets for sewage discharge as follows:

Environmental indicators 環境指標	Reduction target 減排目標	Baseline year 基線年度	Status 狀況
Sewage discharge 污水排放	Reduce 2% by Year 2027 2027年前減少2%	Year 2022 2022年	In progress 進行中

溫室氣體減排目標

為更好地管理本集團的ESG績效，本集團決定為溫室氣體排放設定可量化的目標，具體如下：

(iii) 污水排放

本集團的染整過程中會產生污水。我們根據《紡織染整工業水污染物排放標準》處理及排放廢水。有關減少染整過程中所產生廢水的有害物質的措施載於上文「A.1 排放」一節。下表載列本集團的污水排放詳情：

污水減排目標

為更好地管理本集團的ESG績效，本集團決定為污水排放設定可量化的目標，具體如下：

(iv) Hazardous and non-hazardous waste

Hazardous waste of the Group includes waste mineral oil, effluent and packaging materials contaminated by dye. Non-hazardous waste of the Group includes residual coal, sludge, paper and packaging materials.

Apart from the above air pollutants and sewage treatments, the Group has adopted practices in relation to the separation, collection, storage and disposal of hazardous and non-hazardous waste in order to minimise environmental impact. In particular, the Group has engaged external service providers qualified by the relevant environmental authorities of the PRC government for (i) purification, transportation and disposal of the sludge generated from waste water; and (ii) collection and disposal of the residual coal produced from coal-burning boiler for further recycling purpose.

The Group also adopted certain measures in relation to consumption of paper and packaging products including:

- Make use of computer system for general transaction notification and data transmission;
- Use both sides of paper as much as possible;
- Dispose of waste packaging boxes as recyclable waste; and
- Increase the use of recycled paper.

During the two years ended 31 December 2023, the Group did not receive any complaints or warnings on disposal of its hazardous and non-hazardous waste.

(iv) 有害及無害廢棄物

本集團的有害廢棄物包括廢礦物油、廢水及經染料污染的包裝材料。本集團的無害廢棄物包括殘留煤、污泥、紙張及包裝材料。

除上述空氣污染物及污水處理外，本集團已採取有關有害及無害廢棄物分離、收集、儲存及處置的常規，以最大程度地減少對環境的影響。尤其是，本集團已聘請經中國政府有關環境主管部門認可的外部服務供應商實施(i)淨化、運輸及處置廢水產生的污泥；及(ii)收集及處置自我們的燃煤鍋爐產生的殘留煤，以進一步回收利用。

本集團亦就紙張及包裝產品消耗採取若干措施，包括：

- 利用電腦系統進行一般交易通知及數據傳輸；
- 盡可能使用雙面紙；
- 將廢棄包裝箱按可回收廢棄物處理；及
- 增加使用回收紙。

截至2023年12月31日止兩個年度，本集團尚未收到任何有關處置有害及無害廢棄物的投訴或警告。

Environmental, Social and Governance Report

環境、社會及管治報告

Hazardous and non-hazardous waste reduction target

To better manage the Group's ESG performance, the Group decides to set quantifiable targets for hazardous and non-hazardous waste as follows:

有害及無害廢棄物減排目標

為更好地管理本集團的ESG績效，本集團決定為有害及無害廢棄物排放設定可量化的目標，具體如下：

Environmental indicators 環境指標	Reduction target 減排目標	Baseline year 基線年度	Status 狀況
Hazardous and non-hazardous waste 有害及無害廢棄物	Reduce 2% by Year 2027 2027年前減少2%	Year 2022 2022年	In progress 進行中

The table below sets forth details of hazardous and non-hazardous waste of the Group:

下表載列本集團的有害及無害廢棄物詳情：

Types of hazardous and non-hazardous waste 有害及無害廢棄物種類	Unit 單位	For the year ended 31 December 2023 截至2023年12月31日止年度	For the year ended 31 December 2022 截至2022年12月31日止年度
Waste mineral oil 廢礦物油	tonnes 噸	–	0.69
Effluent 污水	tonnes 噸	0.35	0.41
Packaging materials contaminated by dye 經染料污染的包裝材料	tonnes 噸	–	0.58
Residual coal 殘留煤	tonnes 噸	681.53	387.55
Sludge 污泥	tonnes 噸	501.32	664.83
Paper and packaging materials 紙張及包裝材料	tonnes 噸	–	200.00
Total waste 總廢棄物	tonnes 噸	1,183.20	1,254.06
Intensity 密度	tonnes/employee 噸／僱員	2.25	3.46

A.2 Use of resources

The Group strives to minimise the impact of its business operations on the environment by adopting measures to conserve energy during the manufacturing and dyeing. Such measures include practices to limit electricity and water wastage, guidelines on permitted usage of electronic equipment by employees and utilisation of equipment which is energy-efficient.

Energy management

The Group actively implements the concept of energy saving, emission reduction, and maintain efficient use of resources through following the methods and measures for energy saving. Through practicing active management control in its operations, the Group strives to prevent pollution by using environmentally friendly materials, producing green products, and implementing technological innovations. The Group has also implemented strategies to reduce the consumption of petrol and diesel (see section headed "A.1 Emissions") and achieve electricity conservation and efficient use of electricity. The strategies to achieve electricity conservation and efficient use of electricity are as follows:

- Conserve electricity and turn off unnecessary lighting power;
- Minimise energy consumption when equipment is not in production;
- Avoid premature start-up of equipment and idling of equipment; and
- Assure the cooling effect of air conditioning equipment by proper maintenance.

A.2 資源利用

本集團通過採取措施於製造及染色過程中節約能源，努力將其業務運營對環境的影響降至最低。有關措施包括限制水電浪費的常規、員工獲准使用電子設備的指引以及使用節能設備。

能源管理

本集團積極貫徹節能減排的理念，通過遵循節能降耗的方法和措施，保持資源的有效利用。通過在運營中實行積極的管理控制，本集團致力透過使用環保材料，生產綠色產品和實施技術創新，以防止污染。本集團亦實施策略以減少汽油及柴油消耗（請參閱「A.1 排放」一節）及實現節約用電及高效用電的策略如下：

- 節約用電，關閉不必要的照明電源；
- 設備不生產時盡量減少能耗；
- 應避免過早啟動設備和設備空轉；及
- 對空調設備進行適當的維護，確保製冷效果。

Environmental, Social and Governance Report

環境、社會及管治報告

The table below sets forth details of energy consumption of the Group:

下表載列本集團的能源消耗詳情：

Types of energy consumption	Unit	For the year ended 31 December 2023 截至2023年12月31日止年度	For the year ended 31 December 2022 截至2022年12月31日止年度
能源消耗種類	單位		
Direct energy consumption			
直接能源消耗			
– Petrol and diesel – 汽油及柴油	litre 升	48,950	40,600
Intensity 密度	litre/employee 升／僱員	92.88	112.15
Indirect energy consumption			
間接能源消耗			
– Purchased electricity – 外購電力	kilowatt hours 千瓦時	14,662,020	15,093,880
Intensity 密度	kilowatt hours/employee 千瓦時／僱員	27,821.67	41,695.80

Water management

用水管理

The Group consumes water during its production process and for office use. In addition to the aforesaid measures related to the discharge of sewage, the Group also encourages all employees to develop a habit of conscious water use and implements the following water-saving measures:

本集團在生產過程中及辦公時會消耗水。除上述與排污有關的措施外，本集團亦鼓勵全體僱員養成自覺節水的習慣，並實施以下節水措施：

- Formulate specific guidelines and measures for water conservation based on the characteristics of water consumption; and
- Inspect and maintain water storage, distribution, and consumption facilities regularly, and promptly solve problems identified to prevent wastage of water resources.
- 根據用水的特點，制訂具體的節約用水指引和措施；及
- 定期對蓄水、輸水及用水設施進行檢查及維護，發現問題及時解決，防止水資源的浪費。

During the two years ended 31 December 2023, the Group did not encounter any issues in water sourcing.

截至2023年12月31日止兩個年度，本集團在水源方面概無任何問題。

Environmental, Social and Governance Report

環境、社會及管治報告

The table below sets forth details of water consumption of the Group:

	Unit	For the year ended 31 December 2023 截至2023年12月31日止年度	For the year ended 31 December 2022 截至2022年12月31日止年度
	單位		
Water 用水	tonnes 噸	365,579	206,879
Intensity 密度	tonnes/employee 噸／僱員	693.70	571.49

下表列載本集團的用水詳情：

A.3 The environment and natural resources

The Group recognises its responsibility to minimise the negative environmental impacts arising from its business operations and it is committed to achieving the goal of environmental sustainability. The Group regularly assesses the environmental risks of its business operations, adopts preventive measures to reduce risks, and ensures compliance with relevant laws and regulations. The significant impact of activities of the Group on the environment and the actions taken to manage them are detailed in the sections headed "A.1 Emissions" and "A.2 Use of resources".

A.3 環境及天然資源

本集團意識到有責任將其業務運營中產生的任何負面環境影響減至最低，並致力於實現環境可持續性的目標。本集團定期評估其業務運營造成的環境風險，採取預防措施降低風險並確保遵守相關法律及法規。本集團業務對環境的重大影響及為管理有關影響已採取的行動於「A.1 排放」及「A.2 資源利用」章節詳述。

A.4 Climate change

Climate change is one of the greatest threats the world has ever faced. The Group acknowledges its responsibility to implement strategies to reduce carbon emissions and mitigate climate change. Management of the Group has set targets to reduce emissions from business operations and it also regularly monitors and identifies climate change risk that is relevant to the Group's business operations. The climate-related risks can be divided into two major categories: (i) risks related to the transition to a lower-carbon economy and (ii) risks related to the physical impacts of climate change.

A.4 氣候變化

氣候變化是全球有史以來面臨的最大威脅之一。本集團明白有責任實施減少碳排放及減緩氣候變化的策略。本集團管理層已定立減少業務營運產生排放的目標，亦定期監控及識別與本集團業務運營有關的氣候變化風險。與氣候有關的風險可以分為兩大類：(i) 與向低碳經濟轉型有關的風險，及(ii) 與氣候變化的物理影響有關的風險。

(i) Transition risks

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational

(i) 轉型風險

向低碳經濟轉型可能引發廣泛的政策、法律、技術及市場變革，以解決與氣候變化有關的緩解及適應要求。視乎該等變化的性質、速度及重心，轉型風險可能令本集團面臨不同程度的財務及聲譽風險。圍繞氣候變化的政策行動或會持續發

risk to the Group. Policy actions around climate change could continue to evolve. Transition risks related to policy change include any risk that the environmental laws and regulations in China may be amended from time to time and changes in those laws and regulations may cause us to incur additional costs in order to comply with the more stringent rules.

(ii) Physical risks

Physical risks may have financial implications for the Group, such as direct damage to assets and indirect impacts from supply chain disruption. The Group's financial performance may be affected by changes in water availability, sourcing, and quality, or extreme temperature changes affecting the premises, operations, supply chain, transport needs, and employee safety. During the two years ended 31 December 2023, the Group did not encounter any difficulty in water availability, sourcing and quality, and it did not encounter any extreme temperature changes affecting the premises, operations, supply chain, transport needs, and employee safety that materially and adversely affecting business operation. The management will continue to assess and manage the climate-related risks posed to the Group in the future.

展。與政策變更有關的轉型風險包括中國環境法律法規可能不時修訂帶來的任何風險，而該等法律法規的變更可能導致我們產生額外費用以遵守更嚴格的規定。

(ii) 物理風險

物理風險可能對本集團產生財務影響，例如資產直接損毀及供應鏈中斷產生的間接影響。本集團的財務表現可能會因供水、水源及水質變化，或影響場所、運營、供應鏈、運輸需求及員工安全的極端溫度變化而受到影響。截至2023年12月31日止兩個年度，本集團在供水、水源及水質方面並無遇到任何困難，亦無遇到影響場所、運營、供應鏈、運輸需求及員工安全的任何極端溫度變化而對業務運營造成重大不利影響。管理層將於未來繼續評估及管理對本集團構成的與氣候相關的風險。

B. SOCIAL

B.1 Employment and labour practices

Employees are one of the Group's important assets. The Group provides a safe, fair and harmonious working environment for its employees. By upholding values of trust, respect and compassion, the Group believes that it will boost employees' sense of belonging and retain top talents.

The Group has a recruitment policy in place. New employees are recruited according to business needs and upon request from relevant departments. The Group generally recruits its workforce through online platforms, regional job fairs and referrals by existing employees. The candidates will be examined based on their relevant experiences, skills, knowledge, and integrity. According to the recruitment policy, the Group encourages its employees to refer potential candidates, rewards would be given if the candidates are successfully employed.

B. 社會

B.1 僱傭及勞工準則

僱員乃本集團的重要資產之一。本集團為僱員提供安全、公平及和諧的工作環境。通過堅持信任、尊重及同情的價值觀，本集團相信這將增強僱員的歸屬感並留住頂尖人才。

本集團已制定招聘政策。根據業務需要並按有關部門的要求招聘新僱員。本集團通常透過網上平台、地區性就業招聘會及現有僱員介紹等方式招聘員工。將根據求職者的相關經驗、技能、知識及誠信對其予以審查。根據招聘政策，本集團鼓勵僱員推介潛在候選人，倘候選人成功獲聘會給予獎勵。

Environmental, Social and Governance Report

環境、社會及管治報告

Each employee of the Group will receive an employee handbook which stipulates the rights and obligations of them. Basic rules such as dormitory rules, canteen management rules, factory access rules and resignation procedures will be included in the handbook and allow the employees to have constant references.

The Group also regularly reviews and updates its employment policy to ensure the applicability of its terms and condition and compliance with the latest labour laws and regulations. During the two years ended 31 December 2023, the Group complied with the relevant labour laws and regulations and did not experience any significant labour disputes or any disruption to business operations due to labour disputes. In addition, the Group did not experience any difficulties in the recruitment and retention of experienced core staff or skilled personnel.

Employee benefits and welfare

The Group's employees are generally remunerated by way of fixed salary. The Group utilises an appraisal system for its employees and considers the appraisal results of individual employees when conducting their salary review and determining the amounts of bonuses. The team manager, person-in-charge of the companies and human resources department will be responsible for conducting performance appraisal. The Group's employees are also entitled to a number of subsidies, including but not limited to job-nature based subsidy, performance-based bonus, share options and paid leave.

During the two years ended 31 December 2023, the Group made timely and adequate contributions to social insurance and housing provident fund for its qualified employees in the PRC; and mandatory provident fund for its employees in Hong Kong, in accordance with the relevant laws and regulations.

本集團的每名僱員會獲得一本僱員手冊，當中列明其權利及責任。宿舍規則、食堂管理規則、進出工廠規則及呈辭程序等基本規則會載於手冊，隨時供僱員參考。

本集團亦定期檢討及更新其僱傭政策，以確保其條款及條件的適用性及遵守最新的勞工法律及法規。截至2023年12月31日止兩個年度，本集團遵守相關勞動法律及法規，概無發生任何重大勞資糾紛或任何因勞資糾紛而中斷業務運營。此外，本集團在招聘及挽留經驗豐富的核心人員或技術人員方面概無遭遇任何困難。

僱員福利

本集團的僱員一般以收取固定薪金的方式獲得薪酬。本集團為僱員採用一套評核系統，並於進行薪金檢討及釐定花紅金額時考慮個別僱員的評核結果。團隊經理、公司負責人及人力資源部將負責進行年度績效評核。本集團的僱員亦有權收取若干補貼，包括但不限於按工作性質給予的補貼、績效花紅、購股權及有薪假期。

截至2023年12月31日止兩個年度，本集團根據相關法律法規為中國合資格僱員的社會保險及住房公積金；及為香港僱員的強積金作出及時及充足供款。

Labour standards

The Group's recruitment policy sets out its recruitment procedures and standard. The Group strictly follows and regularly reviews such policy. The Group would carry out background checks to authenticate information provided by job applicants to confirm that they are at least 18 years old. During the two years ended 31 December 2023, the Group did not have non-compliance in relation to laws and regulations regarding prevention of child and forced labour. The Group also ensures that the working hours of its employees are reasonable and comply with the relevant laws and regulations and its employees would have sufficient rest periods.

Equal opportunity

The Group provides equal opportunities for employees in respect of recruitment, job advancement, training and development, etc. Employees are not discriminated against or deprived of such opportunities on the basis of race, nationality, religion, physical condition, disability, gender, pregnancy, sexual orientation, political status, age and any other discrimination prohibited by applicable law. Employees shall not act in discriminatory manner or they can be subject to disciplinary actions.

(i) Employee relations

The Directors consider that it is important to maintain good relationship with employees. The Group maintains regular communications with its employees by arranging gatherings, celebration activities and trainings. Through these activities, the Group would collect feedback from its employees on job satisfactions and their expectations on the Group and would implement appropriate strategies to improve the work environment and its relationship with the employees.

勞工準則

本集團的招聘政策載列其招聘程序及標準。本集團嚴格遵守並定期檢討有關政策。本集團將進行背景調查，以驗證求職者提供的資料，確認彼等至少滿18歲。截至2023年12月31日止兩個年度，本集團並無違反有關防止童工及強制勞工的法律及法規。本集團亦確保僱員的工作時間合理，符合有關法律及法規，僱員將有足夠的休息時間。

平等機會

本集團在招聘、晉升、培訓及發展等方面為僱員提供平等機會。僱員不會遭受種族、國籍、宗教、身體狀況、殘疾、性別、懷孕、性取向、政治地位、年齡及適用法律禁止的任何其他歧視。僱員不得以歧視的方式行事，否則可能會受到紀律處分。

(i) 僱員關係

董事認為與僱員保持良好關係非常重要。本集團通過安排聚會、慶祝活動及培訓與僱員保持定期溝通。通過該等活動，本集團將收集僱員對工作滿意度的反饋及其對本集團的期望，並將實施適當的策略，改善工作環境及與僱員的關係。

(ii) *Employee health and safety*

The Group's principal raw materials used in the provision of dyeing service are colouring dyes and additives. Although they are not hazardous chemicals as defined under the Catalog of Hazardous Chemicals (2015) (《危險化學品目錄(2015)版》), they can cause accidents and/or adverse impact on the environment unless they are properly stored and handled. In order to ensure the safe storage of the dyes and additives and to minimise the risk of the occurrences of any accidents, the Group has adopted certain measures in relation to the storage and handling of dyes and additives including:

- Storage facilities for dyes and additives must be (i) in specialised space or storage rooms; (ii) managed by designated personnel; (iii) labelled clearly; and (iv) kitted with sufficient fire safety equipment;
- Personnel and departments which handle different dyes and additives must strictly comply with the relevant management regulations, operational procedures and fire safety guidelines; and
- Specialised containers used for the storage of dyes and additives must be labelled accordingly.

The Group has established a series of safety guidelines, rules and procedures for different aspects of its production activities, including fire safety, operation safety, warehouse safety, work related injuries and emergency and evacuation procedures to promote occupational health and safety and to ensure compliance with applicable laws and regulations. Also, the Group provides suitable and necessary protection equipment to its employees, i.e., earplugs, protective suits and mask to ensure their safety during work. Furthermore, the Group will inspect its production facilities from time to time in order to ensure that such facilities are safe for use.

(ii) *僱員健康與安全*

本集團用於提供染整服務的主要原材料為著色染料及添加劑。儘管著色染料及添加劑並非《危險化學品目錄(2015)版》界定的有害化學品，惟除非妥善存放及處理，否則可能導致事故及／或對環境造成不利影響。為妥善存放染料及添加劑並減少意外發生的風險，本集團已就儲存及處理染料及添加劑採納若干措施，其中包括：

- 染料及添加劑的儲存設施必須為(i)專門空間或儲物房；(ii)由指定人員管理；(iii)清晰標示用途；及(iv)配有足夠的消防安全設備；
- 處理不同染料及添加劑的人員及部門必須嚴格遵守有關管理規定，操作程序及消防安全指引；及
- 用於儲存染料及添加劑的專門容器必須標示用途。

本集團已就生產活動的不同方面(包括防火安全、營運安全、倉庫安全、因工受傷及緊急與逃程序)訂立一系列安全指引、規則及程序，以推廣職業健康及安全，並確保遵守適用法律及法規。本集團亦為僱員提供合適及必須的保護裝備，即耳塞、保護衣及面罩，以確保其工作過程的安全。此外，本集團會不時檢查生產設施，確保該等設施可安全使用。

Environmental, Social and Governance Report

環境、社會及管治報告

During the two years ended 31 December 2023, the Group complied in all material respects with relevant laws and regulations relating to health and work safety and the Group did not record any material accidents. The Group was not involved in any material violations of health and safety laws or regulations and it was not subject to material litigations, claims, administrative sanctions or penalties with regard to work safety and labour related issues. There were also no work-related fatalities or serious injuries, and no days were lost due to work injury for the three years ended 31 December 2023.

(iii) Development and training

In order to increase the overall competitiveness of workforce, the Group strives to ensure that its employees are equipped with the required skill and safety knowledge when performing their duties. It has been the Group's policy to provide all-round training to its employees. Usually it includes induction training with regard to factory rules, production flow and use of machineries which is held by manager or director; on-board training on the usage of machines and safety procedures required by its experienced senior staff for one to two months; and sometimes education opportunities depending on the job function of the employees.

The Group will also arrange management skills training to its potential mid-level staffs to increase their ability on management. Newly recruited employees are required to attend a safety training course so that they can be familiarised with the safety standards which they are required to meet during production and in their handling of production equipment. The Group will also hold events occasionally for its employees or allow its employees to join the trade fairs or seminars in different provinces or cities, in order for them to catch up with market trend.

截至2023年12月31日止兩個年度，本集團已在所有重大方面均遵守有關健康與工作安全的相關法律及法規，本集團概無錄得任何重大事故。本集團並無捲入任何重大違反健康與安全法律或法規的行為，亦無因工作安全及勞工相關問題遭受重大訴訟、索賠、行政制裁或處罰。截至2023年12月31日止三個年度，概無人員因工傷死亡、重傷，亦無人員因工傷缺勤。

(iii) 發展及培訓

為增強工作團隊的整體競爭力，本集團致力確保僱員於履行職務時具備所需技能及安全知識。本集團一向的政策為向僱員提供全面的培訓。培訓通常包括經理或主管舉行的入職培訓，內容有關廠房規則、生產流程及機器使用；為期一至兩個月，由資深高級員工主持的機器使用方法及必要之安全程序的實地培訓；及偶爾視乎僱員工作職能的教育機會。

本集團亦將向準中層員工安排管理技巧培訓，提升其管理能力。新獲聘的僱員必須出席安全培訓課程，讓彼等了解於生產過程及操作生產設備時須符合的安全標準。本集團亦不時為僱員舉行活動，或容許僱員參加在不同省份或城市舉辦的貿易博覽會或研討會，以緊貼市場趨勢。

Environmental, Social and Governance Report

環境、社會及管治報告

Set forth below is the number and percentage of training hours completed by the Group's employees by gender and employee category:

以下為按性別及僱員類別劃分的本集團僱員完成的培訓時數及所佔百分比：

For the year ended 31 December 2023

截至2023年12月31日止年度

Employee category	Male	Female	Total	% of training hours by employee category
僱員類別	男	女	總計	按僱員類別劃分的佔培訓時數的百分比
	Training hours 培訓時數	Training hours 培訓時數	Training hours 培訓時數	
Senior management 高級管理層	1,043	209	1,252	7.0%
Middle management 中級管理層	1,391	420	1,811	10.1%
Other employees 其他僱員	8,062	6,722	14,784	82.9%
Total 總計	10,496	7,351	17,847	100.0%
% of training hours by gender 按性別劃分的佔培訓時數的百分比	58.8%	41.2%	100.0%	

Environmental, Social and Governance Report
環境、社會及管治報告

For the year ended 31 December 2022

截至2022年12月31日止年度

Employee category	Male	Female	Total	% of training hours by employee category
僱員類別	男	女	總計	按僱員類別劃分的佔培訓時數的百分比
	Training hours 培訓時數	Training hours 培訓時數	Training hours 培訓時數	
Senior management 高級管理層	885	198	1,083	7.9%
Middle management 中級管理層	961	293	1,254	9.1%
Other employees 其他僱員	7,308	4,145	11,453	83.1%
Total 總計	9,154	4,636	13,790	100.0%
% of training hours by gender 按性別劃分的佔培訓時數的百分比	66.4%	33.6%	100.0%	

Environmental, Social and Governance Report

環境、社會及管治報告

(iv) Employee distribution

At 31 December 2023, the Group had 515 (2022: 358) and 12 (2022: 4) full-time employees employed for the Group's business operations in Mainland China and Hong Kong respectively. The Group had no part-time employees. Set forth below are the distribution of the Group's employees at 31 December 2023 by gender and age group:

Category	分類	Number of Employees 僱員人數	Percentage 百分比
By gender	按性別劃分		
Male	男性	276	52.4%
Female	女性	251	47.6%
By age groups	按年齡組別劃分		
30 or below	30歲或以下	92	17.5%
31-40	31-40歲	178	33.8%
41-50	41-50歲	158	30.0%
51 or above	51歲或以上	99	18.7%

The table below sets forth the staff turnover rate of the Group classified by different categories:

Category	分類	For the year ended 31 December 2023 截至2023年 12月31日 止年度	For the year ended 31 December 2022 截至2022年 12月31日 止年度
By gender	按性別劃分		
Male	男性	4%	29%
Female	女性	4%	35%
By age groups	按年齡組別劃分		
30 or below	30歲或以下	11%	35%
31-40	31-40歲	10%	16%
41-50	41-50歲	10%	21%
51 or above	51歲或以上	7%	57%
By geographical region	按地區劃分		
Mainland China	中國內地	4%	32%
Hong Kong	香港	38%	-

(iv) 僱員分佈

於2023年12月31日，本集團分別有515名（2022年：358名）及12名（2022年：4名）全職僱員受僱從事本集團於中國內地及香港的業務。本集團概無兼職僱員。下文載列本集團於2023年12月31日按性別及年齡組劃分的僱員分佈：

下表載列本集團按不同類別劃分的僱員流失比率：

B.2 Operating practices

(i) Supply chain management

Most of the Group's major suppliers are based in Mainland China. The Group relies on the support from a wide variety of suppliers to provide raw materials and production equipment to carry out its business operations. It is very important for the Group to choose its suppliers carefully as such decision would directly affect the quality of its products and services.

The Group expects its suppliers to uphold the environmental, social and governance principles that the Group has adopted into the management of its business operations. In order to ensure that the components and raw materials meet the requisite safety and quality standards, the Group adopts stringent criteria in supplier selection (including but not limited to whether they provide high quality raw materials, whether they maintain a high standard on environmental protection and comply with relevant laws on environmental issues, whether price is comparable to market rate and location of their factories) and continuously monitors existing suppliers on an annual basis, based on criteria such as product quality, product defect ratio, delivery punctuality ratio and responsiveness.

Whether the supplier will continue to be included in the Group's list of approved suppliers depends on the marks it achieved under annual evaluation. The awareness of environmental protection is one of the key criteria for us to evaluate the suppliers. The Group highly recognises suppliers that can provide international recognitions and certificates, including but not limited to (i) ISO14001, recognising the environmental management system in place, (ii) Bluesign® certificate, recognising textile chemical providers and the products are responsible, sustainable and is greener textile chemicals for the environment, or (iii) Standard 100 of OEKO-Tex® recognition, mainly on product safety, which also attest to socially and environmentally sound conditions in production facilities.

B.2 營運慣例

(i) 供應鏈管理

本集團大多數主要供應商位於中國內地。本集團依賴眾多供應商的支持，以提供開展業務的原材料及生產設備。謹慎選擇供應商就本集團而言至關重要，因為有關決定會直接影響產品及服務的質量。

本集團希冀供應商遵守本集團在業務運營管理過程中所採納的環境、社會及管治原則。為確保零部件及原材料符合所需的安全及質量標準，本集團採納嚴格的供應商挑選標準（包括但不限於他們是否提供高品質原材料，是否保持高水平環境保護並遵守與環保問題相關的法律，其價格是否與市價可資比較，及其廠房所在地），並每年持續監察現有的供應商，標準包括產品質量、產品缺陷率、送貨準時比率及應對能力。

供應商是否繼續列入本集團的經核准供應商名單需視乎其於年度評審下所取得分數而定。環保意識為我們評估供應商的關鍵標準之一。本集團高度認可能夠提供國際認可及證書的供應商，包括但不限於(i)認可制定環保管理體系的ISO 14001，(ii)認可紡織化學品供應商及產品為負責任、可持續及為環境友好型紡織化學品的Bluesign®認證，或(iii)主要為涉及產品安全亦證明生產設施社會及環境良好狀況的OEKO-Tex®標準100。

Environmental, Social and Governance Report

環境、社會及管治報告

If the aggregate marks of the supplier under the Group's annual evaluation (i) equals to or is more than 80 marks, then the supplier will remain in our list of approved suppliers for the following year; (ii) less than 80 marks, the Group would ask the suppliers to make corresponding amendments and conduct the evaluation again after three months. If its marks under the evaluation equals to or is more than 80 marks, the supplier will remain in the list of approved suppliers for the following year; or (iii) equals to or less than 70 marks, the supplier will be removed from the list of approved suppliers.

The number of the Group's suppliers by geographical locations were as follows:

Geographical locations of the Group's suppliers 本集團供應商的地理位置

Mainland China
中國內地
Hong Kong
香港
Cambodia
柬埔寨

Total
總計

如供應商在本集團的年度評審下所取得總分(i)等於或高於80分，則該供應商來年會繼續列入核准供應商名單；(ii)低於80分，本集團會要求供應商作出相應改善，並在三個月後再作評審。如其在評審下得分等於或高於80分，供應商來年會繼續列入核准供應商名單；或(iii)等於或低於70分，該供應商會由核准供應商名單剔除。

按地理位置劃分的本集團供應商數目如下：

Number of suppliers 供應商數目 For the year ended 31 December 2023 截至2023年 12月31日止年度

200

1

2

203

(ii) Product responsibility

Product assurance and recall

The Group believes that its reputation for product quality, timely delivery and customer service has contributed significantly to the success of its business operations.

The Group adopts strict quality control measures which includes four stages, (i) initial quality check for raw materials, (ii) checking against prototype of greige fabrics according to the specification from customers, such as pattern and dimension of our lace and obtain approval from customers before bulk production; (iii) inspecting finished lace against any snagged yarns to ensure the number of weaving defects is below the agreed level and (iv) conduct various types of test to ensure appropriate elasticity of the products. In the event of anomalies discovered during inspection, the production staff would instantly report to the manager of the quality control department or to the general manager of the Group, so that the problem can be solved as quickly as possible.

The Group is currently using the total quality management system which can monitor the quality of products in an all-rounded respective. The Group's quality management system complies with the standard of GB/T 19001-2016/ISO9001:2015 Quality Management Systems Requirements and the Group was awarded a certificate for the design, and production of warp knitted lace (針織經編花邊). Also, the Group fully complies with domestic industry standards such as FZ/T 73027-2016 Textile Industry Standard (Warp Knitted Lace) of the PRC* (中華人民共和國紡織行業標準(針織經編花邊)). The Group has also been accredited with, among others, ISO 9001:2015 for quality management system for its design and production of lace and OEKO-TEX® Confidence in Textiles STANDARD 100, which shows that the quality of the Group's products can meet the international stringent requirements on product safety. In respect of dyeing services, the Group has obtained ISO14001:2015 for its environmental management system.

* For identification purpose only

(ii) 產品責任

產品保證與召回

本集團相信，本集團於產品質量、準時交付及客戶服務的聲譽對業務成功貢獻良多。

本集團採取嚴格的質量監控措施，當中包括四個階段：(i) 原材料的初始質量檢驗；(ii) 在大規模生產前根據客戶規格(如花邊圖案及尺寸)檢查坯布原型，並取得客戶批准；(iii) 檢查花邊製成品是否有任何脫絲問題，確保紡織缺陷低於協定水平；及(iv) 進行多種試驗，確保產品具有合適彈性。倘於檢驗過程中發現異常之處，生產人員會即時向品質監控部經理或本集團總經理匯報，以便盡快解決問題。

本集團目前採用全面品質管理系統，全面監察產品質素。本集團的品質管理系統符合GB/T 19001-2016/ISO9001:2015標準品質管理系統要求，本集團亦獲頒授針織經編花邊設計及生產證書。此外，本集團全面遵守國內行業標準，例如FZ/T 73027-2016中華人民共和國紡織行業標準(針織經編花邊)。本集團就花邊設計及生產的品質管理系統獲得ISO9001:2015及獲得OEKO-TEX® Confidence in Textiles STANDARD 100認證，彰顯本集團產品的品質可符合國際嚴格的產品安全規定。就本集團的染整服務而言，本集團已就環境管理系統獲得ISO14001:2015認證。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group also implements a series of repair and maintenance procedures of its machinery and equipment. The production team conducts basic routine checks on machinery and equipment regularly and detailed checks annually. The production team maintains detailed record on repair and maintenance work and the Group has its own hardware warehouse to increase the efficiency of repairing.

During the two years ended 31 December 2023, the Group did not have material non-compliance with laws and regulations in relation to product safety and receive any product return request, nor had it received any complaint from its customers on the quality of products, and no customers made any material warranty claims against the Group.

Intellectual property rights and privacy protection

To protect its intellectual property rights, the Group has entered into confidentiality and non-compete agreements with members of senior management, employees of the design and development team and technical support team and/or other employees who have access to secrets or confidential information of the Group. The confidentiality and non-compete agreements prohibit such members of senior management and/or the relevant employees from (i) disclosing confidential information of the Group such as technology know-how and trade secrets acquired or generated during the course of their employment with the Group; and (ii) engaging in activities and/or business that may potentially compete with the Group.

The Group has also established appropriate guidelines for its employees to regulate the use of personal information, safeguard confidential information and avoid leakage of customers' and suppliers' privacy.

During the two years ended 31 December 2023, the Group was not aware of any material infringement of any intellectual property rights nor material breach of data privacy.

本集團亦執行一系列機器及設備的維修及保養程序。生產團隊定期對機器及設備進行基本例行檢查，並每年進行詳細檢查。生產團隊保存詳細的維修及保養工程記錄，本集團擁有自家硬件倉庫，以提升維修效率。

截至2023年12月31日止兩個年度，本集團並無重大違反產品安全的法律法規，概無收到任何產品退貨要求，亦無收到任何客戶關於產品質量的投訴，且概無客戶向本集團提出任何重大保修索賠。

知識產權及私隱保護

為保障知識產權，本集團已與高級管理層成員、設計及開發團隊以及技術支援團隊的僱員及／或能接觸本集團的機密或秘密資料的僱員訂立保密及非競爭協議。保密及非競爭協議禁止高級管理層成員及／或相關僱員(i)披露本集團的機密資料，例如彼等受僱本集團過程中獲得或產生的工藝要領及／或商業秘密；及(ii)從事可能與本集團構成競爭的活動及／或業務。

本集團亦已為僱員制定適當的指引，規範個人信息的使用、保護機密信息並避免客戶及供應商私隱洩露。

截至2023年12月31日止兩個年度，本集團並無發現任何重大侵犯任何知識產權或重大違反數據私隱的情況。

(iii) Anti-fraud and anti-corruption

The Group has implemented guides, policies and procedures regarding anti-fraud and anti-corruption for its employees to follow. A reporting mechanism is in place for any fraud/corruption or suspected fraudulent/corruption behaviour. Any contravention to these guides and policies identified with solid evidence, the Group will terminate the engagement with the contravened parties immediately and if needed, report to relevant regulatory authorities. The Group also provides trainings to its employees from time to time to ensure that they comply and familiar with the guides, policies and procedures regarding anti-fraud and anti-corruption.

During the two years ended 31 December 2023, the Group complied with all applicable laws on prohibiting corruption and bribery and there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

Whistleblowing policy

The Group has implemented whistleblowing policy to provide a well-defined and accessible channel for reporting fraud, corruption, dishonest practices, or other similar matters and guidance on how an investigation would be initiated upon receiving a complaint. The policy also protects employees who report fraudulent activities in good faith and reasonable belief. A whistleblowing officer is elected to ensure that any reported case is dealt with in an expedited manner.

Upon receiving the complaint, the Board decides the method of investigation, which may involve appointing an external consultant for assessment. The Board will monitor and review the effectiveness of the whistleblowing policy from time to time.

(iii) 反欺詐及反貪污

本集團已實施有關反欺詐及反貪污指引、政策及程序，供僱員遵循。對於任何欺詐／腐敗或疑似欺詐／腐敗行為設有一個報告機制。如有確鑿證據表明違反該等指引及政策，本集團將立即終止與違規方的接觸，並在必要時向相關監管機構報告。本集團亦不時為僱員提供培訓，確保彼等遵守並熟悉有關反欺詐及反貪污的指引、政策及程序。

截至2023年12月31日止兩個年度，本集團已遵守所有關於禁止貪污受賄的適用法律，且本集團或其僱員並無任何已完結的貪污行為法律案件。

舉報政策

本集團已實施舉報政策，為舉報欺詐、腐敗、不誠實行為或其他類似事項提供明確、可利用的渠道，並為收到投訴後如何啟動調查提供指導。該政策還保護該等出於善意及合理信念舉報欺詐活動的員工。我們已選出一名舉報主任以確保任何舉報個案得以迅速處理。

接獲投訴後，董事會會決定調查方式，當中有機會涉及委任外部顧問進行評估。董事會將不時監察及檢討舉報政策的成效。

B.3 Community investment

The Group acknowledges corporate social responsibility and allocates resources to satisfy the needs of the community. In achieving its social corporate goal in volunteering in the community, the Group has actively endeavoured in funding the development of less developed cities in the PRC by making donations to various charitable organisations occasionally.

During the two years ended 31 December 2023, the Group focused on environmental protection as well as cultural and sport promotion. Going forward, the Group will continue to focus on community needs and increase its investment in community. The Group has contributed a reasonable amount of time to environmental protection and cultural and sport promotion.

B.3 社區投資

本集團承認企業社會責任並分配資源以滿足社區的需求。為達成社區義務工作這一社會企業目標，本集團通過不時向不同慈善團體捐款，積極資助中國較落後城市的發展。

截至2023年12月31日止兩個年度，本集團關注環境保護及文體推廣。展望未來，本集團將繼續關注社區需求並加大對社區的投資。本集團已為環境保護及文體推廣投入合理的時間。

Directors' Report

董事會報告

The Directors are pleased to present to the shareholders of the Company the annual report and the audited consolidated financial statements for the year ended 31 December 2023.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 January 2019. The Company's shares were listed on the Main Board of the Stock Exchange on 13 January 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group provides dyeing services, sale and manufacture of lace as well as sales of footwear product to its customers. Details of the principal activities of the principal subsidiaries are set out in note 13 to the consolidated financial statements.

BUSINESS REVIEW, FUTURE PROSPECT AND DEVELOPMENT

The review of the business of the Group during the year ended 31 December 2023 and the discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report.

PRINCIPAL RISK FACTORS AND UNCERTAINTIES

The following sets out the principal risks and uncertainties encountered by the Group in its business operations:

The Group as a dyeing service provider has been categorised as one of the heavily polluting industries. Any failure to comply with environmental regulations would expose the Group to penalties, fines, suspensions or actions in other forms.

The Group's business of providing dyeing services has been categorised as one of the heavily polluting industries and its operations are subjected to the environmental protection laws and regulations promulgated by the PRC government authorities. These laws and regulations require the Group to adopt effective measures to control and properly dispose of waste water and other environmental pollutants. The Group could be exposed to penalties, fines, suspensions or actions in other forms if we fail to comply with these laws and regulations.

董事欣然向本公司股東提呈截至2023年12月31日止年度的年報及經審核綜合財務報表。

一般資料

本公司於2019年1月4日於開曼群島註冊成立為獲豁免有限公司。本公司股份於2021年1月13日在聯交所主板上市。

主要業務

本公司為一間投資控股公司。本集團向其客戶提供染整服務、花邊銷售及製造以及鞋履產品銷售。主要附屬公司的主要業務詳情載於綜合財務報表附註13。

業務回顧、未來前景及發展

本集團截至2023年12月31日止年度的業務回顧以及有關本集團未來業務發展的討論載於本年報「主席報告」及「管理層討論及分析」章節。

主要風險因素及不確定因素

下文載列本集團及其業務營運面臨的主要風險及不確定因素：

作為染整服務供應商，本集團被分類為重污染產業之一。如未能遵守環境法規，本集團將面臨刑罰、罰款、停業或其他形式的法律行動。

本集團提供染整服務的業務被分類為重污染產業之一，而本集團的營運須遵守中國政府機關頒佈的環境保護法律法規。該等法律法規要求本集團採取有效措施控制及妥善處置廢水及其他環境污染物。倘本集團未能遵守該等法律法規，本集團或會面臨刑罰、罰款、停業或其他形式的法律行動。

Directors' Report

董事會報告

The Group derives a significant portion of revenue from several major customers . Failure to retain business relationships with existing customers or secure new business may materially affect the Group's results and financial performance.

The Group's revenue is concentrated in several major customers. The Group mainly provides lace manufacture, dyeing services and footwear business on an order-by-order basis, there is no assurance that our business relationship with our customers will continue in the future. The Group's results of operations, profitability and liquidity may be materially and adversely affected if it is unable to secure new orders from existing customers or fail to procure similar level of business from new customers on comparable commercial terms to offset the loss of revenue from existing customers.

The Group's business depends on a stable and adequate supply of raw materials and the Group does not enter into any long-term agreements with suppliers, fluctuation in the price of raw materials may affect the Group's cost of sales and adversely affect business operation and profitability.

Since the Group does not enter into any long-term agreement with its raw material suppliers, if any interruption, reduction or termination of the supply of raw materials occurs, or the price of the raw material increase due to an increase in demand, the Group has to bear the risk of such fluctuations and may not be able to shift such risk to its customers.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no significant events which would have a material effect on the Group after the balance sheet date and up to the date of this report.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2023, sales to the Group's largest customer and five largest customers accounted for approximately 69.4% (2022: approximately 38.2%) and approximately 80.3% (2022: approximately 47.6%) of the total revenue, respectively.

Purchases from the Group's largest supplier and the five largest suppliers during the year ended 31 December 2023 accounted for approximately 31.8% (2022: approximately 29.3%) and approximately 67.5% (2022: approximately 39.5%) of the total purchases, respectively.

本集團大部分收益來自於一些主要客戶。未能保留與現有客戶的業務關係或獲得新業務可對本集團的業績及財務表現構成重大影響。

本集團的收益集中個別主要客戶。本集團主要按訂單提供花邊製造、染整服務及鞋履業務，概不能保證我們與客戶的業務關係將於日後持續。倘本集團未能自現有客戶獲得新訂單，或未能以可比較商業條款從新客戶採購水平接近的業務以抵銷現有客戶產生的收益損失，本集團的經營業績、盈利能力及流動資金可能受到重大不利影響。

本集團業務依賴穩定及充足的原材料供應，且本集團並無與供應商訂立長期協議，原材料價格的波動或會影響本集團的銷售成本，從而對業務營運及盈利能力造成不利影響。

由於本集團與其原材料供應商並無訂立任何長期協議，如原材料供應有任何中斷、減少或終止，或原材料價格因需求上升而增加，則本集團須承擔有關波動的風險，而未必能將風險轉嫁客戶。

報告期後事項

於結算日後直至本報告日期，概無發生對本集團有重大影響的重要事件。

主要供應商及客戶

截至2023年12月31日止年度，本集團最大客戶及五大客戶的銷售額分別佔總收益約69.4%（2022年：約38.2%）及約80.3%（2022年：約47.6%）。

截至2023年12月31日止年度，本集團最大供應商及五大供應商的採購額分別佔總採購額約31.8%（2022年：約29.3%）及約67.5%（2022年：約39.5%）。

Directors' Report

董事會報告

None of the Directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers for the year ended 31 December 2023.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group maintains good relationships with employees, customers and suppliers by making frequent communications with them to understand their needs. The Group provides safe work environment, competitive remuneration, good welfare benefits and continuous training for its employees. During the year ended 31 December 2023, there were no material disputes between the Group and its employees, customers and suppliers.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2023, to the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group. The Group also complied with (i) the requirements under the Hong Kong Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance; and (ii) the ordinances relating to occupational safety for the interest of its employees.

ENVIRONMENTAL POLICY AND SOCIAL RESPONSIBILITY

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Details of such are set out in the section headed "Environmental, Social and Governance Report" in this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2023 and the state of affairs of the Group at that date are set out in the financial statements on pages 103 to 106. The Directors do not recommend the payment of dividend for the year ended 31 December 2023 (2022: nil).

SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2023 are set out in note 13 to the consolidated financial statements.

本公司董事或彼等任何緊密聯繫人或就董事所知擁有本公司已發行股本5%以上的任何股東，概無於截至2023年12月31日止年度擁有本集團五大客戶或供應商任何實益權益。

與僱員、客戶及供應商的關係

本集團與僱員、客戶及供應商進行經常溝通，了解彼等的需求，維持良好關係。本集團為其僱員提供安全的工作環境、具有競爭力的薪酬、良好的福利待遇及持續培訓。截至2023年12月31日止年度，本集團與其僱員、客戶及供應商之間並無重大糾紛。

遵守法律及法規

截至2023年12月31日止年度，就董事所知，本集團已遵守對本集團有重大影響的一切相關法律及法規。本集團亦已遵守(i)香港公司條例、上市規則和證券及期貨條例(「證券及期貨條例」)有關披露資料及企業管治的規定；及(ii)有關職業安全的條例，以保障僱員權益。

環境政策及社會責任

本集團致力於履行社會責任、提升僱員福利及發展、保護環境及回饋社會，務求達致可持續增長。詳情載於本年報「環境、社會及管治報告」一節。

業績及股息

本集團截至2023年12月31日止年度的業績本集團於該日的事務狀況載於第103至106頁的財務報表。董事不建議就截至2023年12月31日止年度派付股息(2022年：無)。

附屬公司

於2023年12月31日，本公司的附屬公司詳情載於綜合財務報表附註13。

Directors' Report 董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2023 are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2023 are set out in note 22 to the consolidated financial statements.

BORROWINGS

At 31 December 2023, the Group had borrowings of approximately RMB36.9 million (2022: nil).

CHARGE ON ASSETS

At 31 December 2023 and 2022, the Group did not have any assets pledged as securities.

CLOSURE OF THE REGISTER OF MEMBERS

For the purposes of determining the shareholders' eligibility to attend and vote at the forthcoming annual general meeting to be held on 24 May 2024 (Friday), the register of members of the Company will be closed from 21 May 2024 (Tuesday) to 24 May 2024 (Friday), both days inclusive. The latest time to lodge transfer documents for registration will be at 4:30 p.m. on 20 May 2024 (Monday). During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on 20 May 2024 (Monday).

PRE-EMPTIVE RIGHTS

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

物業、廠房及設備

截至2023年12月31日止年度，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14。

股本

截至2023年12月31日止年度，本公司的股本變動詳情載於綜合財務報表附註22。

借款

於2023年12月31日，本集團有借款約人民幣36.9百萬元(2022：無)。

資產抵押

於2023年及2022年12月31日，本集團並無任何被質押作為抵押的資產。

暫停辦理股份過戶登記手續

為確定股東符合資格出席本公司將於2024年5月24日(星期五)舉行的應屆股東週年大會並於會上表決，本公司將於2024年5月21日(星期二)至2024年5月24日(星期五)(包括首尾兩日)期間暫停辦理股份過戶登記手續。遞交過戶文件以辦理登記的最遲時間為2024年5月20日(星期一)下午四時三十分。於上述暫停辦理期間任何股份轉讓不得進行登記。為符合資格出席應屆股東週年大會並於會上表決，所有過戶文件連同有關股票及過戶表格必須於2024年5月20日(星期一)下午四時三十分前送達本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

優先購買權

本公司細則或開曼群島法律概無有關優先購買權的條文，致使本公司有責任按比例向現有股東發售新股份。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES AND DISTRIBUTABLE RESERVES

The movements in the reserves of the Group during the year ended 31 December 2023 are set out in the consolidated statement of changes in equity of this annual report. The distributable reserves of the Company are set out in note 35(a) to the consolidated financial statements.

TAX RELIEF AND EXEMPTION

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

CHARITABLE DONATIONS

The Group made donations of RMB100,000 during the year ended 31 December 2023 (2022: RMB200,000).

MANAGEMENT CONTRACTS

During the year ended 31 December 2023, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Five-Year Financial Summary" of this annual report. This summary does not form part of the audited consolidated financial statements.

購買、贖回或出售本公司上市證券

截至2023年12月31日止年度，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

儲備及可供分派儲備

本公司截至2023年12月31日止年度的儲備變動載於本年報綜合權益變動表。本公司可供分派儲備載於綜合財務報表附註35(a)。

稅務減免及豁免

就董事所知，概無股東因持有本公司證券而享有任何稅務減免或豁免。

慈善捐贈

截至2023年12月31日止年度，本集團作出捐贈人民幣100,000元（2022年：人民幣200,000元）。

管理合約

截至2023年12月31日止年度，概無訂立或存在有關管理和經營本公司或附屬公司全部或任何重大部分業務的合約。

財務概要

本集團於過去五個財政年度的已刊發業績以及資產及負債的概要載於本年報「五年財務概要」一節。本概要並不構成經審核綜合財務報表其中一部分。

Directors' Report 董事會報告

DIRECTORS

The Directors of the Company during the year ended 31 December 2023 and up to the date of this annual report were:

Executive Directors

Mr. Tsoi Wing Sing (*Chairman*)
Mr. Lin Minqiang
Mr. Larry Stuart Torchin
Ms. Tsoi Lam Ki (appointed on 31 October 2023)
Ms. Jian Xuegen (resigned on 31 October 2023)

Independent Non-Executive Directors

Mr. Chow Kit Ting
Dr. Chiu Kwok Hung, Justin
Mr. Chan Hoi Shan

In accordance with the Articles, Mr. Tsoi Wing Sing, Mr. Lin Minqiang and Ms. Tsoi Lam Ki will retire and, being eligible, will offer themselves for re-election at the forthcoming AGM.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the members of the Board and relationship between members of the Board are set out in the section headed "Biographical Details of Directors" in this annual report.

董事

截至2023年12月31日止年度及直至本年報日期，本公司的董事為：

執行董事

蔡榮星先生(主席)
林民強先生
Larry Stuart Torchin先生
蔡琳琪女士(於2023年10月31日獲委任)
簡雪艮女士(於2023年10月31日辭任)

獨立非執行董事

周傑靈先生
趙國雄博士
陳海山先生

根據細則，蔡榮星先生、林民強先生及蔡琳琪女士將於應屆股東週年大會上退任並符合資格及願意膺選連任。

董事履歷詳情

董事會成員的履歷詳情及董事會成員之間的關係載於本年報「董事履歷詳情」一節。

EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

Details of the Group's employee benefit expenses and manpower service expenses for the year ended 31 December 2023 (including the emoluments of the Directors and senior management and the five highest paid individuals of the Group) are set out in note 9 to the consolidated financial statements of this annual report. The emoluments payable to the Directors are determined according to various factors, including but not limited to their performance, market conditions and the financial conditions of the Group. During the year ended 31 December 2023, no Directors have waived any emoluments.

DIRECTORS' LETTERS OF APPOINTMENT

Each of Mr. Tsoi Wing Sing, Mr. Larry Stuart Torchin, Dr. Chiu Kwok Hung, Justin and Mr. Chan Hoi Shan has signed a letter of appointment with our Company up to a term of three years commencing from 30 September 2022. Each of Mr. Lin Minqiang and Mr. Chow Kit Ting has signed a letter of appointment with our Company up to a term of three years commencing from 16 December 2020 and Mr. Chow Kit Ting renewed his appointment on 30 September 2022. Ms. Tsoi Lam Ki has signed a letter of appointment with our Company up to a term of three years commencing from 31 October 2023. These appointments may be terminated in accordance with the terms of the letter of appointment.

Apart from the foregoing, no Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment or compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Laws of the Cayman Islands) which he/she may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

僱員福利開支及人力資源服務開支， 包括董事酬金

截至2023年12月31日止年度，本集團的僱員福利開支及人力資源服務開支(包括本集團董事、高級管理層及五名最高薪酬人士的薪酬)詳情載於本年報綜合財務報表附註9。應付董事的酬金乃根據多種因素釐定，包括但不限於其表現、市況及本集團的財務狀況。截至2023年12月31日止年度，概無董事放棄任何酬金。

董事委任函

蔡榮星先生、Larry Stuart Torchin先生、趙國雄博士及陳海山先生各自與本公司簽訂委任函，自2022年9月30日起計為期三年。林民強先生及周傑靈先生各自與本公司簽訂委任函，自2020年12月16日起計為期三年，周傑靈先生於2022年9月30日續簽委任函。蔡琳琪女士已與本公司簽署委任函，自2023年10月31日起，為期三年。該等委任函可根據委任函的條款予以終止。

除上述者外，概無建議於股東週年大會重選的董事與本公司訂立不得由本公司於一年內終止而毋須支付款項或賠償(法定賠償除外)的服務合約。

獲准許的彌償條文

根據細則，各董事可(在開曼群島公司法准許下盡可能)就於或有關執行其職責或其他與此有關而蒙受或招致的所有損失或責任獲得以本公司資產作出的彌償。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 31 December 2023, interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which have been 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 were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

(i) Interest in the ordinary shares of the Company

董事及最高行政人員於本公司或任何相關法團的股份、相關股份及債權證的權益及淡倉

於2023年12月31日，本公司董事及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、相關股份及債權證中擁有已根據證券及期貨條例第XV部第7及8分部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條文被當作或視為擁有的權益及淡倉）或根據證券及期貨條例第352條須載入本公司存置的登記冊的權益及淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

(i) 於本公司普通股的權益

Name of Director	Capacity/nature of interest	Number of shares held (Note 1) 持有的 股份數目 (附註1)	Percentage of shareholding in the Company (Approximate) 於本公司的 持股百分比 (概約)
Mr. Tsoi Wing Sing (Note 2) 蔡榮星先生(附註2)	Interest in a controlled corporation and beneficial owner 受控法團權益與實益擁有人	781,000,000 (L)	61.98%
Mr. Lin Minqiang (Note 3) 林民強先生(附註3)	Interest in a controlled corporation and interest held jointly with other persons 受控法團權益 與其他人士共同持有權益	50,400,000 (L)	4.00%
Ms. Tsoi Lam Ki 蔡琳琪女士	Beneficial owner 實益擁有人	2,735,000 (L)	0.22%

(ii) Interest in the ordinary shares of an associated corporation

(ii) 於相聯法團普通股的權益

Name of Director	Name of associated corporation	Capacity/nature of interest	Number of shares held (Note 1) 持有的股份數目 (附註 1)	Percentage of shareholding in the associated corporation (Approximate) 於相聯法團的持股百分比 (概約)
董事姓名	相聯法團名稱	身份／權益性質持		
Mr. Tsoi Wing Sing 蔡榮星先生	Glorious Way Investments Limited (“Glorious Way”) 榮偉投資有限公司(「榮偉」)	Beneficial owner 實益擁有人	1(L)	100%

Notes:

- The letter “L” denotes long position of the shares.
- Mr. Tsoi Wing Sing (i) directly and beneficially holds 1.98% of the shares of the Company; and (ii) beneficially owns 100% of the issued shares of Glorious Way, which in turn holds 60.00% of the shares of the Company. Mr. Tsoi Wing Sing is a director of Glorious Way. Therefore, Mr. Tsoi Wing Sing is deemed, or taken to be interested in the shares of the Company held by Glorious Way for the purpose of the SFO and in aggregate holds 61.98% of the shares of the Company.
- These shares are held by Deyong Investment Co., Ltd (“Deyong Investment”). Deyong Investment is an investment holding company incorporated in the British Virgin Islands (the “BVI”) and is owned by Mr. Lin Minqiang, as to 60%. Mr. Lin Minqiang is a director of Deyong Investment. Therefore, Mr. Lin Minqiang is deemed, or taken, to be interested in the shares of the Company held by Deyong Investment for the purposes of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations at 31 December 2023, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

附註：

- 「L」代表該名人士於股份的好倉。
- 蔡榮星先生(i)直接及實益持有本公司1.98%股份；及(ii)實益擁有榮偉已發行股份100%，而榮偉持有本公司60.00%股份。蔡榮星先生為榮偉的董事。因此，根據證券及期貨條例，蔡榮星先生被視為或當作於榮偉所持有的本公司股份中擁有權益，故合共持有本公司61.98%股份。
- 該等股份由Deyong Investment Co., Ltd (「Deyong Investment」)持有。Deyong Investment為於英屬處女群島(「英屬處女群島」)註冊成立的投資控股公司，由林民強先生擁有60%。林民強先生為Deyong Investment的董事。因此，根據證券及期貨條例，林民強先生被視為或當作於Deyong Investment所持有的本公司股份中擁有權益。

除上文所披露者外，於2023年12月31日，概無本公司董事或最高行政人員於本公司或任何相聯法團的任何股份、相關股份及債權證中，擁有記入本公司根據證券及期貨條例第352條須存置的登記冊或根據證券及期貨條例第XV部或標準守則須另行知會本公司及聯交所的任何權益或淡倉。

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Saved as disclosed in this annual report, at no time during the year ended 31 December 2023 and up to the date of this annual report were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

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

So far as is known to the Directors, at 31 December 2023, the following corporation/persons (other than the interests of the Directors or chief executives of the Company as disclosed above) had interests of 5% or more in the issued shares which fall to be disclosed to the Company and the Stock Exchange under the provisions 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:

董事購買股份或債權證的安排

除本年報所披露者外，於截至2023年12月31日止年度及直至本年報日期的任何時間，概無向本公司任何董事或彼等各自的配偶或未成年子女授出任何可藉收購本公司股份或債權證而獲得利益的權利，彼等亦無行使任何該等權利，且本公司、其控股公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉收購本公司或任何其他法團股份或債務證券（包括債權證）而獲得利益。

主要股東及其他人士於本公司股份及相關股份中擁有的權益及淡倉

就董事所知，於2023年12月31日，下列法團／人士（上文所披露的本公司董事或最高行政人員權益除外）擁有本公司已發行股份中5%或以上的權益且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入本公司根據證券及期貨條例第336條須存置的登記冊：

Name	Capacity/nature of interest	Number of shares held (Note 1)	Percentage of shareholding in the Company (Approximate) 於本公司的 持股百分比 (概約)
姓名／名稱	身份／權益性質	股份數目 (附註1)	
Glorious Way (Note 2) 榮偉 (附註2)	Beneficial owner 實益擁有人	756,000,000 (L) 756,000,000 (L)	60.00% 60.00%
Ms. Wu Chor Har (Note 3) 胡秋霞女士 (附註3)	Interest of spouse 配偶權益	781,000,000 (L) 781,000,000 (L)	61.98% 61.98%

Notes:

- The letter "L" denotes long position of the shares.
- Glorious Way is an investment holding company incorporated in the BVI and is wholly owned by Mr. Tsoi Wing Sing.

附註：

- 「L」代表該名人士於股份的好倉。
- 榮偉為於英屬處女群島註冊成立的投資控股公司，由蔡榮星先生全資擁有。

Directors' Report

董事會報告

3. Ms. Wu Chor Har is the spouse of Mr. Tsoi Wing Sing. Therefore, Ms. Wu Chor Har is deemed to be, or taken to be, interested in the shares of the Company which Mr. Tsoi Wing Sing is interested in for the purposes of the SFO.

Save as disclosed above, at 31 December 2023, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or his/her connected entity has or had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries, fellow subsidiaries or its parent company was a party subsisting during or at the end of the year ended 31 December 2023.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

None of the Directors, controlling shareholders or any of their respective associates has engaged in or has any interest in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group during the Reporting Period and up to the date of this annual report.

3. 胡秋霞女士為蔡榮星先生的配偶。因此，根據證券及期貨條例，胡秋霞女士被視為或當作於蔡榮星先生擁有權益的本公司股份中擁有權益。

除上文所披露者外，於2023年12月31日，本公司概無獲悉本公司已發行股本中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的任何相關權益或淡倉，或須記入本公司根據證券及期貨條例第336條須存置的登記冊的任何相關權益或淡倉。

董事於交易、安排或合約的權益

概無董事或其關連實體於截至2023年12月31日止年度內或年末時仍存續且由本公司或其任何附屬公司、同系附屬公司或其母公司所訂立並對本公司業務而言屬重要的任何交易、安排或合約中直接或間接擁有或曾擁有重大權益。

董事及控股股東於競爭業務的權益

於報告期間及直至本年報日期，概無董事、控股股東或任何彼等各自的聯繫人從事任何與本集團的業務競爭或可能競爭的業務或擁有該等業務的任何權益，亦無與本集團有任何其他利益衝突。

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "Share Option Scheme") on 16 December 2020 (the "Adoption Date"), which became effective on 13 January 2021.

(i) Purpose of Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to eligible participants; and to promote the success of the business of the Group.

(ii) Who may join and basis of eligibility

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe at a price calculated in accordance with paragraph (iii) below for such number of shares as it may determine in accordance with the terms of the Share Option Scheme. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his/her contribution or potential contribution to the development and growth of the Group.

(iii) Exercise price of share option

The exercise price of share option granted under the Share Option Scheme shall be a price solely determined by the Board and shall be at least highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.

(iv) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HKD1.00.

購股權計劃

本公司於2020年12月16日（「採納日期」）有條件採納一項購股權計劃（「購股權計劃」），其於2021年1月13日生效。

(i) 購股權計劃的目的

購股權計劃旨在吸引及挽留最優秀的人員、向本集團僱員提供額外獎勵以及推動本集團業務創出佳績。

(ii) 參與者資格及條件

董事會可全權酌情按其認為適合的條款，向本集團任何僱員（全職或兼職）、董事、諮詢人或顧問、或本集團任何主要股東、或本集團任何分銷商、承包商、供應商、代理、客戶、商業夥伴或服務供應商授出購股權，使彼等可根據購股權計劃的條款，按下文第(iii)段計算的價格認購董事會可能指定數目的股份。董事會（或視情況而定包括獨立非執行董事）可不時根據個別參與者對本集團發展及增長所作出或可能作出的貢獻決定獲授任何購股權的參與者資格。

(iii) 購股權行使價

根據購股權計劃授出的購股權行使價由董事會全權釐定，但不得低於下列較高者：(i)於購股權授出日期於聯交所每日報價表所報的股份收市價；(ii)於緊接購股權授出日期前五個營業日在聯交所每日報價表所報的股份平均收市價；及(iii)於購股權授出日期的股份面值。

(iv) 授出購股權及接納要約

授出購股權的要約限於作出有關要約日期（包括該日）起計七日內接納。購股權承授人須於接納要約時就獲授的購股權向本公司支付1.00港元。

(v) Maximum number of shares that may be issued

The aggregate 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 schemes of our Company must not exceed 30% of the shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Company if this will result in such 30% limit being exceeded.

Subject to the terms and conditions of the Share Option Scheme, the maximum numbers of shares in respect of which options may be granted under the Share Option Scheme and any other schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the Adoption Date (i.e. 126,000,000 shares) unless approved by the shareholders of the Company.

The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to the Company's shareholders containing the information as required under the Listing Rules in this regard.

(vi) Maximum entitlement of each participant

Unless approved by shareholders of the Company in general meeting in the manner stipulated in the Listing Rules, the maximum entitlement for each eligible participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the total number of shares in issue.

(v) 可發行的股份數目上限

因行使根據購股權計劃及本公司任何其他購股權計劃已授出但尚未行使的全部購股權而可能發行的股份總數，不得超過不時已發行股份的30%。如根據購股權計劃或本公司任何其他購股權計劃授出購股權後會超過有關30%的上限，則不得授出購股權。

在購股權計劃條款及條件的規限下，有關根據購股權計劃及任何其他計劃可能授出的購股權的股份數目上限合共不得超出於採納日期全部已發行股份的10%（即126,000,000股股份），除非本公司股東另行批准。

上文所述的10%上限可隨時經本公司股東在股東大會上批准後更新，惟因行使根據購股權計劃及本公司任何其他購股權計劃將予授出的全部購股權而可能發行的股份總數，不得超過批准經更新上限當日已發行股份的10%。就計算經更新10%上限而言，先前根據購股權計劃及本公司任何其他購股權計劃授出的購股權（包括根據購股權計劃及本公司任何其他購股權計劃的條款尚未行使、已註銷或已失效的購股權）將不會計算在內。一份載有上市規則就此方面規定的資料的通函，必須寄發予本公司股東。

(vi) 各參與者的配額上限

除非經本公司股東在按上市規則規定的方式舉行的股東大會上批准，各參與人士於任何12個月期間直至授出日期的配額上限（包括已行使及尚未行使的購股權）不得超過已發行股份總數的1%。

(vii) Time of exercise of 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 of grant subject to the provisions of early termination thereof.

(viii) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on the Adoption Date and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by our Shareholders in general meeting. At 31 December 2023, the remaining life of the Share Option Scheme is approximately six years and 11.5 months.

For further details on the principal terms of the Share Option Scheme, please refer to Appendix IV to the Prospectus.

As of 31 December 2023 and the date of this annual report, no share options had been granted or agreed to be granted under the Share Option Scheme. As a result, the total number of shares available for issue under the Share Option Scheme as of the date of this annual report was 126,000,000, representing 10% of the issued share capital of the Company as of the Adoption Date.

CONNECTED TRANSACTIONS

The connected transactions or continuing connected transactions related to office rental payments of the Group under Chapter 14A of the Listing Rules entered by the Group with World Mart Limited (旺明有限公司), during the Reporting Period with a term of one year, were exempted from reporting, disclosure and independent shareholders' approval requirements under the Listing Rules. Details were disclosed in note 34 to the consolidated financial statements.

As disclosed in the announcements of the Company dated 10 July 2023, 31 July 2023, 14 August 2023 and the circular of the Company dated 17 August 2023, the Company entered into the framework agreement ("**Framework Agreement**") with Mr. Tsoi, pursuant to which Mr. Tsoi's associated companies ("**Associated Companies**") shall manufacture and supply various footwear to the Group ("**Continuing Connected Transactions**"). The transaction contemplated under the Framework Agreement was subsequently approved by the independent Shareholders at the extraordinary general meeting of the Company held on 4 September 2023.

(vii) 行使購股權的時限

承授人可於董事會可能釐定的期間，隨時根據購股權計劃的條款行使購股權，惟有關期間不得超過授出日期起計十年，並受有關提前終止條文所規限。

(viii) 購股權計劃期限

購股權計劃將於採納日期起計十年內有效，除非在股東大會上遭股東提早終止，否則於緊接購股權計劃滿十週年前的營業日的營業時間結束時屆滿。於2023年12月31日，購股權計劃的剩餘年期約為六年11.5個月。

有關購股權計劃主要條款的進一步詳情，請參閱招股章程附錄四。

於2023年12月31日及本年報日期，概無根據購股權計劃授出或同意授出購股權。因此，於本年報日期，根據購股權計劃可發行的股份總數為126,000,000股，佔本公司於採納日期已發行股本的10%。

關連交易

於報告期間，本集團根據上市規則第14A章與旺明有限公司訂立本集團有關支付辦公室租金的關連交易或持續關連交易，為期一年，惟獲豁免遵守上市規則下的申報、披露及獨立股東批准規定。有關詳情，披露於本綜合財務報表附註34。

誠如本公司日期為2023年7月10日、2023年7月31日及2023年8月14日之公告，以及本公司日期為2023年8月17日之通函所披露，於2023年7月10日，本公司與蔡先生訂立框架協議（「**框架協議**」），據此，蔡先生的有聯繫公司（「**聯繫公司**」）須為本集團製造及供應多種鞋履（「**持續關連交易**」）。框架協議下擬進行的交易其後於本公司於2023年9月4日股東特別大會上獲獨立股東批准。

Directors' Report

董事會報告

The annual caps in respect of the purchase under the Framework Agreement were set at HK\$78.2 million, HK\$164.2 million and HK\$172.5 million for the period from six months ending 31 December 2023, each of the two financial years ending 31 December 2024 and 2025 respectively. The aggregate amounts for the purchase amount under the Framework Agreement to Associated Companies during the year ended 31 December 2023 was HK\$38,561,000 which did not exceed the annual cap of HK\$78.2 million as set for such financial year.

Since Mr. Tsoi is a substantial shareholder of the Company, and the Associated Companies are all associates of Mr. Tsoi, each of Mr. Tsoi and the Associated Companies is a connected person of the Company and the transactions contemplated under the Framework Agreement constituted continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules. The transactions contemplated under the Framework Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the Continuing Connected Transactions and have confirmed that the Continuing Connected Transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain agreed upon procedures in respect of the above Continuing Connected Transactions and the auditor has reported its conclusion on these procedures to the Board, confirming the matters set out in Rule 14A.56 of the Listing Rules. The auditor of the Company was engaged to report on the above Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

截至2023年12月31日止六個月以及截至2024年及2025年12月31日止兩個年度之框架協議下採購之年度上限分別設為78.2百萬港元、164.2百萬港元及172.5百萬港元。於2023年12月31日止年度，根據框架協議應付予聯繫公司之採購總額為38,561,000港元，不超過該財政年度的年度上限78.2百萬港元。

由於蔡先生為本公司之主要股東，而聯繫公司均為蔡先生之聯繫人，蔡先生及聯繫公司均為本公司之關連人士，因此根據上市規則第14A.31條，框架協議下擬進行之交易構成本公司之持續關連交易。框架協議下擬進行之交易須遵守上市規則第14A章下有關申報、年度審閱、公告及獨立股東批准規定。

根據上市規則第14A.55條，獨立非執行董事已審閱持續關連交易並確認持續關連交易乃：

- (i) 於本集團之日常及一般業務中訂立；
- (ii) 按一般商業條款或更佳條款進行；及
- (iii) 根據有關交易之協議進行，條款公平合理，並符合股東之整體利益。

根據上市規則第14A.56條規定，董事會聘用本公司核數師就上述持續關連交易進行若干協定程序。核數師已向董事會報告其有關該等程序之結論，並對上市規則第14A.56條所述事項作出確認。本公司核數師獲聘用根據香港會計師公會頒佈之香港核證委聘準則第3000號（經修訂）「審核或審閱過往財務資料以外之核證委聘」及參照實務說明第740號（經修訂）「關於香港上市規則所述持續關連交易的核數師函件」就上述持續關連交易作出報告。

Directors' Report 董事會報告

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions during the year ended 31 December 2023 are set out in note 34 to the consolidated financial statements. Other than the Continuing Connected Transactions mentioned above, none of these related party transactions are connected transactions which are subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year ended 31 December 2023.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as of the date of this report, the Company has maintained the public float as required under the Listing Rules.

REVIEW OF AUDITED ANNUAL RESULTS

The Group's audited consolidated financial statements for the year ended 31 December 2023 have been reviewed by the Audit Committee.

關聯方交易

截至2023年12月31日止年度，本集團的關聯方交易詳情載於綜合財務報表附註34。除以上提及的持續關聯交易，概無該等關聯方交易為須遵守上市規則項下申報、公告或獨立股東批准規定的關連交易。

購買、出售或贖回本公司上市證券

於報告期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治常規

有關本公司企業管治常規的詳情載於本年報「企業管治報告」一節。

股權掛鈎協議

截至2023年12月31日止年度，除購股權計劃外，本公司概無訂立任何股權掛鈎協議。

充足公眾持股量

根據本公司公開可獲得的資料及就董事所知，於本報告日期，本公司已維持上市規則規定的公眾持股量。

審閱經審核年度業績

本集團截至2023年12月31日止年度的經審核綜合財務報表已由審核委員會審閱。

Directors' Report 董事會報告

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. All Directors have confirmed that, following specific enquiry by the Company, they have complied with the required standards set out in the Model Code during the Reporting Period.

USE OF PROCEEDS FROM IPO

Details of the use of the proceeds from IPO are set out on page 15 of this annual report.

AUDITOR

PricewaterhouseCoopers resigned as auditor of the Company and Mazars CPA Limited was appointed as auditor of the Company to fill the casual vacancy, both with effect from 4 December 2023. The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by Mazars CPA Limited. Mazars CPA Limited will retire and a resolution for re-appointment of Mazars CPA Limited as auditor of the Company will be proposed at the 2024 AGM. Save as disclosed above, there has been no other change in the auditor of the Company in any of the preceding three years.

By order of the Board
Star Shine Holdings Group Limited
Mr. Tsoi Wing Sing
Chairman

Hong Kong, 28 March 2024

上市發行人董事進行證券交易的 標準守則

本公司已採納上市規則附錄C3載述的標準守則作為其有關董事進行證券交易的操守守則。經本公司作出具體查詢後，全體董事確認，彼等於於報告期間已遵守標準守則所載的規定標準。

首次公開發售所得款項用途

有關首次公開發售所得款項用途的詳情載於本年報第15頁。

核數師

羅兵咸永道會計師行事務所辭任本公司核數師及中審眾環(香港)會計師事務所有限公司獲委任為本公司核數師以填補臨時空缺，均自2023年12月4日起生效。本集團截至2023年12月31日止年度的綜合財務報表已經由中審眾環(香港)會計師事務所有限公司審核。中審眾環(香港)會計師事務所有限公司將會退任，而一項有關重新委任中審眾環(香港)會計師事務所有限公司為本公司核數師之決議案將在2024年股東週年大會上提呈。除上文所披露者外，於過去三年本公司核數師概無其他變動。

承董事會命
應星控股集團有限公司
主席
蔡榮星先生

香港，2024年3月28日

Independent Auditor's Report

獨立核數師報告

mazars

MAZARS CPA LIMITED

中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話：(852) 2909 5555
Fax 傳真：(852) 2810 0032
Email 電郵：info@mazars.hk
Website 網址：www.mazars.hk

To the members of
STAR SHINE HOLDINGS GROUP LIMITED
(formerly known as *Deyun Holding Ltd.*)
(Incorporated in the Cayman Islands with limited liability)

致應星控股集團有限公司股東
(前稱為 *Deyun Holding Ltd.*)
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Star Shine Holdings Group Limited (formerly known as *Deyun Holding Ltd.*) (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 103 to 188, which comprise the consolidated statement of financial position at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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 are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

我們已審計應星控股集團有限公司(前稱為 *Deyun Holding Ltd.*)(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)列載於第103至188頁的綜合財務報表，包括於2023年12月31日的綜合財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策信息。

我們認為，該等綜合財務報表已根據香港會計師公會(以下簡稱「**香港會計師公會**」)頒布的《香港財務報告準則》(以下簡稱「**香港財務報告準則**」)真實而中肯地反映了 貴集團於2023年12月31日的財務狀況及其截至該日止年度的財務表現及現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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》(以下簡稱「**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。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。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。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

關鍵審計事項

Revenue recognition for manufacturing of lace, provision of dyeing services and sales of shoes

製造花邊、提供染整服務及銷售鞋履收益確認

Refer to Notes 2 and 5 to the consolidated financial statements.

參閱綜合財務報表附註2及5。

The Group enters into services/sales agreement with each customer for the manufacturing of lace, provision of dyeing services and sales of shoes and generated revenue of approximately RMB317,353,000 for the year ended 31 December 2023.

貴集團與各客戶訂立服務／銷售協議，以製造花邊、提供染整服務及銷售鞋履，截至2023年12月31日止年度產生收益約人民幣317,353,000元。

The Group recognises revenue from manufacturing of lace and provision of dyeing services over the period of the contract using the input method. For contracts in progress at the end of the reporting period, the Group applies a percentage of completion to the contracted price and the percentage is determined with reference to the actual costs incurred and the total estimated costs on completion for the services.

貴集團使用成本投入法於合約期間確認製造花邊及提供染整服務的收入。就報告期末在建合約而言，貴集團對合約價格採用完工百分比，而該百分比乃經參考已產生的實際成本及服務完成時的估計成本總額釐定。

The Group recognises revenue from sales of shoes at a point in time when the control of the products has transferred, being when the Group has delivered the products to the customers, and the customers have full discretion over the products.

貴集團於產品控制權已轉讓時，即貴集團已將產品交付客戶，而客戶對產品完全擁有決定權時確認銷售鞋履的收入。

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。

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Our key audit procedures, among others, included:
我們的關鍵審計程序包括：

- (a) obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Group's key internal controls in relation to the revenue recognition;
- (a) 了解並評估 貴集團與收入確認有關的關鍵內部控制的設計、實施及運行效果；
- (b) discussing with the management of the Group and evaluating whether the method used by the management of the Group to estimate revenue in relation to contracts in progress at the reporting period end is reasonable;
- (b) 與 貴集團管理層討論並評估 貴集團管理層於報告期末估計在建合約收益所採用的方法是否合理；
- (c) assessing the management's identification of performance obligations and the recognition of revenue by inspecting the key customers contracts and with reference to our understanding of the Group's business;
- (c) 通過檢查主要客戶合約並參考我們對 貴集團業務的了解，評估管理層識別履約責任及確認收益；

KEY AUDIT MATTERS (Continued)

Key Audit Matter 關鍵審計事項

Revenue recognition for manufacturing of lace, provision of dyeing services and sales of shoes (Continued)

製造花邊、提供染整服務及銷售鞋履收益確認(續)

Refer to Notes 2 and 5 to the consolidated financial statements. (Continued)

請參閱綜合財務報表附註2及5。(續)

We identified this area as a key audit matter due to the magnitude of revenue transactions occurred and revenue is one of the key performance indicators of the Group and may be subject to risk of manipulation by management/employee to achieve expectations or targets.

我們認定本領域為關鍵審計事項，原因為所發生的收入交易規模龐大，而且收益是本集團的關鍵績效指標之一，可能存在管理層／員工為實現預期或目標而予以操縱的風險。

關鍵審計事項(續)

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

- (d) testing, on a sample basis, revenue transactions recorded during the reporting period to underlying supporting documents, e.g. customers contracts, delivery documents and/or customers' acknowledgement of sales;
- (d) 抽樣測試報告期內在相關佐證文件(如客戶合約、交貨文件及／或客戶銷售確認書)中錄得的收益交易；
- (e) in respect of revenue from manufacturing of lace and provision of dyeing services, testing, on a sample basis, the actual costs incurred including direct material costs, direct labour costs and overhead costs to underlying supporting documents and checking the calculation of the revenue recognised based on the contracted prices and the total estimated cost on completion; and
- (e) 對於製造花邊及提供染整服務收益，抽樣測試相關佐證文件中的已產生實際成本，包括直接物料成本、直接勞工成本及營業成本，並按照合約價格及完成時估計的成本總額核查收益確認的計算方式；及
- (f) in respect of revenue from sales of shoes, testing, on a sample basis, revenue transactions from sales of shoes recorded before and after the reporting period end to delivery documents, e.g. delivery notes and shipping documents to determine whether revenue from the sales of shoes had been recognised in the appropriate reporting period.
- (f) 對於銷售鞋履收益，抽樣測試交貨文件(如交貨單及裝運單據)中的於報告期末之前及之後所錄得銷售鞋履的收益交易，以釐定鞋履銷售收益是否於適當的報告期間予以確認。

KEY AUDIT MATTERS (Continued)

Key Audit Matter 關鍵審計事項

Impairment assessment of contract assets, trade and bills receivables

合約資產、貿易應收款項及應收票據減值評估

Refer to Notes 2, 3, 4 and 20 to the consolidated financial statements.

請參閱綜合財務報表附註2、3、4及20。

At 31 December 2023, the net carrying amounts of contract assets and trade and bill receivables were approximately RMB6,854,000 and RMB78,185,000, respectively (after the loss allowance for expected credit loss ("ECL") of approximately RMB52,000 and RMB3,372,000, respectively).

於2023年12月31日，合約資產及貿易應收款項及應收票據的賬面淨值分別約為人民幣6,854,000元及人民幣78,185,000元（已扣除預期信貸虧損（「預期信貸虧損」）撥備分別約人民幣52,000元及人民幣3,372,000元）。

The management of the Group applied the simplified approach in accordance with HKFRS 9 to measure ECL which uses a lifetime expected loss allowance for all contract assets, trade and bills receivables. In measuring the credit loss rates, the management of the Group assesses whether there are any significant changes in payment profiles and risk of default, and takes into consideration the current and forward-looking information, to adjust the expected losses rates.

貴集團管理層根據香港財務報告準則第9號採用簡化方法計量預期信貸虧損，當中對所有合約資產、貿易應收款項及應收票據使用存續期預期信貸虧損撥備。計量信貸虧損率時，貴集團管理層評估付款情況及違約風險是否有任何重大變動，並考慮當前及前瞻性資料，以調整預期虧損率。

We identified the impairment assessment of contract assets, trade and bills receivables as a key audit matter due to the significance of the amounts involved, and the use of judgement and estimation made by the management of the Group.

我們將合約資產、貿易應收款項及應收票據的減值評估確定為關鍵審計事項，因為所涉金額重大，且貴集團管理層需要做出判斷及估計。

關鍵審計事項 (續)

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Our key audit procedures, among others, included:

我們的關鍵審計程序包括：

- (a) obtaining an understanding of the Group's internal control and assessment processes for impairment assessment of contract assets, trade and bills receivables;
- (a) 了解 貴集團管理層就合約資產、貿易應收款項及應收票據減值評估的內部監控及評估程序；
- (b) assessing the reasonableness of the ECL methodology and the use of forward-looking information applied by the management of the Group in determining the loss allowance for ECL;
- (b) 評估 貴集團管理層在釐定預期信貸虧損撥備時所採用的預期信貸虧損方法及前瞻性資料是否合理；
- (c) testing and assessing, on a sample basis, whether the loss allowance for ECL was properly supported by considering the debtors' ageing analysis, settlement records and available forward-looking information; and
- (c) 通過考慮債務人的賬齡分析、結算記錄及現有的前瞻性資料，抽樣測試及評估預期信貸虧損撥備是否有適當的支持；及
- (d) considering the adequacy of the Group's disclosure in respect of the impairment assessment.
- (d) 考慮 貴集團在減值評估方面的披露是否充分。

KEY AUDIT MATTERS (Continued)

Key Audit Matter 關鍵審計事項

Impairment assessment on property, plant and equipment and right-of-use assets

物業、廠房及設備以及使用權資產的減值評估

Refer to Notes 2, 4, 14 to the consolidated financial statements.

請參閱綜合財務報表附註2、4及14。

At 31 December 2023, the net carrying amounts of property, plant and equipment of approximately RMB122,014,000 and right-of-use assets of approximately RMB6,326,000, respectively, which represented about 99.6% of the total non-current assets of the Group.

於2023年12月31日，物業、廠房及設備以及使用權資產的賬面淨值分別約為人民幣122,014,000元及人民幣6,326,000元，佔貴集團非流動資產總額的99.6%。

In view of continuous drop in revenue in respect of the manufacturing of lace and provision of dyeing services (the “**Lace and Dyeing Business**”) during the recent years, the management of the Group identified the existence of an impairment indication on the property, plant and equipment and right-of-use assets of the Lace and Dyeing Business (the “**Non-current Assets**”). The management of the Group engaged an independent professional valuer to assess the recoverable amount of the Non-current Assets, which is determined based on the value-in-use of the Lace and Dyeing Business to which the Non-current Assets relate. The impairment assessment involves the management's estimates in certain areas including the discount rate and the underlying cash flow projection based on the future market supply and demand conditions. Any changes in the management's estimates may result in significant financial impact to the Group.

有見近年製造花邊及提供染整服務（「**花邊及染整業務**」）的收益持續下滑，貴集團管理層已辨識到花邊及染整業務的物業、廠房及設備及使用權資產（「**相關非流動資產**」）出現減值跡象。貴集團管理層委聘一名獨立專業估值師評估相關非流動資產的使用價值，此乃按涉及相關非流動資產的花邊及染整業務之可收回金額而定。減值評估涉及管理層對若干方面的估計，包括貼現率及基於未來市場供求狀況的相關現金流預測。管理層估計的任何變化均可能對貴集團造成重大財務影響。

關鍵審計事項 (續)

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Our key audit procedures, among others, included:

我們的關鍵審計程序包括：

- (a) inquiring the management of the Group, understanding and evaluating the internal control on their determination of impairment indications and their method used for the impairment assessment;
- (a) 詢問 貴集團管理層，了解並評估其對減值跡象的判斷和減值評估方法的內部監控；
- (b) comparing cash flow projection to supporting evidence, such as approved budgets, and evaluating the reasonableness of these budgets with reference to the past performance and our knowledge of the business;
- (b) 將現金流量預測與獲批准預算等輔助證據進行比較，並參照過往業績及我們對業務的了解，評估該等預算的合理性；
- (c) performing a sensitivity analysis for the key assumptions, such as projected revenue and evaluating the reasonableness of key inputs and assumptions used by the management of the Group, including discount rate;
- (c) 對預測收入等關鍵假設進行敏感性分析，並評估 貴集團管理層使用的關鍵輸入及假設（包括貼現率）的合理性；

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

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

Impairment assessment on property, plant and equipment and right-of-use assets (Continued)

物業、廠房及設備以及使用權資產的減值評估 (續)

Refer to Notes 2, 4, 14 to the consolidated financial statements. (Continued)

請參閱綜合財務報表附註2、4及14。(續)

As set out in Note 14 to the consolidated financial statements, the management of the Group concluded that the recoverable amount of the Lace and Dyeing Business was lower than the carrying amount of the Non-current Assets and impairment loss of approximately RMB7,382,000 was recognised in the property, plant and equipment for the year ended 31 December 2023.

誠如綜合財務報表附註14所述，貴集團管理層認為花邊及染整業務的可收回金額低於相關非流動資產的賬面值，並於截至2023年12月31日止年度於物業、廠房及設備中確認減值虧損約人民幣7,382,000元。

We have identified the above matter as a key audit matter due to the significance of balance, combined with the judgements and estimations involved in the management's impairment assessment.

我們將上述事項確定為關鍵審計事項，因為結餘金額重大，再加上管理層減值評估中涉及判斷及估計。

(d) evaluating the competence, capabilities and objectivity of the independent professional valuer;

(d) 評估獨立專業估值師的能力、實力及客觀性；

(e) understanding the independent professional valuer's methodology adopted on the estimation of recoverable amount and the key inputs used, and assessing whether they are reasonable and supportable;

(e) 了解獨立專業估價師在估算可收回金額時所採用的方法及所使用的關鍵輸入數據，並評估其是否合理有據；

(f) assessing the reasonableness of the management's impairment assessment accordance with the requirements of the prevailing accounting standards; and

(f) 根據現行會計準則的要求，評估管理層減值評估的合理性；及

(g) considering the adequacy of the Group's disclosure in the consolidated financial statements.

(g) 考慮 貴集團在綜合財務報表中的披露是否充分。

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 this annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括本年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦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。基於我們已執行的工作，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。

董事及管治負責人員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。

在擬備綜合財務報表時，貴公司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，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

管治負責人員須負責監督貴集團的財務報告過程。

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. This report is made 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

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不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。本報告僅向閣下（作為整體）作出，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。
- 評價貴公司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。

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 those charged with governance 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 those charged with governance 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，我們與管治負責人員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。

我們還向管治負責人員提交聲明，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 those charged with governance, 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.

Mazars CPA Limited
Certified Public Accountants

Hong Kong, 28 March 2024

The engagement partner on the audit resulting in this independent auditor's report is:

Lam Kwok Sun
Practising Certificate number: P08281

核數師就審計綜合財務報表承擔的 責任(續)

從與管治負責人員溝通的事項中，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。

中審眾環(香港)會計師事務所有限公司
執業會計師

香港，2024年3月28日

出具本獨立核數師報告的審計項目合夥人是：

林國樂
執業證書編號：P08281

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2023 截至2023年12月31日止年度

		Notes	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
		附註		
Revenue	收益	5	317,353	134,155
Cost of sales	銷售成本		(293,507)	(137,966)
Gross profit/(loss)	毛利／(損)		23,846	(3,811)
Other income	其他收入	7	4,401	5,369
Other gains, net	其他收益淨額	8	2,457	4,175
Selling and distribution expenses	銷售及分銷開支	6	(16,160)	(1,663)
Administrative expenses	行政開支	6	(17,782)	(14,388)
Net reversal of/(provision for) loss allowance on financial assets and contract assets	撥回／(計提)金融資產及合約資產虧損撥備淨額	6	1	(782)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	14	(7,382)	–
Operating loss	經營虧損		(10,619)	(11,100)
Finance income	融資收入	10	2,306	2,338
Finance costs	融資成本	10	(352)	(11)
Finance income, net	融資收入淨額		1,954	2,327
Loss before income tax	除所得稅前虧損		(8,665)	(8,773)
Income tax expenses	所得稅開支	11	(1,426)	(164)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年內虧損		(10,091)	(8,937)
Loss per share attributable to owners of the Company	本公司擁有人應佔每股虧損			
Basic and diluted (RMB cents)	基本及攤薄(人民幣分)	12	(0.80)	(0.71)

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2023 截至2023年12月31日止年度

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Loss for the year	年內虧損	(10,091)	(8,937)
Other comprehensive income:	其他全面收益：		
<i>Item that may be reclassified to profit or loss</i>	<i>其後可能重新分類至損益的項目</i>		
– Exchange differences on translation of foreign operations	– 換算海外業務的匯兌差額	77	129
Total comprehensive loss for the year attributable to owners of the Company	本公司擁有人應佔年內全面虧損總額	(10,014)	(8,808)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2023 於 2023 年 12 月 31 日

		Notes	2023 RMB'000 2023 年 人民幣千元	2022 RMB'000 2022 年 人民幣千元
		附註		
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	122,014	142,567
Right-of-use assets	使用權資產	14	6,326	2,555
Investment property	投資物業	15	–	281
Intangible assets	無形資產	16	452	743
Prepayments	預付款項	18	121	25
			128,913	146,171
Current assets	流動資產			
Inventories	存貨	19	6,301	7,955
Contract assets	合約資產	20	6,854	6,198
Trade and bills receivables	貿易應收款項及應收票據	20	78,185	6,137
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	18	2,944	572
Cash and cash equivalents	現金及現金等價物	21	268,978	187,910
			363,262	208,772
Total assets	資產總值		492,175	354,943
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	22	10,511	10,511
Reserves	儲備	23	305,373	315,387
Total equity	權益總額		315,884	325,898

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2023 於 2023 年 12 月 31 日

		Notes	2023 RMB'000 2023 年 人民幣千元	2022 RMB'000 2022 年 人民幣千元
		附註		
Liabilities	負債			
Non-current liabilities	非流動負債			
Other payables	其他應付款項	24	1,373	1,425
Lease liabilities	租賃負債	25	2,528	–
Deferred tax liabilities	遞延稅項負債	27	532	549
			4,433	1,974
Current liabilities	流動負債			
Trade payables	貿易應付款項	28	108,793	10,096
Other payables and accruals	其他應付款項及應計款項	24	19,877	11,657
Contract liabilities	合約負債	24	220	365
Interest-bearing borrowing	計息借款	26	33,440	–
Lease liabilities	租賃負債	25	1,355	–
Loan from ultimate holding company	最終控股公司貸款	29	3,411	–
Current income tax liabilities	即期所得稅負債		4,762	4,953
			171,858	27,071
Total liabilities	負債總額		176,291	29,045
Total equity and liabilities	權益及負債總額		492,175	354,943

The consolidated financial statements on pages 103 to 188 were approved and authorised for issue by the Board of Directors on 28 March 2024 and signed on its behalf by

第 103 至 188 頁的綜合財務報表已經董事會於 2024 年 3 月 28 日批准並授權刊發，並由以下人士代為簽署。

Tsoi Wing Sing

蔡榮星

Director

董事

Tsoi Lam Ki

蔡琳琪

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2023 截至2023年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital 股本 (Note 22) (附註22) RMB'000 人民幣千元	Share premium 股份溢價 (Note 23(a)) (附註23(a)) RMB'000 人民幣千元	Other reserves 其他儲備 (Note 23(b)) (附註23(b)) RMB'000 人民幣千元	Statutory reserve 法定儲備 (Note 23(c)) (附註23(c)) RMB'000 人民幣千元	Exchange reserve 匯兌儲備 (Note 23(d)) (附註23(d)) RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2023	於2023年1月1日的結餘	10,511	80,081	104,466	19,022	112	111,706	325,898
Loss for the year	年內虧損	-	-	-	-	-	(10,091)	(10,091)
Other comprehensive income	其他全面收益	-	-	-	-	77	-	77
Total comprehensive loss	全面虧損總額	-	-	-	-	77	(10,091)	(10,014)
Balance at 31 December 2023	於2023年12月31日的結餘	10,511	80,081	104,466	19,022	189	101,615	315,884
Balance at 1 January 2022	於2022年1月1日的結餘	10,511	80,081	104,466	19,022	(17)	120,643	334,706
Loss for the year	年內虧損	-	-	-	-	-	(8,937)	(8,937)
Other comprehensive income	其他全面收益	-	-	-	-	129	-	129
Total comprehensive loss	全面虧損總額	-	-	-	-	129	(8,937)	(8,808)
Balance at 31 December 2022	於2022年12月31日的結餘	10,511	80,081	104,466	19,022	112	111,706	325,898

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2023 截至2023年12月31日止年度

	Notes	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
	附註		
Cash flows from operating activities			
		經營活動現金流量	
Cash generated from operations	31(a)	45,794	14,536
Income tax paid		(1,634)	(642)
Interest received		2,306	2,338
Net cash generated from operating activities		46,466	16,232
		經營活動所得現金淨額	
Cash flows from investing activities			
		投資活動現金流量	
Purchase of property, plant and equipment		(1,453)	(10,626)
Purchase of intangible assets		(72)	–
Prepayment for purchase of property, plant and equipment		(96)	–
Net cash used in investing activities		(1,621)	(10,626)
		投資活動所用現金淨額	
Cash flows from financing activities			
		融資活動現金流量	
Inception of borrowings	31(d)	33,440	–
Inception of loan from ultimate holding company	31(d)	3,411	–
Repayment of lease liabilities	31(d)	(416)	–
Interest paid		(290)	(11)
Net cash from/(used in) financing activities		36,145	(11)
		融資活動所得／(所用)現金淨額	
Net increase in cash and cash equivalents		80,990	5,595
		現金及現金等價物增加淨額	
Cash and cash equivalents at beginning of the reporting period		187,910	182,294
		報告期初現金及現金等價物	
Effect on exchange rate changes		78	21
		匯率變動影響	
Cash and cash equivalents at end of the reporting period, represented by bank balances and cash	21	268,978	187,910
		報告期末現金及現金等價物，即銀行結餘及現金	

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

1 GENERAL INFORMATION

Star Shine Holdings Group Limited (formerly known as Deyun Holding Ltd.) (the “**Company**”) was incorporated in the Cayman Islands on 4 January 2019 as an exempted company with limited liability under the Companies Law Cap. 22, Law 3 of 1961 as consolidated and revised of the Cayman Islands. The address of the Company’s registered office is 71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands.

Pursuant to the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in the Cayman Islands on 25 May 2023 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company issued by the Registrar of Companies in Hong Kong on 13 June 2023, the name of the Company was changed from Deyun Holding Ltd. to Star Shine Holdings Group Limited with effect from 25 May 2023.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) is principally engaged in (i) manufacturing of lace and provision of dyeing services; and (ii) footwear business.

In the opinion of the directors of the Company, the ultimate holding company of the Company is Glorious Way Investments Limited (“**Glorious Way**”), a company incorporated in the British Virgin Islands (“**BVI**”). The ultimate controlling shareholder is Mr. Tsoi Wing Sing.

The consolidated financial statements are presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (“**RMB’000**”), unless otherwise indicated.

2 PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The consolidated financial statements have been prepared under the historical cost convention.

1 一般資料

應星控股集團有限公司（前稱Deyun Holding Ltd.）（「**本公司**」）於2019年1月4日根據開曼群島公司法（1961年第三號法例，經綜合及修訂）於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處地址為71 Fort Street, P.O. Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands。

根據開曼群島公司註冊處處長於2023年5月25日發出的變更公司名稱註冊證明書及香港公司註冊處處長於2023年6月13日發出註冊非香港公司變更名稱註冊證書，本公司名稱由Deyun Holding Ltd.更改為應星控股集團有限公司，自2023年5月25日起生效。

本公司為一家投資控股公司。本公司及其附屬公司（統稱「**本集團**」）主要從事(i)製造花邊及提供染整服務；及(ii)鞋履業務。

本公司董事認為，本公司的最終控股公司為於英屬處女群島（「**英屬處女群島**」）註冊成立的公司榮偉投資有限公司（「**榮偉**」）。最終控股股東為蔡榮星先生。

綜合財務報表以人民幣（「**人民幣**」）呈列，除非另有指明，否則所有數值均約整至最接近千位（「**人民幣千元**」）。

2 主要會計政策

2.1 編製基準

綜合財務報表已按照香港會計師公會（「**香港會計師公會**」）頒佈的香港財務報告準則（「**香港財務報告準則**」）（所有適用香港財務報告準則、香港會計準則（「**香港會計準則**」）及詮釋之統稱）、香港公認會計準則以及香港公司條例的披露要求編製。綜合財務報表亦遵從聯交所證券上市規則（「**上市規則**」）適用的披露條文。綜合財務報表已按照歷史成本基準編列。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements. The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year had no significant effects on the results and financial position of the Group for the current and prior years.

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Amendments to HKAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. The management of the Group has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

2 主要會計政策(續)

2.1 編製基準(續)

綜合財務報表已根據與2022年綜合財務報表所採納之會計政策一致之基準編製。採納與本集團有關且自本年度起生效之新訂／經修訂香港財務報告準則對本集團於本年度及過往年度的業績及財務狀況並無重大影響。

採納新訂／經修訂香港財務報告準則

本集團已首次應用以下與本集團有關的新訂／經修訂香港財務報告準則：

香港會計準則第1號(修訂本)	會計政策之披露
香港會計準則第8號(修訂本)	會計估計之定義
香港會計準則第12號(修訂本)	與單一交易產生的資產及負債有關之遞延稅項
香港會計準則第12號(修訂本)	國際稅務改革—第二支柱規則範本

香港會計準則第1號(修訂本)會計政策之披露

該等修訂要求公司披露重大會計政策資料，而非披露主要會計政策。

該等修訂對綜合財務報表內任何項目的計量、確認或呈列均無影響。本集團管理層已審視所披露的會計政策資料，並認為有關資料符合該等修訂。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Adoption of new/revised HKFRSs (Continued)

Amendments to HKAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

Amendments to HKAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the above amendments does not have any significant impact on the consolidated financial statements.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策 (續)

2.1 編製基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

香港會計準則第8號(修訂本)會計估計之定義

該等修訂澄清了公司應如何分辨會計政策變動及會計估計變動。

香港會計準則第12號(修訂本)與單一交易產生的資產及負債有關之遞延稅項

該等修訂收窄了香港會計準則第12號第15及24段的豁免確認範圍，倘交易於確認時會產生等額應課稅及可扣稅暫時性差異，該項豁免將不再適用。

香港會計準則第12號(修訂本)國際稅務改革—第二支柱規則範本

根據該等修訂，實體獲准暫時不對經濟合作暨發展組織第二規則範本引起的遞延稅項進行會計處理。該等修訂亦加入了針對性披露規定，以協助投資者理解實體因該等規則面臨的所得稅風險。

採納上述修訂不會對綜合財務報表造成任何重大影響。

2.2 附屬公司

2.2.1 綜合入賬

附屬公司為本集團擁有控制權的實體(包括結構實體)。當本集團透過參與該實體的活動而獲得或有權享有可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團當日起綜合入賬，並自控制權終止當日起終止綜合入賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.2 Separate financial statement

Investments in subsidiaries are accounted for by the Company at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company who make strategic decisions.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

2 主要會計政策(續)

2.2 附屬公司(續)

2.2.2 獨立財務報表

於附屬公司的投資由本公司按成本扣除減值入賬。成本包括直接應佔投資成本。附屬公司的業績由本公司按已收股息及應收股息入賬。

當收到於附屬公司的投資的股息時，倘股息超過附屬公司在宣派股息期間的全面收益總額，或倘於獨立財務報表的投資賬面值超過被投資公司淨資產(包括商譽)於綜合財務報表的賬面值時，則須對有關投資進行減值測試。

2.3 分部報告

經營分部的報告形式與向主要營運決策者(「**主要營運決策者**」)提供的內部報告形式一致。主要營運決策者負責分配資源及評估經營分部表現，其已被確定為作出策略決策的本公司執行董事。

2.4 外幣換算

2.4.1 功能及呈列貨幣

本集團各實體財務報表所列的項目均採用該實體經營所在主要經濟環境的貨幣(「**功能貨幣**」)計量。綜合財務報表以本公司的功能貨幣及本集團的呈列貨幣人民幣呈列。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss and presented in the consolidated income statement on a net basis within “Other gains/(losses), 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 held at fair value through other comprehensive income are recognised in other comprehensive income.

2 主要會計政策 (續)

2.4 外幣換算 (續)

2.4.2 交易及結餘

外幣交易按交易當日現行匯率換算為功能貨幣。結算有關交易及按期末匯率換算以外幣計值的貨幣資產及負債所產生的外匯損益一般於損益內確認並按淨額基準於綜合收益表內的「其他收益／(虧損)淨額」內呈列。

以外幣公允價值計量的非貨幣項目採用釐定公允價值當日的匯率換算。以公允價值入賬的資產及負債的匯兌差額列報為公允價值收益或虧損的一部分。例如，非貨幣資產及負債(如以公允價值計量且其變動計入損益的權益)的匯兌差額在損益中確認為公允價值收益或虧損的一部分，而非貨幣資產(如以公允價值計量且其變動計入其他全面收益的權益)的匯兌差額在其他全面收益中確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

2.4.3 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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 主要會計政策(續)

2.4 外幣換算(續)

2.4.3 集團公司

功能貨幣與呈列貨幣不同的所有集團實體(當中不涉及嚴重通脹經濟體系貨幣)的業績及財務狀況按以下方法換算為呈列貨幣:

- 每份呈列的財務狀況表內的資產及負債按該財務狀況表當日的收市匯率換算;
- 每份收益表及全面收益表內的收支按平均匯率換算(除非此平均匯率並非交易日期現行匯率的累計影響的合理約數,在此情況下,收支項目按交易日期的匯率換算);及
- 所有由此產生的匯兌差額於其他全面收益確認。

於綜合入賬時,換算任何於海外業務的投資淨額而產生的匯兌差額計入其他全面收益。當出售海外業務或償還構成該投資淨額部分的任何借款時,相關的匯兌差額於損益重新歸類為出售收益或虧損的一部分。

因收購海外業務而產生的商譽及公允價值調整,均視作有關海外實體的資產及負債,並按收市匯率換算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset 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 profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs, net of their residual value, over their estimated useful lives, as follows:

Buildings	Shorter of estimated useful lives or remaining lease terms
Plant and machinery	5 to 15 years
Office equipment	5 years
Motor vehicles	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

Gains or losses on disposal are determined by comparing proceeds with carrying amount and are recognised in "Other gains/(losses), net" in the consolidated income statement.

2 主要會計政策(續)

2.5 物業、廠房及設備

物業、廠房及設備(在建工程除外)按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

僅當與資產有關的未來經濟利益可能流入本集團，而該項目的成本能夠可靠地計量時，方會將該項目其後產生的成本計入該項資產的賬面值或確認為獨立資產(如適當)。單獨資產中任何組成部分的賬面值在更換時終止確認。所有其他維修及保養成本乃於其產生的財政期間自損益扣除。

物業、廠房及設備的折舊按以下估計可使用年期以直線法分攤其成本並扣除其剩餘價值計算：

樓宇	估計可使用年期或餘下租期(以較短者為準)
廠房及機器	5至15年
辦公設備	5年
汽車	10年

資產的剩餘價值及可使用年期均於各報告期末進行檢討，並作出適當的調整。倘資產的賬面值高於其估計可收回金額，則即時將資產賬面值撇減至其可收回金額。

出售收益或虧損乃透過比較所得款項與賬面值釐定，並於綜合收益表內的「其他收益／(虧損)淨額」內確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment (Continued)

Construction-in-progress (the “CIP”) represents property and plant under construction and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to relevant categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

2.6 Investment property

Investment property is stated at historical cost less accumulated depreciation. Investment property is held for long-term rental yields or for capital appreciation or both and is not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Depreciation is recognised so as to write-off the cost of investment property over the shorter of its estimated useful life of 30 years or the related leasing period and after taking into account of its estimated residual value, using the straight-line method.

The asset's residual value and useful life is reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within “Other gains/(losses), net” in consolidated income statement.

2 主要會計政策 (續)

2.5 物業、廠房及設備 (續)

在建工程(「在建工程」)指建設中的物業及廠房，按成本減累計減值虧損呈列(如有)。成本包括建造及收購成本及資本化借款成本。在建工程之折舊撥備只會於有關資產竣工及可作擬定用途之時方才計提。倘有關資產可供使用，則成本轉撥至相關物業、廠房及設備類別，並根據上述政策計提折舊。

2.6 投資物業

投資物業按歷史成本減累計折舊呈列。投資物業乃持有以賺取長期租金收入或作為資本增值或兩者兼具，並非由本集團佔用。投資物業初步按成本計量，包括相關交易費用及借款成本(如適用)。投資物業在計及估計剩餘價值後，於估計使用年期30年或相關租賃期間(以較短者為準)以直線法確認折舊，以撇銷投資物業成本。

資產的剩餘價值及可使用年期均於各報告期末進行檢討，並作出適當的調整。

倘資產的賬面值高於其估計可收回金額，則即時將資產賬面值撇減至其可收回金額。

出售收益或虧損乃透過比較所得款項與賬面值釐定，並於綜合收益表內的「其他收益／(虧損)淨額」內確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.7 Intangible assets

Software

Computer software licenses for own use are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is carried at cost less accumulated amortisation and impairment, if any. These costs are amortised over their estimated useful lives of 5 years.

2.8 Impairment of non-financial assets

Assets 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 to sell and value-in-use ("VIU"). 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 each reporting date.

2.9 Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) the Group transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

2 主要會計政策 (續)

2.7 無形資產

軟件

電腦軟件使用許可按購入和使該特定軟件達到可使用時所產生的成本作資本化處理。電腦軟件按成本減累計攤銷及減值列賬。此等成本按不超過5年之估計可使用年期攤銷。

2.8 非金融資產減值

當有事件發生或情況改變顯示賬面值可能無法收回時，則須就資產減值進行檢討。減值虧損按資產賬面值超出其可收回金額之差額確認。可收回金額為資產公允價值減銷售成本及使用價值（「使用價值」）兩者之較高者。評估減值時，資產按個別可識別現金流量（現金產生單位）之最低層次分類。於各報告日期，已減值商譽以外之資產將就撥回減值之可能性進行檢討。

2.9 金融資產

確認及終止確認

金融資產於且僅於本集團成為該工具合約條文之一方時按交易日基準確認。

金融資產於且僅於(i)本集團來自該金融資產之未來現金流量之合約權利屆滿時或(ii)本集團轉讓該金融資產，且(a)本集團已轉移該金融資產擁有權之絕大部分風險及回報，或(b)本集團並未轉移或保留該金融資產擁有權之絕大部分風險及回報，惟其並無保留該金融資產之控制權時終止確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Recognition and derecognition (Continued)

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at financial assets at fair value through profit or loss (“**FVPL**”), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity investment measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group’s business model for managing the financial assets and the financial asset’s contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period, following the change in the business model.

2 主要會計政策(續)

2.9 金融資產(續)

確認及終止確認(續)

倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團會繼續確認該金融資產以及確認已收所得款項之有抵押借貸。

倘本集團既不轉移亦不保留已轉讓資產擁有權之絕大部分風險及回報，且繼續控制該已轉讓資產，則本集團按其持續參與程度及可能須支付之相關負債金額確認該金融資產。

金融資產(無重大融資成分的貿易應收款項除外)初步按其公允價值確認，倘金融資產並未按公允價值計入損益(「**公允價值計入損益**」)，則加上收購金融資產之直接應佔交易成本。該等貿易應收款項初步按其交易價計量。

於初步確認時，金融資產分類為(i)按攤銷成本計量；(ii)按公允價值計入其他全面收益計量之債務投資；(iii)指定按公允價值計入其他全面收益；或(iv)按公允價值計入損益計量。

金融資產於初步確認之分類取決於本集團管理金融資產之業務模式及金融資產之合約現金流量特徵。金融資產於彼等初步確認後不予重新分類，除非本集團改變其管理業務模式，而在此情況下所有受影響之金融資產於業務模式變動後首個年度報告期間之首日進行重新分類。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.9 Financial assets (Continued)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include contract assets, trade and bills receivables, other receivables and cash on hand and banks.

2 主要會計政策(續)

2.9 金融資產(續)

按攤銷成本計量之金融資產

當金融資產同時符合以下條件，且並無指定為按公允價值計入損益，則該金融資產按攤銷成本計量：

- (i) 其被持有所屬業務模式的目標為持有金融資產以收取合約現金流量；及
- (ii) 其合約條款使於特定日期產生僅為支付本金及未償還本金利息的現金流量。

其後，按攤銷成本計量的金融資產採用實際利率方法計量並須計提減值。因減值、終止確認或進行攤銷時產生之收益及虧損乃於損益中確認。

本集團按攤銷成本計量的金融資產包括合約資產、貿易應收款項及應收票據、其他應收款項及手頭和在存於銀行的現金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets that are measured at amortised cost and contract assets to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed before, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the past due information or other credit risk characteristics.

2 主要會計政策(續)

2.10 金融資產減值

本集團就按攤銷成本計量的金融資產及合約資產(其減值要求按照香港財務報告準則第9號適用)確認預期信貸虧損(「預期信貸虧損」)的虧損撥備。除下文詳述的特定處理外，於各報告日期，倘金融資產的信貸風險自初步確認以來顯著增加，本集團會按等同全期預期信貸虧損的金額計量該金融資產之虧損撥備。倘金融資產的信貸風險自初步確認以來無顯著增加，本集團則按等同12個月預期信貸虧損的金額計量該金融資產之虧損撥備。

預期信貸虧損之計量

預期信貸虧損乃金融工具預期年期的信貸虧損(即所有現金短欠的現值)的概率加權估計。

就金融資產而言，信貸虧損為合約項下應付某一實體的合約現金流量與該實體預期收取的現金流量之間的差額現值。

全期預期信貸虧損指金融工具預期年期所有可能的違約事件產生的預期信貸虧損，而12個月預期信貸虧損為全期預期信貸虧損的一部分，其預期源自可能在報告日期後12個月內發生的金融工具違約事件。

倘以集體基準計量預期信貸虧損，金融工具乃依據下列一項或多個共享信貸風險特徵而分組。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for which the Group has reasonable and supportable information to demonstrate.

2 主要會計政策 (續)

2.10 金融資產減值 (續)

違約定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為歷史經驗顯示如金融工具符合以下任何一項準則，本集團或未能悉數收回未償還合約金額：

- (i) 有內部衍生資料或取自外部來源資料顯示債務人不大可能悉數向其債權人(包括本集團)支付欠款(未考慮本集團所持任何抵押品)；或
- (ii) 對方有違反財務契諾。

無論上述分析如何，本集團認為金融資產逾期超過90日已屬發生違約，除非本集團有合理及可靠資料證明較為滯後的違約準則更為適當則作別論。

信貸風險顯著增加的評估

評估金融工具的信貸風險自初步確認以來有否顯著增加時，本集團會將於報告日期金融工具發生違約的風險，與於初步確認日期金融工具發生違約的風險比較。作此評估時，本集團會同時考慮合理和可靠的定量及定性資料，包括無須付出過多成本或努力後即可獲得的歷史經驗及前瞻性資料。無論上述評估結果如何，本集團假設合約付款逾期超過30日時，金融工具的信貸風險自初步確認以來已顯著增加。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

All financial assets, except for contract assets, trade and bills receivables and other receivables, are determined to have low credit risk.

Simplified approach of ECL

For contract assets and trade and bills receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and had established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2 主要會計政策 (續)

2.10 金融資產減值 (續)

低信貸風險

如有下列情況，金融工具會被釐定為具有低信貸風險：

- (i) 其具低違約風險；
- (ii) 借款人有實力履行其近期合約現金流量責任；及
- (iii) 較長遠的經濟及營商條件的不利變動可能(但不一定)會減低借款人履行其合約現金流量責任的能力。

除合約資產、貿易應收款項及應收票據及其他應收款項外，所有金融資產均釐定為低信貸風險。

預期信貸虧損的簡化方法

就並無重大融資成分或本集團採用可行之權宜方法而不就重大融資成分入賬之應收賬款，本集團應用簡化手法來計算預期信貸虧損。本集團根據於各報告期末之全期預期信貸虧損確認虧損撥備，並已基於本集團過往信貸虧損經驗確立一個撥備矩陣，其已就債務人特定的前瞻性因素及經濟環境作出調整。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.10 Impairment of financial assets (Continued)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

2 主要會計政策 (續)

2.10 金融資產減值 (續)

有信貸減值的金融資產

當發生一件或多件對金融資產的估計未來現金流量產生不利影響的事件時，該金融資產即屬有信貸減值。金融資產有信貸減值的憑證包括以下事件的可觀察數據：

- (a) 發行人或借款人陷入嚴重財困。
- (b) 違反合約，例如違約或逾期事件等。
- (c) 借款人的放款人出於關乎借款人財困的經濟或合約原因，向借款人授出原應不會考慮的讓步。
- (d) 借款人可能破產或進行其他財務重組。
- (e) 金融資產因財困而失去其活躍市場。
- (f) 以大幅折扣購買或源生一項金融資產，由此反映了招致信貸虧損的情況。

撤銷

當本集團沒有合理預期可收回金融資產全部或部分合約現金流量時，則本集團撤銷該金融資產。本集團之政策為根據收回類似資產之過往經驗撤銷總賬面值。本集團預期不會從撤銷金額中大幅收回。然而，根據本集團收到到期款項程序，被撤銷之金融資產仍可能受執行有關程序所規限，並在適當情況下考慮法律意見。任何其後之收回於損益中確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.11 Trade, bills and other receivables

Trade and bills receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade, bills and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.12 Inventories

The Group's inventories comprise solely raw materials which are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. 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.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2 主要會計政策 (續)

2.11 貿易應收款項、應收票據及其他應收款項

貿易應收款項及應收票據乃於日常業務過程中向客戶銷售貨品或提供服務而應收的款項。倘貿易應收款項、應收票據及其他應收款項預期將在一年或以內收回(若更長則在業務正常經營週期內)，則歸類為流動資產，否則呈列為非流動資產。

貿易應收款項、應收票據及其他應收款項初步按公允價值確認，其後以實際利率法按攤銷成本計量，並扣減減值撥備。

2.12 存貨

本集團存貨僅包含原材料，按成本與可變現淨值較低者列賬。成本乃採用加權平均法釐定。可變現淨值按日常業務過程中的估計售價減完成產品估計成本及進行銷售所需的估計成本計算。

2.13 現金及現金等價物

就於綜合現金流量表呈列而言，現金及現金等價物包括手頭現金以及原定到期日為三個月或以內的銀行通知存款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.14 Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings, lease liabilities and loan from ultimate holding company. All financial liabilities, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

2 主要會計政策(續)

2.14 金融負債

確認及終止確認

金融負債於且僅於本集團成為該工具合約條文之一方時確認。

金融負債於且僅於負債消除時，即在有關合約訂明之責任獲解除、註銷或屆滿時，方終止確認。

分類及計量

金融負債初步按公允值確認，倘金融負債並未按公允價值計入損益，則加上發行金融負債之直接應佔交易成本。

本集團的金融負債包括貨易及其他應付款項、計息借款、租賃負債及最終控股公司貸款。所有金融負債均初步按其公允價值確認及隨後採用實際利率法按攤銷成本計量，惟貼現將不會產生重大影響時，則於該情況下按成本列賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 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 any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

2 主要會計政策 (續)

2.15 貿易應付款項及其他應付款項

貿易應付款項指就於一般業務過程中自供應商購得貨品或服務付款的責任。倘款項於一年或以內(若更長則在業務正常經營週期內)到期，則貿易應付款項及其他應付款項分類為流動負債。否則，貿易應付款項呈列為非流動負債。

貿易應付款項及其他應付款項初步按公允價值確認，其後以實際利率法按攤銷成本計量。

2.16 撥備

當本集團因過往事件須承擔當前法定或推定責任，而履行責任可能需要有資源流出，且能夠可靠地估計有關金額，則會確認撥備。日後經營虧損不會確認撥備。

倘出現多項類似責任，履行責任需要資源流出的可能性乃經整體考慮責任類別後釐定。即使同類責任中就任何一項流出資源的可能性可能偏低，仍會確認撥備。

撥備採用除稅前利率按照履行有關責任預期所需支出的現值計量，有關利率反映當時市場對貨幣的時間價值及該責任特有風險的評估。因時間推移而增加的撥備確認為融資成本。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.17 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 and to unused tax losses.

2.17.1 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's subsidiaries and associates operate and generate taxable income. The management of the Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.17.2 Deferred income tax

Deferred income tax is provided 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. 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 tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2 主要會計政策 (續)

2.17 即期及遞延所得稅

期內所得稅開支或抵免按當期應課稅收入以各司法權區的適用稅率計算，並就由於暫時性差異及未抵扣稅務虧損而導致的遞延稅項資產及負債作出調整。

2.17.1 即期所得稅

即期所得稅支出乃根據公司的附屬公司及聯營公司營運及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅務法例計算。本集團管理層就適用稅務規例受詮釋所規限的情況定期評估報稅表的狀況，並在適當情況下根據預期須向稅務機關支付的金額設定撥備。

2.17.2 遞延所得稅

遞延所得稅利用負債法按資產及負債的稅基與資產及負債在綜合財務報表的賬面值之間產生的暫時性差額撥備。然而，倘遞延所得稅負債來自對商譽的初步確認，則不會確認遞延稅項負債。倘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損益或應課稅溢利或虧損，則亦不會將遞延所得稅列賬。遞延所得稅採用於報告期末或之前已頒佈或實質上已頒佈，並在有關的遞延稅項資產變現或遞延稅項負債結算時預期將會適用的稅率（及法例）而釐定。

遞延稅項資產僅於可能有未來應課稅溢利可使用暫時性差額及虧損抵銷時確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.17 Current and deferred income tax (Continued)

2.17.2 Deferred income tax (Continued)

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 when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current tax assets and 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.

2.18 Employee benefits

2.18.1 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 statements of financial position.

2.18.2 Other long-term employee benefit obligations

The obligations are presented as current liabilities in the consolidated statements of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2 主要會計政策 (續)

2.17 即期及遞延所得稅 (續)

2.17.2 遞延所得稅 (續)

倘本集團有能力控制撥回暫時性差額的時間及該等差額很可能不會於可見將來撥回，則不會就海外業務投資的賬面值及稅基之間的暫時性差額確認遞延稅項負債及資產。

倘有可依法強制執行權利將即期稅項資產與負債相互抵銷而遞延所得稅結餘涉及同一稅務機關，則遞延稅項資產及負債相互抵銷。倘有關實體有可依法強制執行權利抵銷及有意按淨值基準結算，或有意同時變現資產及結算負債，則即期稅項資產及負債互抵銷。

2.18 僱員福利

2.18.1 短期責任

預計將於僱員提供相關服務的期間末後十二個月全部清償的工資、薪金（包括非貨幣福利）及累計病假負債就截至報告期間末僱員提供的服務確認並按清償負債時預計將支付的金額計量。相關負債於綜合財務狀況表中按即期僱員福利責任確認。

2.18.2 其他長期僱員福利責任

倘實體沒有無條件權利延遲償還至於報告期間後最少十二個月，而不論預期何時會實際償還，責任會於綜合財務狀況表呈列為流動負債。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

2.18.3 Defined contribution plans

The Group pays contributions to state or publicly or privately managed pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

2.18.4 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 Group'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.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amount for the goods sold or service rendered in the ordinary course of the Group's activity.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customers and the payment by the customers exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

2 主要會計政策 (續)

2.18 僱員福利 (續)

2.18.3 界定供款計劃

本集團向由國家或公營或私營管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款確認為資產。

2.18.4 花紅計劃

本集團按照計及本集團股東應佔溢利並作出若干調整後的公式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。

2.19 收益確認

收益按已收或應收代價的公允價值計量，即於本集團一般業務過程中就銷售貨品或提供服務已收及應收的款項。

本集團預計將不會有任何轉讓承諾貨品或服務予客戶與客戶付款之間期限超過一年的合約。因此，本集團並未就資金的時間價值調整任何交易價格。

當合約任何一方已履約，本集團根據本集團履約與客戶付款的關係於綜合資產負債表呈列合約為合約資產或合約負債。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

A contract liability is the Group's obligation to transfer the promised goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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:

Manufacturing of lace and provision of dyeing services

Revenue from manufacturing of lace and provision of dyeing services is recognised when the control of the goods or services is transferred to the customer.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may transfer over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance 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.

If control of the goods or services 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 asset.

Revenue recognised over time uses the input method with reference to the costs incurred for the goods or services.

2 主要會計政策(續)

2.19 收益確認(續)

合約資產指本集團已向客戶轉讓貨品或服務而有權收取代價的權利。為取得合約產生的增量成本(如可收回)將資本化並呈列為資產，並於隨後確認有關收益時攤銷。

合約負債指本集團已收取或應收相關代價而應向客戶轉讓承諾貨品或服務的義務。

應收款項於本集團對代價擁有無條件權利時入賬。倘僅須待時間過去便可收取代價，收取代價的權利即為無條件。

收益於滿足下文所載本集團活動的特定標準時確認：

製造花邊及提供染整服務

製造花邊及提供染整服務之收益於貨品或服務控制權轉移予客戶時確認。

根據合約條款及適用於合約之法律，則貨品或服務控制權可能隨時間或於某時間點轉移。倘本集團於履約中創造的資產無可替代用途且本集團有就至今已完履約取得付款的可強制執行權力，則貨品或服務控制權隨時間轉移。

倘貨品或服務控制權隨時間轉移，則收益於合約期間按完全履行履約責任之進度確認。否則，收益於客戶取得資產控制權時確認。

收益乃經參考貨品或服務產生之成本隨時間使用輸入法確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

Footwear

Revenue from trading of casual and sports footwear is recognised when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.20 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.21 Leases

The Group leases land for the manufacturing of lace and provision of dyeing services. The consideration paid for the lease is treated as a right-of-use asset, which is stated at cost less accumulated amortisation and accumulated impairment losses, if any. Lease land is amortised over the remaining lease term using straight-line method.

Leases are recognised as right-of-use assets and the corresponding liabilities at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability 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.

2 主要會計政策(續)

2.19 收益確認(續)

鞋履

買賣休閒鞋履及運動鞋履的收益於產品的控制權已轉移(即產品交付予客戶)，而客戶全權擁有產品，且並無未履行的責任而可能影響客戶接收產品時確認。當產品運送至指定地點，陳舊及損失的風險已轉移予客戶，且客戶已按照銷售合約接收產品，或接收條款已經失效，或本集團有客觀證據證明所有接收準則已經達成時，即發生交付。

應收款項於產品交付時確認，乃因代價於該時間點變為無條件，僅須等待款項到期支付。

2.20 利息收入

利息收入乃根據時間比例基準按實際利率法確認。

2.21 租賃

本集團就製造花邊及提供染整服務租賃土地。為租賃支付的代價按使用權資產方式處理，按成本減累計攤銷及累計減值虧損(如有)呈列。租賃土地於剩餘租賃期內使用直線法攤銷。

租賃於租賃資產可供本集團所用之日期確認為使用權資產及相應負債。每期租金均分攤為負債及融資成本。融資成本將在有關租賃期間於損益中支銷，以藉此制定每個期間對負債餘額之穩定期間利息率。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.21 Leases (Continued)

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;
- amounts expected to be payable by the lessee 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

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the entity's incremental borrowing rate.

Payments associated with short-term leases and 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 less than 12 months. Low-value assets comprise assets with value below RMB5,000.

2 主要會計政策(續)

2.21 租賃(續)

自租賃產生的資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的現值淨額：

- 固定付款(包括實物固定付款)，減任何應收租賃優惠；
- 基於指數或利率的可變租賃付款；
- 剩餘價值擔保下的承租人的預期支付款項；
- 採購權的行使價格(倘承租人合理地確定行使該權利)；及
- 支付終止租賃的罰款(倘租賃期限反映承租人行使該權)。

租賃付款使用租賃所隱含的利率(倘該利率可釐定)或該實體增量借款利率予以折現。

與短期租賃相關的支付及低價值資產的租賃以直線法於損益中確認為開支。短期租賃指租賃期為少於12個月的租賃。低價值資產包括價值低於人民幣5,000元的資產。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.22 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the periods in which the dividends are approved by the Company's shareholders or directors of the Company, where appropriate.

2.23 Government grants

Government grants 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.

Grants that compensate the Group for expenses incurred are recognised in the consolidated income statement within "Other income" on a systematic basis in the same periods in which the expenses are recognised.

2.24 Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

Contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 主要會計政策(續)

2.22 股息分派

向股東分派的股息在本公司股東或本公司董事(如適用)批准有關股息的期間內於確認為負債。

2.23 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，政府補助會按其公允價值確認。

補償本集團產生的開支之補助有系統地於與確認開支相同之期間在綜合收益表「其他收入」內確認。

2.24 或然負債

或然負債乃因過往事項可能產生的責任，而其存在與否僅能透過發生或未有發生一宗或多宗本集團不能完全控制的不明朗未來事項確定。或然負債亦可為因不大可能須流出經濟資源或未能可靠計量有關責任金額而不予確認的過往事項所產生的現時責任。

或然負債不予確認，惟須在財務報表中披露。當流出資源的可能性有變，致使可能流出資源，則或然負債將被確認為撥備。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.25 Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

2 主要會計政策(續)

2.25 關聯方

關聯方為與本集團有關連的人士或實體。

- (a) 倘屬以下人士，則該人士或該人士的近親家屬與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團控股公司的主要管理層成員。
- (b) 倘一間實體符合下列任一條件，則該實體與本集團有關連：
 - (i) 該實體與本集團屬同一集團的成員公司(即各控股公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體所屬集團旗下成員公司的聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立的退休福利計劃。倘本集團本身屬此類計劃，則發起設立該計劃的僱主亦與本集團有關連。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.25 Related parties (Continued)

(b) (Continued)

- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2 主要會計政策(續)

2.25 關聯方(續)

(b) (續)

- (vi) 該實體受(a)項所識別人土控制或共同控制。
- (vii) (a)(i)項所識別人土對該實體有重大影響力或屬該實體(或該實體的控股公司)主要管理層成員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的控股公司提供主要管理人員服務。

個人的近親家屬指與實體交易時預期可影響該人士或受該人士影響的家屬，包括：

- (a) 該人士的子女及配偶或家庭伴侶；
- (b) 該人士配偶或家庭伴侶之子女；及
- (c) 該人士或該人士配偶或家庭伴侶的受養人。

根據關聯方的定義，聯營公司包括聯營公司的附屬公司，合營企業包括合營企業的附屬公司。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

2 PRINCIPAL ACCOUNTING POLICIES (Continued)

2.26 Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current financial reporting period, which the Group has not early adopted.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ^[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants ^[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ^[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ^[1]
Amendments to HKAS 21	Lack of Exchangeability ^[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2024

^[2] Effective for annual periods beginning on or after 1 January 2025

^[3] The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the financial performance and financial position of the Group.

2 主要會計政策(續)

2.26 香港財務報告準則之未來變動

於綜合財務報表獲授權日期，香港會計師公會已頒佈於本財務報告期間尚未生效的下列新訂／經修訂香港財務報告準則，而本集團並無提早採納該等準則。

香港會計準則第1號(修訂本)	負債按流動或非流動分類 ^[1]
香港會計準則第1號(修訂本)	具契諾的非流動負債 ^[1]
香港會計準則第7號及香港財務報告準則第7號(修訂本)	供應方融資安排 ^[1]
香港財務報告準則第16號(修訂本)	售後租回的租賃負債 ^[1]
香港會計準則第21號(修訂本)	缺乏可兌換性 ^[2]
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企業之資產出售或注資 ^[3]

^[1] 於2024年1月1日或之後開始之年度期間生效

^[2] 於2025年1月1日或之後開始之年度期間生效

^[3] 生效日期待定

本公司董事預期於未來期間採納該等新訂／經修訂香港財務報告準則不會對本集團的財務表現及財務狀況造成任何重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Market risk

3.1.1 Foreign exchange risk

The majority of assets and liabilities are denominated in RMB, United States dollar ("USD") and Hong Kong dollar ("HKD") and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than RMB, which is the functional currency of the major operating companies within the Group. The Group currently does not hedge its foreign currency exposure.

The Group's foreign currency transactions are mainly denominated in USD and HKD.

At 31 December 2023, if USD had weakened/strengthened by 5% (2022: 5%) against the RMB with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB4,274,000 higher/lower (2022: loss before income tax would have been approximately RMB600,000 higher/lower), mainly as a result of the foreign exchange difference on the translation of USD denominated deposits and other receivables, other payables and accruals, trade and bills receivables, trade payables and cash and cash equivalents.

3 財務風險管理

本集團業務承受多種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃重點關注金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

3.1 市場風險

3.1.1 外匯風險

大部分資產及負債以人民幣、美元（「美元」）及港元（「港元」）計值，並無其他重大資產及負債以其他貨幣計值。本集團面臨因日後商業交易以及確認以人民幣以外之貨幣（為本集團內主要營運公司之功能貨幣）計值的資產及負債而產生的外幣匯率風險。本集團現時並無對沖其外幣風險。

本集團之外幣交易主要以美元及港元計值。

於2023年12月31日，倘美元兌人民幣貶值／升值5%（2022年：5%）而所有其他可變因素保持不變，截至有關日期止年度的除所得稅前虧損將增加／減少約人民幣4,274,000元（2022年：除所得稅前虧損增加／減少約人民幣600,000元），主要因換算以美元計值的按金及其他應收款項、其他應付款項及應計款項、貿易應收款項及應收票據、貿易應付款項以及現金及現金等價物之外匯差額。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Market risk (Continued)

3.1.1 Foreign exchange risk (Continued)

At 31 December 2023, if HKD had weakened/strengthened by 5% (2022: 5%) against the RMB with all other variables held constant, loss before income tax for the year then ended would have been approximately RMB1,693,000 higher/lower (2022: loss before income tax would have been approximately RMB1,990,000 higher/lower), mainly as a result of the foreign exchange difference on the translation of HKD denominated trade and bills receivables, deposits and other receivables, trade payables, other payables and accruals and cash and cash equivalents.

3.1.2 Interest rate risk

The Group's interest rate risk is mainly attributable to its cash at banks. Details of the Group's cash at banks have been disclosed in Note 21 to the consolidated financial statements.

At 31 December 2023, if interest rates on cash at banks had been 1% (2022: 1%) higher/lower with all variables held constant, loss before income tax for the year then ended would have been approximately RMB2,690,000 lower/higher (2022: loss before income tax would have been approximately RMB1,879,000 lower/higher), mainly as a result of higher/lower of interest income on the cash at banks.

3 財務風險管理(續)

3.1 市場風險(續)

3.1.1 外匯風險(續)

於2023年12月31日，倘港元兌人民幣貶值／升值5%（2022年：5%）而所有其他可變因素保持不變，截至有關日期止年度的除所得稅前虧損將增加／減少約人民幣1,693,000元（2022年：除所得稅前虧損增加／減少約人民幣1,990,000元），主要因換算以港元計值的貿易應收款項及應收票據、按金及其他應收款項、貿易應付款項、其他應付款項及應計款項及現金及現金等價物之外匯差額。

3.1.2 利率風險

本集團的利率風險主要來自其銀行現金。本集團銀行現金的詳情於綜合財務報表附註21披露。

於2023年12月31日，倘銀行現金的利率增加／減少1%（2022年：1%個基點而所有其他變量保持不變，截至有關日期止年度的除所得稅前虧損將減少／增加人民幣2,690,000元（2022年：除所得稅前虧損減少／增加約人民幣1,879,000元），主要由於銀行現金的利息收入增加／減少所致。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk

The credit risk of the Group mainly arises from cash at banks, contract assets, trade and bills receivables, deposits and other receivables. The carrying amounts of each financial asset represent the Group's maximum exposure to credit risk in relation to financial assets.

At the end of the reporting period, the Group had a concentration of credit risk as approximately 92.1% and 99.2% (2022: 18.7% and 18.4%) of the contract assets was due from the Group's largest customer and the five largest customers, respectively, and approximately 91.9% and 98.9% (2022: 46.9% and 46.1%) of the total trade and bill receivables was due from the Group's largest customer and the five largest customers, respectively.

Risk management

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 credit risk on cash and cash equivalents is limited because deposits are in banks with sound credit ratings and the management of the Group does not expect any loss from non-performance by these counterparties.

3 財務風險管理 (續)

3.2 信貸風險

本集團的信貸風險主要來自銀行現金、合約資產、貿易應收款項及應收票據、按金以及其他應收款項。各金融資產的賬面值指本集團就金融資產所面臨的最大信貸風險。

於報告期末，本集團的信貸風險較為集中，約92.1%及99.2%（2022年：18.7%及18.4%）的合約資產分別來自本集團最大客戶及五大客戶，約91.9%及98.9%（2022年：46.9%及46.1%）的貿易應收款項及應收票據分別來自本集團最大客戶及五大客戶。

風險管理

本集團已制定政策確保信貸期乃向具有良好信用記錄的客戶作出，本集團對其客戶進行定期信貸評估。

現金及現金等價物的信貸風險有限，原因是該等存款存放於信貸評級甚佳的銀行，故本集團管理層預期不會因該等對手方違約而產生任何虧損。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Risk management (Continued)

(a) Impairment of financial assets

The Group has two types of financial asset that is subject to the ECL models:

- Contract assets, trade and bills receivables
- Other financial assets carried at amortised cost

Contract assets, trade and bills receivables

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all contract assets and trade and bills receivables. The Group measures the ECL on a combination of both individual and collective basis.

To measure the ECL, contract assets and trade and bills receivables have grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

3 財務風險管理 (續)

3.2 信貸風險 (續)

風險管理 (續)

(a) 金融資產減值

本集團有兩類金融資產乃按預期信貸虧損模式計算：

- 合約資產、貿易應收款項及應收票據
- 按攤銷成本列賬的其他金融資產

合約資產、貿易應收款項及應收票據

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，對所有合約資產和貿易應收款項及應收票據採用整個存續期的預期虧損撥備。本集團通過結合個別及共同方式計量預期信貸虧損。

為計量預期信貸虧損，已根據共同信貸風險特徵及逾期日數將合約資產和貿易應收款項及應收票據分組。合約資產涉及未入賬服務，且與相同類型合約的應收貿易款項具有大致相同的風險特徵。因此，本集團認為，應收貿易款項的預期虧損率與合約資產虧損率合理相若。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Measurement of ECL on individual basis

Contract assets and trade and bills receivables with known insolvencies are assessed individually for loss allowance and are written off when there is no reasonable expectation of recovery. At 31 December 2023, the balance of loss allowance in respect of these individually assessed receivables was approximately RMB2,449,000 (2022: RMB2,841,000).

Measurement of ECL on collective basis

ECL are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer and its ageing category, and applying the ECL rates to the respective gross carrying amounts of the receivables.

The ECL rates are estimated on the basis of historical credit losses experienced, adjusted to reflect the effects of existing market conditions as well as forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable.

3 財務風險管理 (續)

3.2 信貸風險 (續)

個別計量預期信貸虧損

已知無法償還的合約資產和貿易應收款項及應收票據乃進行個別評估以提撥虧損撥備，並於合理預期無法收回時撇銷。於2023年12月31日，就該等個別評估應收款項之虧損撥備結餘約為人民幣2,449,000元（2022年：人民幣2,841,000元）。

共同計量預期信貸虧損

經計及客戶性質及其賬齡類別，本集團亦通過按共同信貸風險特徵對剩餘應收款項分組及共同評估收回的可能性估計預期信貸虧損，並將預期信貸虧損率應用至各應收款項賬面總值。

預期信貸虧損率乃根據歷史信貸虧損經驗估計，並作出調整以反映目前市況及影響客戶結算應收款項能力的宏觀經濟因素的前瞻性資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Measurement of ECL on collective basis (Continued)

The provision for loss allowances for contract assets and trade and bills receivables at 31 December 2023 and 2022 are determined as follows:

		1-3 months 1至3個月	Over 3 months 3個月以上	Total 總計
31 December 2023	2023年12月31日			
Weighted average expected loss rate	加權平均預期虧損率	1.0%	28.7%	1.1%
Gross carrying amount of contract assets and trade and bills receivables (RMB'000)	合約資產和貿易應收款項及應收票據的總賬面值 (人民幣千元)	85,643	371	86,014
Provision for loss allowance (RMB'000)	計提虧損撥備 (人民幣千元)	868	107	975
31 December 2022	2022年12月31日			
Weighted average expected loss rate	加權平均預期虧損率	0.6%	28.7%	4.5%
Gross carrying amount of contract assets and trade and bills receivables (RMB'000)	合約資產及貿易應收款項及應收票據的總賬面值 (人民幣千元)	11,110	1,809	12,919
Provision for loss allowance (RMB'000)	計提虧損撥備 (人民幣千元)	64	520	584

When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理 (續)

3.2 信貸風險 (續)

共同計量預期信貸虧損 (續)

於2023年及2022年12月31日就合約資產和貿易應收款項及應收票據計提的虧損撥備按下表釐定：

當應收款項無法收回時，即對應收款項撥備賬撇銷。其後收回過往撇銷款項乃抵銷相同項目。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Credit risk (Continued)

Other financial assets carried at amortised cost

The Group's other financial assets carried at amortised cost include deposits and other receivables in the consolidated statement of financial position. The loss allowance of other financial assets carried at amortised cost is measured based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

At 31 December 2023 and 2022, the management of the Group considered the credit risk of deposits and other receivables to be low as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the ECL for these other receivables were immaterial under 12-month expected losses method. Therefore, the loss allowance for these balances was immaterial and no provision was recognised.

3 財務風險管理 (續)

3.2 信貸風險 (續)

按攤銷成本列賬的其他金融資產

本集團按攤銷成本列賬的其他金融資產包括綜合財務狀況表的按金及其他應收款項。按攤銷成本列賬的其他金融資產的虧損撥備乃按12個月的預期信貸虧損計量。12個月的預期信貸虧損為報告日期後12個月內可能發生的與金融工具相關的違約事件所導致的存續期預期信貸虧損的一部分。然而，倘信貸風險自產生後出現顯著增長，該撥備將以存續期預期信貸虧損為基準。

於2023年及2022年12月31日，本集團管理層認為按金及其他應收款項的信貸風險較低，因為對手方具備在短期內履行合約現金流量責任的強大能力，本集團已評估，根據12個月的預期虧損法，該等其他應收款項的預期信貸虧損並不重大。因此，該等結餘的虧損並不重大，且並無確認任何撥備。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk

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

At 31 December 2023, the Group held cash and cash equivalents amounting to approximately RMB268,978,000 (2022: RMB187,910,000), that are readily available for managing liquidity risk.

The Group maintains liquidity by a number of sources including orderly realisation of receivables that the Group considers appropriate and adequate amount of available financing including short-term borrowings are also considered by the Group in its capital structuring. The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest-bearing borrowings which enable the Group to continue its business for the foreseeable future.

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

3 財務風險管理(續)

3.3 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需求，以確保維持足夠的現金儲備以應付其短期及長期流動資金需求。

於2023年12月31日，本集團持有的現金及現金等價物約為人民幣268,978,000元（2022年：人民幣187,910,000元），可用於管理流動資金風險。

本集團透過多種來源維持流動資金，包括有序變現本集團認為適當的應收款項，及本集團在其資本建構過程中亦會考慮短期借款等足額可用融資。本集團旨在透過維持充足的銀行結餘、已承諾可用信貸額及計息借款來維持資金的靈活性，以便本集團於可見將來繼續其業務營運。

下表列示本集團非衍生金融負債按照相關到期組別，根據由財務狀況表日至合約到期日的剩餘期間進行分析。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Liquidity risk (Continued)

The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay.

3 財務風險管理 (續)

3.3 流動資金風險 (續)

表內披露的金額為合約未貼現現金流量及本集團須按要求支付的最早日期。

		Total carrying amount	Total contractual cash flow	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		賬面總值	已訂約未貼現現金流總額	按要求或少於1年	1至2年	2至5年	超過5年
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2023	於2023年12月31日						
Trade payables	貿易應付款項	108,793	108,793	108,793	-	-	-
Other payables and accruals (excluding accrued employee benefits, deposits received from customers and other tax payables)	其他應付款項及應計款項 (不包括應計僱員福利、自客戶收取的按金及其他應付稅項)	17,238	18,395	15,930	65	262	2,138
Interest-bearing borrowing	計息借款	33,440	34,491	34,491	-	-	-
Lease liabilities	租賃負債	3,883	4,203	1,541	1,541	1,121	-
Loan from ultimate holding company	最終控股公司貸款	3,411	3,411	3,411	-	-	-
		166,765	169,293	164,166	1,606	1,383	2,138
At 31 December 2022	於2022年12月31日						
Trade payables	貿易應付款項	10,096	10,096	10,096	-	-	-
Other payables and accruals (excluding accrued employee benefits, deposits received from customers and other tax payables)	其他應付款項及應計款項 (不包括應計僱員福利、自客戶收取的按金及其他應付稅項)	7,748	8,865	6,335	65	262	2,203
		17,844	18,961	16,431	65	262	2,203

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 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 dividend paid to shareholders, return capital to shareholders or sell assets to reduce debt.

3.5 Fair value estimation

The Group did not have any financial assets or financial liabilities at the consolidated statement of financial position which is measured at fair value.

The carrying amounts of the Group's financial assets, including trade and bills receivables, deposits and other receivables and cash and cash equivalents; and the Group's financial liabilities including trade payables, other payables and accruals, interest-bearing borrowing, lease liabilities and loan from ultimate holding company, approximate their fair values due to their short maturities.

The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements 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.

3 財務風險管理(續)

3.4 資本管理

本集團管理資本的目標是保障本集團按持續經營基準繼續營運的能力，以為股東帶來回報，同時兼顧其他利益相關者的利益，並維持最佳的資本架構以減低資金成本。

為維持或調整資本架構，本集團或會調整向股東派付的股息金額，向股東退回資本或出售資產以減低債務。

3.5 公允價值估計

本集團於綜合財務狀況表內並無按公允價值計算的任何金融資產或金融負債。

本集團金融資產包括貿易應收款項及應收票據、按金及其他應收款項及現金及現金等價物；而本集團金融負債包括貿易應付款項、其他應付款項及應計款項、計息借款、租賃負債及最終控股公司貸款，由於該等金融資產及金融負債屬短期性質，其賬面值與其公允價值相若。

到期日少於一年的金融資產及負債之賬面值減任何估計信貸調整假設與其公允價值相若。用以披露的金融負債公允價值透過按本集團就類似金融工具可得的當時市場利率將未來合約現金流量貼現予以估計。

4 關鍵會計估計及假設

估計及判斷乃根據過往經驗及其他因素(包括在相關情況下認為屬合理的未來事件預期)持續評估。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

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.

4.1 Loss allowance on receivables and contract assets

The Group makes provision for loss allowance on receivables and contract assets based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the loss allowance 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 identification of impairment of receivables and contract assets requires the use of judgements and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and contract assets and provision for loss allowance on receivables and contract assets recognised in the periods in which such estimates have been changed.

4.2 Impairment of property, plant and equipments, right-of-use assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation/amortisation and any impairment losses. In determining whether an asset is impaired, the Group has to exercise judgements and make estimations, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of VIU, the net present value of future cash flows which are estimated based upon the continuing use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

4 關鍵會計估計及假設(續)

本集團對未來作出多項估計及假設。根據定義，就此產生的會計估計很少會與有關實際結果相符。具重大風險導致須於下一個財政年度對資產及負債賬面值作出重大調整的估計及假設論述如下。

4.1 應收款項及合約資產虧損撥備

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及合約資產減值撥備。本集團於作出該等假設時動用判斷，並根據本集團於各報告期末的過往違約率、現行市況及前瞻性估計，挑選用於虧損撥備計算的輸入資料。識別應收款項及合約資產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及合約資產賬面值以及應收款項及合約資產虧損撥備的計提。

4.2 物業、廠房及設備、使用權資產減值

物業、廠房及設備、使用權資產以及無形資產按成本減累計折舊／攤銷及任何減值虧損列賬。於釐定資產是否減值時，本集團須作出判斷及估計，尤其需要評估：(1) 是否發生可能影響資產價值的事件或任何跡象；(2) 資產賬面值是否能夠以可收回金額（如為使用價值）支持，即按照持續使用資產估計的未來現金流量的淨現值；及(3) 將應用於估計可收回金額的適當關鍵假設（包括現金流量預測及適當的貼現率）。當無法估計個別資產（包括使用權資產）的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。更改有關假設及估計（包括現金流預測中的貼現率或增長率），可重大影響減值測試所用的淨現值。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

4.2 Impairment of property, plant and equipments, right-of-use assets (Continued)

The management of the Company determines the estimated useful lives of the Group's property, plant and equipment and intangible assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

4.3 Revenue from contracts with customers

For manufacturing of lace and provision of dyeing services, the Group creates or enhances an asset that the customer controls. Therefore, the directors of the Company have satisfied that the performance obligation is satisfied over time. The Group recognises revenue from manufacturing of lace and provision of dyeing services contracts over time using the input method, based on the actual direct costs incurred and the total estimated costs on completion for the services contracts. Total expected costs and their corresponding contract revenue require estimations from the management of the Group based on understanding of the performance of the contract and the Group's historical experience. Due to the nature of the activity undertaken in the manufacturing of lace and provision of dyeing services contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. As a result, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than expected or actual contract costs are more than expected, a provision for onerous contract may arise.

4 關鍵會計估計及假設 (續)

4.2 物業、廠房及設備、使用權資產減值 (續)

本公司管理層根據類似性質和功能的相關資產的實際可使用年期的過往經驗，釐定本集團物業、廠房和設備和無形資產的估計可使用年期。如日後的折舊和攤銷費用與之前的估計有重大變化，則會進行調整。

4.3 客戶合約的收益

製造花邊及提供染整服務上，本集團締造或提升客戶所控制的資產。因此，本公司董事認為，履約責任隨著時間的推移而得到履行。本集團採用投入法，根據所產生的實際直接成本和服務合約完時時的預計總成本，在一段時間內確認製造花邊及提供染整服務合約的收益。預計總成本及其相應的合約收益，需要本集團管理層根據對合約執行情況的了解和本集團過往經驗作估算。由於承接製造花邊及提供染整服務合約活動的性質，訂立活動的日期與活動的完成日期通常處於不同的會計期間。因此，隨著合約的進展，本集團會審視和修訂為每份合約所編制的預算內，對合約收益和合約成本的估算。如果實際合約收益較預期為低，或實際合約成本較預期為高，可能就虧損合約作撥備。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

5 REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company and the Group is principally engaged in (i) manufacturing of lace and provision of dyeing services; and (ii) footwear business.

The CODM has been identified as the executive directors of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segment based on these reports. The Group has three reportable operating segments being:

- (i) Manufacturing of lace – principally engaged in manufacturing of lace based on customers' orders for lingerie and other products;
- (ii) Provision of dyeing services – principally engaged in provision of dyeing services of lace and swimwear fabrics based on customers' orders; and
- (iii) Footwear – principally engaged in design, research and development, sourcing, merchandising, quality control and sales of casual and sports footwear.

The CODM assesses the performance of the operating segments based on a measure of revenue and gross profit.

No analysis of the Group's assets and liabilities by operating segments is presented as it is not regularly provided to the CODM for review.

5 收益及分部資料

本公司為一家投資控股公司及本集團主要從事 (i) 製造花邊及提供染整服務；及 (ii) 鞋履業務。

主要營運決策者已確定為本公司執行董事。主要營運決策者審閱本集團的內部報告以評估表現及分配資源。主要營運決策者已根據該等報告決定經營分部。本集團有三個可呈報的經營分部，分別是：

- (i) 製造花邊—主要從事根據客戶的女性內衣及其他產品訂單製造花邊；
- (ii) 提供染整服務—主要從事根據客戶訂單提供花邊及泳裝染整服務；及
- (iii) 鞋履—主要從事休閒及運動鞋履的設計、研發、採購、推銷、品質監控及銷售。

主要營運決策者按照收益及毛利的計量評估經營分部的表現。

本集團按營運分部劃分的資產及負責並無呈列分析，因並非定期供主要營運決策者審視。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

5 REVENUE AND SEGMENT INFORMATION 5 收益及分部資料(續)

(a) Segment revenue by operating segments

The segment information provided to the directors of the Company for the reportable segments for the years ended 31 December 2023 and 2022 is as follows:

(a) 按經營分部劃分的分部收益

向本公司董事所提供的截至2023年及2022年12月31日止年度的可呈報分部的分部資料如下：

		Manufacturing of lace		Provision of dyeing services		Footwear		Total	
		製造花邊		提供染整服務		鞋履		總計	
		2023	2022	2023	2022	2023	2022	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		2023年	2022年	2023年	2022年	2023年	2022年	2023年	2022年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue	分部收益	20,690	26,762	53,287	56,108	243,376	51,285	317,353	134,155
Segment results	分部業績	1,479	111	(7,327)	(8,223)	29,694	4,301	23,846	(3,811)
Other segmental information:	其他分部資料：								
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	5,158	7,391	7,007	9,194	-	-	12,165	16,585
Additions to non-current segment assets	非流動分部資產的增加	-	335	460	9,544	4,183	-	4,643	9,879
Write-down of inventories	存貨撇減	1,134	1,695	322	1,370	-	-	1,456	3,065
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	3,130	-	4,252	-	-	-	7,382	-
Research and development expenditures	研發開支	-	-	6,481	8,586	2,178	-	8,659	8,586
Commission and handling charges	佣金及手續費	-	-	-	-	10,631	2,888	10,631	2,888

(b) Disaggregation of revenue from contracts with customers within HKFRS 15 by the timing of revenue is as follows:

(b) 按收益確認時間劃分的香港財務報告準則第15號內客戶合約收益分拆如下：

		2023	2022
		RMB'000	RMB'000
		2023年	2022年
		人民幣千元	人民幣千元
Timing of revenue recognition	收益確認時間		
Over time – provision of services	隨時間－提供服務	73,977	82,870
At a point in time – sales of goods	某個時間點－銷售貨品	243,376	51,285
		317,353	134,155

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

5 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Segment revenue by operating geographical location

The Group's revenue by geographical location, which is determined by the location of operation, is as follows:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Mainland China and Hong Kong	中國內地及香港	317,353	134,155

(d) Information about major customers

Revenue derived from customers individually contributing over 10% of the Group's total revenue during the years ended 31 December 2023 and 2022 is as follows:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
From footwear business segment	鞋履業務分部		
Customer A	客戶A	N/A 不適用*	51,285
Customer B	客戶B	220,161	-

* The corresponding customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2023.

5 收益及分部資料(續)

(c) 按營運地理位置劃分的分部收益

本集團按地理位置(基於營運位置釐定)劃分的收益如下:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Mainland China and Hong Kong	中國內地及香港	317,353	134,155

(d) 主要客戶資料

截至2023年及2022年12月31日止年度個別貢獻超過本集團總收益10%以上的客戶之收益如下:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
From footwear business segment	鞋履業務分部		
Customer A	客戶A	N/A 不適用*	51,285
Customer B	客戶B	220,161	-

* 截至2023年12月31日止年度, 相應客戶對本集團總收益的貢獻不超過10%。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

5 REVENUE AND SEGMENT INFORMATION 5 收益及分部資料(續) (Continued)

(e) Details of contract liabilities

Contract liabilities (Note 24)	合約負債(附註24)

Notes:

- (i) Contract liabilities represent advanced payments received from the customers for services that have not yet been transferred to the customers. The contract liabilities fluctuated during the years ended 31 December 2023 and 2022 due to fluctuation in sales orders with advanced payments.
- (ii) During the years ended 31 December 2023 and 2022, all brought-forward contract liabilities at the beginning of the financial reporting periods were fully recognised as revenue.

(e) 合約負債詳情

2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
220	365

附註：

- (i) 合約負債指就尚未轉讓予客戶的服務從客戶收取的預收款項。由於附有預收款項的銷售訂單波動，合約負債於截至2023年及2022年12月31日止年度有所波動。
- (ii) 截至2023年及2022年12月31日止年度，所有於財務報告期初未結清的合約負債已悉數確認為收益。

(f) Unsatisfied performance obligations

At 31 December 2023 and 2022, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied performance obligations was not disclosed.

(g) Non-current assets by geographical location

No geographical analysis on segment assets is provided as substantially all of the Group's non-current assets were located in the Mainland China.

(f) 尚未履行的履約責任

於2023年及2022年12月31日，本集團所有尚未履行的履約責任均來源於原預期持續時間少於一年的合約。因此，誠如香港財務報告準則第15號「客戶合約收益」相關實際權宜之計所准許，並未披露分配予該等尚未履行的履約責任的交易價。

(g) 按地理位置劃分的非流動資產

概無提供分部資產的地域分析，原因為本集團幾乎全部的非流動資產均位於中國內地。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, administrative expenses, net (reversal of)/provision for loss allowance on financial assets and contract assets and impairment loss on property, plant and equipment 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、行政開支、(撥回)／計提金融資產及合約資產虧損撥備淨額及物業、廠房及設備的減值虧損的開支分析如下：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Raw materials and merchandise used (Note 19)	原材料及商品消耗(附註19)	242,584	72,543
Employee benefit expenses, including directors' emoluments (Note 9)	僱員福利開支(包括董事酬金)(附註9)	36,449	32,403
Manpower service expenses (Note 9)	人力資源服務開支(附註9)	1,229	1,548
Amortisation of intangible assets (Note 16)	無形資產攤銷(附註16)	363	493
Utilities	水電費	9,204	9,394
Depreciation of property, plant and equipment and right-of-use assets (Note 14)	物業、廠房及設備及使用權資產折舊(附註14)	15,357	17,395
Depreciation of investment property (Note 15)	投資物業折舊(附註15)	13	27
Write-down of inventories (Note 19)	存貨撇減(附註19)	1,456	3,065
Auditors' remuneration	核數師薪酬		
– Audit service	– 審計服務	895	1,350
– Non-audit service	– 非審計服務	492	352
Professional fees	專業費用	2,970	4,153
Other tax and surcharges	其他稅項及附加費	921	926
Packaging expenses	包裝開支	703	874
Commission and handling charges	佣金及手續費	10,631	2,888
Waste handling charges	廢物處理費	2,094	2,980
Net (reversal of)/provision for loss allowance on financial assets and contract assets	(撥回)／計提金融資產及合約資產虧損撥備淨額	(1)	782
Impairment loss on property, plant and equipment (Note 14)	物業、廠房及設備減值虧損(附註14)	7,382	–
Others	其他	2,088	3,626
Total cost of sales, selling and distribution expenses, administrative expenses, net (reversal of)/provision for loss allowance on financial assets and contract assets and impairment loss on property, plant and equipment	銷售成本、銷售及分銷開支、行政開支、(撥回)／計提金融資產及合約資產虧損撥備淨額及物業、廠房及設備的減值虧損總額	334,830	154,799

Note: During the year ended 31 December 2023, research and development expenditures of approximately RMB8,659,000 (2022: approximately RMB8,586,000) were included in the respective amounts as disclosed above.

附註：截至2023年12月31日止年度，研發開支約人民幣8,659,000元(2022年：約人民幣8,586,000元)已計入上文所披露的相關數值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

7 OTHER INCOME

7 其他收入

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Government grants (Note)	政府補助(附註)	4,247	4,970
Others	其他	154	399
		4,401	5,369

Note: Government grants are all income related and there exists no unfulfilled conditions or other contingencies attaching to these government grants.

附註：政府補助全部與收入相關，目前並無附帶該等政府補助的未達成條件或其他或然事項。

8 OTHER GAINS, NET

8 其他收益淨額

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	(2)
Exchange differences	匯兌差額	2,386	4,177
Others	其他	71	-
		2,457	4,175

9 EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

9 僱員福利開支及人力資源服務開支(包括董事酬金)

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Wages and salaries	工資及薪金	33,646	30,105
Pension costs – defined contribution plans (Note a)	退休金成本 – 界定供款計劃(附註a)	2,555	2,197
Other staff welfares	其他員工福利	248	101
Total employee benefit expenses (including directors' remunerations)	僱員福利開支總額(包括董事酬金)	36,449	32,403
Manpower service expenses (Note b)	人力資源服務開支(附註b)	1,229	1,548
		37,678	33,951

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (a) Pension costs-defined contribution plans

The PRC

As stipulated under the relevant rules and regulations in the PRC, the subsidiaries operating in the PRC contributes to state-sponsored retirement plans for its employees. For the years ended 31 December 2023 and 2022, depending on the provinces of the employees' registered residences and their current region of work, the subsidiary contributed certain percentages of the salaries of its employees and had no further obligations for the actual payment of pensions or postretirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

Hong Kong

The Group participates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**Pension Scheme**") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the Pension Scheme. The assets of the Pension Scheme are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed to the Pension Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the Pension Scheme. The Group has no further payment obligations once the contributions have been paid.

No contributions forfeited by employees leaving the scheme were utilised to offset contributions during the year ended 31 December 2023 (2022: nil). At 31 December 2023, there were no forfeited contributions (2022: nil) available to reduce the contributions payable in future years.

9 僱員福利開支及人力資源服務 開支(包括董事酬金) (續)

附註：

- (a) 退休金成本—界定供款計劃

中國

按照中國相關規則及法規規定，於中國營運的附屬公司須為其僱員向國家資助的退休計劃作出供款。截至2023年及2022年12月31日止年度，視乎僱員的登記戶籍省份及其目前工作地區，附屬公司須作出其僱員薪金若干百分比的供款，且並無進一步責任就該等供款外的退休金或退休後福利作出實際支付。該等國家資助的退休計劃負責應付退休僱員的全部退休金責任。

香港

本集團根據強制性公積金計劃條例，為其香港所有僱員參與定額供款強積金退休福利計劃（「**退休金計劃**」）。供款根據僱員基本薪金的某個百分比計算作出，並於有關供款根據退休金計劃的規則須予支付時在綜合損益表支銷。退休金計劃的資產獨立於本集團的資產，由獨立管理的基金持有。本集團之僱主供款存入退休金計劃時全數歸屬於僱員，惟本集團之僱主自願性供款除外，根據退休金計劃之規則，倘僱員於該等供款全數歸屬前離職，該等自願性供款將退還予本集團。

截至2023年12月31日止年度，截至2023年12月31日止年度，並無使用離開計劃的員工被沒收的供款以抵銷供款（2022年：無）。截至2023年12月31日，並被沒收的供款（2022年：無）可用於減少未來年度的應付供款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

Notes: (Continued)

(b) Manpower service expenses

During the years ended 31 December 2023 and 2022, the Group entered into certain manpower service arrangements with an external manpower service organisation in the PRC. Under these arrangements, certain of the Group's manpower requirements were fulfilled by this organisation at agreed service fees whereas the human resources provided were directly employed by the service organisation. The individuals providing services to the Group did not have any employment relationship with the Group.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include one director for the year ended 31 December 2023 (2022: one), whose emoluments are reflected in the analysis presented in Note 36 to the consolidated financial statements. The emoluments payable to the remaining four individuals for the year ended 31 December 2023 (2022: four) are as follows:

9 僱員福利開支及人力資源服務 開支(包括董事酬金) (續)

附註：(續)

(b) 人力資源服務開支

截至2023年及2022年12月31日止年度，本集團與一家中國外部人力資源服務機構訂立若干人力資源服務安排。根據有關安排，該機構按協定服務價格滿足了本集團若干人手需求，而所提供的人力資源由該服務機構直接聘請。向本集團提供服務的人士與本集團並無任何僱傭關係。

(c) 五名最高薪酬人士

截至2023年12月31日止年度，本集團五名最高薪酬人士包括一名董事(2022年：一名)，其酬金反映在綜合財務報表附註36呈列的分析中。截至2023年12月31日止年度，應付餘下四名人士(2022年：四名)的酬金如下：

	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Wages and salaries	2,778	1,718
Pension costs – defined contribution plans	62	54
	2,840	1,772

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES AND MANPOWER SERVICE EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

Notes: (Continued)

(c) Five highest paid individuals (Continued)

The emoluments fell within the following band:

		Number of individuals 人數	
		2023 2023年	2022 2022年
Emolument band	酬金範圍		
Not more than HKD1,000,000	不多於1,000,000港元	4	4

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to any of the director or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

9 僱員福利開支及人力資源服務 開支(包括董事酬金) (續)

附註：(續)

(c) 五名最高薪酬人士(續)

酬金範圍如下：

		Number of individuals 人數	
		2023 2023年	2022 2022年
Emolument band	酬金範圍		
Not more than HKD1,000,000	不多於1,000,000港元	4	4

截至2023年及2022年12月31日止年度，本集團概無向任何董事或五名最高薪酬人士發放任何酬金作為加盟或在加盟本公司時的獎勵或作為離職補償。

10 FINANCE INCOME, NET

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Finance income	融資收入		
Interest income	利息收入	2,306	2,338
Finance costs	融資成本		
Unwinding of discount on other payables	其他應付款項的折現回撥	(12)	(11)
Interest expenses on lease liabilities	租賃負債利息開支	(62)	-
Interest expenses on interest-bearing borrowing	計息借款利息開支	(278)	-
		(352)	(11)
Finance income, net	融資收入淨額	1,954	2,327

10 融資收入淨額

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

11 INCOME TAX EXPENSES

Taxation has been provided at the appropriate rates prevailing in the jurisdictions in which the Group operates.

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax of those jurisdictions.

During the years ended 31 December 2023 and 2022, Fujian Deyun Technology Co., Ltd* (福建德運科技有限公司), the Group's subsidiary in the PRC, has qualified for high and new technology enterprises status since December 2022 with a valid period of 3 years and is therefore subject to a preferential income tax rate of 15% during the valid period.

The State Taxation Administration of the PRC announced in March 2021 that enterprises engaging in research and development activities would be entitled to claim at maximum 200% of their research and development expenses as "Super Deduction". The directors of the Company consider the eligibility of the PRC subsidiaries and recognise the additional tax deduction for the years ended 31 December 2023 and 2022.

Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department of Hong Kong from the year of assessment 2018/19 onwards, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%.

During the years ended 31 December 2023 and 2022, one of the Group's subsidiaries in Hong Kong, was a qualifying entity under the two-tiered profits tax rates regime, the first HKD2 million of profits will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%.

11 所得稅開支

稅項已按本集團經營所在的司法權區之適當稅率計提。

在開曼群島及英屬處女群島成立的集團實體獲豁免繳納該等司法權區的企業所得稅。

截至2023年及2022年12月31日止年度，本集團的中國附屬公司福建德運科技有限公司自2022年12月起合資格獲頒高新技術企業地位，有效期為3年，因此於有效期間享有優惠所得稅率15%。

中國國家稅務總局於2021年3月宣佈，從事研發活動的企業將有資格申請最多200%的研發費用「超額扣除」。本公司董事考慮到中國附屬公司的資格，確認截至2023年及2022年12月31日止年度的額外稅務扣除。

根據香港稅務局制定的利得稅兩級制，由2018/19課稅年度起，合資格集團實體的首200萬港元溢利將按8.25%稅率課稅，而200萬港元以上的溢利將按16.5%稅率課稅。

截至2023年及2022年12月31日止年度，本集團其中一間香港附屬公司為合資格使用利得稅兩級制的實體，首200萬港元溢利將按8.25%稅率課稅，而200萬港元以上的溢利將按16.5%稅率課稅。

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Current tax	即期稅項		
The PRC corporate income tax	— 中國企業所得稅	1,123	—
Hong Kong profits tax	— 香港利得稅	320	150
		1,443	150
Deferred income tax (Note 27)	遞延所得稅 (附註27)	(17)	14
Income tax expenses	所得稅開支	1,426	164

* For identification purpose only

* 僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

11 INCOME TAX EXPENSES (Continued)

11 所得稅開支(續)

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Loss before income tax	除所得稅前虧損	(8,665)	(8,773)
Tax calculated at tax rates applicable to the respective subsidiaries	按各附屬公司適用的稅率計算的稅項	(759)	(1,399)
Tax effect of:	以下項目的稅務影響：		
Income not subject tax	毋須課稅的收入	(447)	(1,265)
Expense not deductible for tax purpose	不可扣稅開支	774	1,853
Unrecognised temporary differences	未確認暫時性差異	1,199	2,242
Tax loss not recognised (Note (a))	未確認稅項虧損(附註(a))	1,641	-
Super deductions from research and development expenditure (Note (b))	研發開支超額抵扣(附註(b))	(982)	(1,267)
Income tax expenses	所得稅開支	1,426	164

Notes:

- (a) At 31 December 2023, the Group did not recognise deferred income tax assets of approximately RMB1,641,000 (2022: nil) in respect of tax losses amounting to approximately RMB10,942,000 (2022: nil), which is subject to the agreement by the relevant tax authority and could be carried forward to offset future income.
- (b) According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year.

附註：

- (a) 於2023年12月31日，本集團並無就稅項虧損約人民幣10,942,000元(2022年：零)確認遞延所得稅資產約人民幣1,641,000元(2022年：零)，惟須有關稅務機構同意，且可結轉抵銷日後收入。
- (b) 根據中國國家稅務總局頒佈的相關法律及法規，從事研發活動的企業有權在釐定其年度應課稅溢利時，將所產生的研發開支的200%申報作可扣稅開支。

12 LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2023 and 2022.

12 每股虧損

每股基本虧損按本公司擁有人應佔虧損除以截至2023年及2022年12月31日止年度的已發行普通股加權平均數計算。

		2023 2023年	2022 2022年
Loss for the year attributable to owners of the Company (RMB'000)	本公司擁有人應佔年內虧損(人民幣千元)	(10,091)	(8,937)
Weighted average number of ordinary shares in issue (thousands of shares)	已發行普通股的加權平均數(千股)	1,260,000	1,260,000
Basic and diluted loss per share (RMB cents)	每股基本及攤薄虧損(人民幣分)	(0.80)	(0.71)

There were no differences between the basic and diluted loss per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2023 and 2022.

由於截至2023年及2022年12月31日止年度並無發行在外的潛在攤薄普通股，故每股基本及攤薄虧損並無差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

13 SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2023 and 2022 are set out below.

13 附屬公司

本集團於2023年及2022年12月31日的主要附屬公司載列如下。

Name of subsidiary 附屬公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法人實體類別	Principal activities and place of operation 主要活動及經營地點	Particulars of issued share capital/paid-up capital 已發行股本/ 繳足股本詳情	Percentage of effective interest held/controlled by the Group 本集團 持有/控制的實際權益百分比	
				2023 2023年	2022 2022年
Direct interests: 直接權益：					
Deyun Investment Limited Deyun Investment Limited	BVI, limited liability company 英屬處女群島·有限公司	Investment holding in BVI 在英屬處女群島投資控股	USD1 1美元	100%	100%
Circle Time Limited Circle Time Limited	BVI, limited liability company 英屬處女群島·有限公司	Investment holding in BVI 在英屬處女群島投資控股	USD1 1美元	100%	100%
Indirect Interests: 間接權益：					
Deyun Holding (HK) Limited Deyun Holding (HK) Limited	Hong Kong, limited liability company 香港·有限公司	Investment holding in Hong Kong 在香港投資控股	HKD1 1港元	100%	100%
Fujian Deyun Consulting Services Co. Ltd.* 福建德運諮詢服務有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 在中國投資控股	RMB10,000,000 人民幣10,000,000元	100%	100%
Fujian Deyun Technology Company Limited* 福建德運科技股份有限公司	The PRC, limited liability company 中國·有限公司	Manufacturing of lace and provision of dyeing services in the PRC 在中國製造花邊及提供染整服務	RMB98,670,000 人民幣98,670,000元	100%	100%
Hope Faith Limited 合誠有限公司	Hong Kong, limited liability company 香港·有限公司	Sales, research and development, sourcing and merchandising of shoes in Hong Kong 在香港銷售、研究與開發、採購及推銷鞋履	HKD1 1港元	100%	100%
Putian Yingchuang Trading Company Limited* 莆田盈創貿易有限公司	The PRC, limited liability company 中國·有限公司	Sales, design, research and development, sourcing, quality control and merchandising of shoes in the PRC 在內地銷售、設計、研究與開發、採購、品質監控及推銷鞋履	RMB0 (Note) 人民幣零元(附註)	100%	100%

Note: The Group is committed to inject the registered capital of RMB2,000,000 on or before 30 June 2029.

附註：本集團承諾於2029年6月30日或之前注入註冊資本人民幣2,000,000元。

* For identification purposes only

* 僅供識別

None of the subsidiaries had any debt securities outstanding at the end of the reporting period or at any time during the reporting period.

於報告期末或於報告期內任何時間，附屬公司均無任何未償還債務證券。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

14 物業、廠房及設備及使用權 資產

		Buildings	Plant and machinery	Office equipment	Motor vehicles	Construction in progress	Sub-total	Right-of-use assets	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		樓宇	廠房及機器	辦公設備	汽車	在建工程	小計	使用權資產	總計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2022	截至2022年12月31日止年度								
Opening net carrying amount	期初賬面淨值	28,030	116,228	1,161	2,057	-	147,476	2,640	150,116
Additions	添置	303	9,308	355	1,136	1,301	12,403	-	12,403
Depreciation (Note 6)	折舊(附註6)	(2,382)	(14,234)	(459)	(235)	-	(17,310)	(85)	(17,395)
Disposals	出售	-	-	(2)	-	-	(2)	-	(2)
Closing net carrying amount	期末賬面淨值	25,951	111,302	1,055	2,958	1,301	142,567	2,555	145,122
At 31 December 2022	於2022年12月31日								
Cost	成本	42,778	288,361	4,815	4,058	1,301	341,313	4,121	345,434
Accumulated depreciation	累計折舊	(16,827)	(177,059)	(3,760)	(1,100)	-	(198,746)	(1,566)	(200,312)
Net carrying amount	賬面淨值	25,951	111,302	1,055	2,958	1,301	142,567	2,555	145,122
Year ended 31 December 2023	截至2023年12月31日止年度								
Opening net carrying amount	期初賬面淨值	25,951	111,302	1,055	2,958	1,301	142,567	2,555	145,122
Additions	添置	-	925	10	60	458	1,453	4,183	5,636
Depreciation (Note 6)	折舊(附註6)	(2,284)	(11,986)	(299)	(323)	-	(14,892)	(465)	(15,357)
Transfer from construction in progress	轉撥自在建工程	659	-	1,004	-	(1,663)	-	-	-
Transfer from investment property (Note 15)	轉撥自投資物業(附註15)	268	-	-	-	-	268	-	268
Impairment loss	減值虧損	-	(7,382)	-	-	-	(7,382)	-	(7,382)
Exchange realignment	匯兌調整	-	-	-	-	-	-	53	53
Closing net carrying amount	期末賬面淨值	24,594	92,859	1,770	2,695	96	122,014	6,326	128,340
At 31 December 2023	於2023年12月31日								
Cost	成本	43,705	281,904	5,829	4,118	96	335,652	8,362	344,014
Accumulated depreciation	累計折舊	(19,111)	(189,045)	(4,059)	(1,423)	-	(213,638)	(2,036)	(215,674)
Net carrying amount	賬面淨值	24,594	92,859	1,770	2,695	96	122,014	6,326	128,340

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

During the years ended 31 December 2023 and 2022, depreciation expenses have been charged in cost of sales, selling and distribution expenses and administrative expenses as below:

Cost of sales	銷售成本
Selling and distribution expenses	銷售及分銷開支
Administrative expenses	行政開支

In view of continuous drop in revenue in respect of the manufacturing of lace and provision of dyeing services (the “**Lace and Dyeing Business**”) during the recent years, the management of the Group identified the existence of an impairment indication on the property, plant and equipment and right-of-use assets of Lace and Dyeing Business (the “**Non-current Assets**”). The management of the Group engaged an independent professional valuer to assess the recoverable amount of the Non-current Assets, which is determined based on the VIU of the Lace and Dyeing Business to which the Non-current Assets relate.

The management of the Group estimated the recoverable amount of the Non-current Assets with reference to the VIU calculation using cash flow projection of Lace and Dyeing Business. The VIU calculation uses cash flow projections based on financial budgets approved by the directors of the Company covering a 5-year period. Cash flow beyond the 5-year period has been extrapolated using a long-term growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

Based on the impairment review performed by the management of the Group with reference to the VIU calculation conducted by an independent professional valuer, Colliers International (Hong Kong) Limited, the recoverable amounts of Non-current Assets of approximately RMB121,000,000 was lower than its carrying amount at 31 December 2023 and therefore an impairment loss of approximately RMB7,382,000 was recognised for the year ended 31 December 2023.

14 物業、廠房及設備及使用權 資產(續)

截至2023年及2022年12月31日止年度，折舊開支已自銷售成本、銷售及分銷開支及行政開支扣除如下：

	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
	14,104	16,585
	6	7
	1,247	803
	15,357	17,395

有見近年製造花邊及提供染整服務(「**花邊及染整業務**」)的收益持續下滑，本集團管理層已辨識到花邊及染整業務的物業、廠房及設備和使用權資產(「**相關非流動資產**」)出現減值跡像。本集團管理層委聘一名獨立專業估值師評估相關非流動資產的可收回金額，此乃按涉及相關非流動資產的花邊及染整業務之使用價值而定。

本集團管理層會以花邊及染整業務的現金流量預測計算使用價值，再參考該計算評估相關非流動資產的可收回金額。計算使用價值乃用現金流量預測，以本公司董事批准的財務預算為基準，而該預算涵蓋5年期間。超出5年期間的現金流量以長期增長率推算。該增長率以相關行業增長預測為基準，且不會超出相關行業的平均長期增長率。

本集團管理層已參考獨立專業估值師高力國際物業顧問(香港)有限公司計算的使用價值進行減值審視，根據該審視，相關非流動資產的可收回金額約為人民幣121,000,000元，低於其於2023年12月31日的賬面值，因此於截至2023年12月31日止年度已確認減值虧損約人民幣7,382,000元。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

Key assumptions used in the VIU calculation are as follows:

		2023 2023年
Budgeted average gross profit margin	預算平均毛利率	9.3%
Average growth rate	平均增長率	13.2%
Long-term growth rate	長期增長率	2.2%
Discount rate (pre-tax)	貼現率(稅前)	14.5%

The management of the Group determined the budgeted average gross profit margin and average growth rate based on past performance and the expectation of market development. The discount rate used is pre-tax and reflects specific market risks relating to the Lace and Dyeing Business.

Sensitivity of key assumptions

The management of the Group identified the following key assumptions in which a material change on an individual basis would cause any or additional impairment loss. Material changes that individually cause additional impairment loss on the identifiable assets:

		2023 2023年 Increase of impairment loss 減值虧損增加 RMB'000 人民幣千元
Change 變動		
Budgeted average gross profit margin	Decrease 1%	13,248
預算平均毛利率	減少 1%	
Average growth rate	Decrease 1%	47,449
平均增長率	減少 1%	
Long-term growth rate	Decrease 1%	4,778
長期增長率	減少 1%	
Discount rate	Increase 1%	8,412
貼現率	增加 1%	

14 物業、廠房及設備及使用權 資產(續)

計算使用價值所使用的主要假設如下：

本集團管理層根據過去的業績及對市場發展的預測釐定預算平均毛利率及平均增長率。所使用的貼現率為稅前貼現率，反映了與花邊及染整業務有關的特定市場風險。

關鍵假設的敏感性

本集團管理層已識別以下關鍵假設，該等假設的個別重大變動會導致任何或額外的減值虧損。個別導致可識別資產出現額外減值虧損的重大變動：

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

14 物業、廠房及設備及使用權 資產(續)

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Right-of-use assets	使用權資產		
Land use right	土地使用權	2,472	2,555
Leased properties	租賃物業	3,854	–
		6,326	2,555
		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Depreciation charge of right-of-use assets	使用權資產折舊開支		
Land use right	土地使用權	82	85
Leased properties	租賃物業	383	–
		465	85

The Group leases various properties. Lease contracts are typically with fixed periods of three years.

The lease contracts of leased properties contain termination options. The option aim to provide flexibility for the Group in managing the leased assets. Exercising the termination option is normally unusual unless the Group could replace the leased properties without significant cost or acquisition of a new property. The Group seldom exercises option that was not included in the lease liabilities. During the year ended 31 December 2023, all of lease contracts for leased properties contain an termination option, in which the total lease payment made amounted to approximately RMB416,000 (2022: Nil), representing the total cash outflows for lease during the reporting period.

Most of the leases impose a restriction that, unless approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets. The Group is also required to keep those leased assets in a good state of repair and return the leased assets in their original condition at the end of the lease.

本集團租賃各類物業。租賃合約的固定期限一般為三年。

租賃物業的租賃合約包含終止選擇權。該選擇權旨在為本集團提供管理租賃資產的靈活性。行使終止選擇權通常是不尋常的，除非本集團可於不花費大量成本或購置新物業的情況下更換租賃物業。本集團很少行使未包括在租賃負債中的選擇權。截至2023年12月31日止年度，所有租賃物業的租賃合約均包含終止選擇權，其中已支付的總租賃款項約為人民幣416,000元（2022年：無），相當於報告期內租賃現金流出總量。

大多數租賃施加限制，除非獲得出租人的批准，否則使用權資產僅由本集團使用，且禁止本集團出售或抵押相關資產。本集團亦須保持該等租賃資產良好的維修狀態，並於租賃期末將租賃資產恢復其原始狀態。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

14 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

At 31 December 2023 and 2022, the Group has no commitment to lease contracts in relation to leased properties that have not yet commenced.

At 31 December 2023, the Group was committed to short-term leases or low-value asset leases of approximately RMB161,000 (2022: RMB89,000).

15 INVESTMENT PROPERTY

At 1 January	於1月1日
Depreciation (Note 6)	折舊(附註6)
Transfer to property, plant and equipment (Note 14)	轉撥至物業、廠房及設備(附註14)
At 31 December	於12月31日

During the year ended 31 December 2023, the management of the Group determined to transfer the investment property to be held as warehouse. Accordingly, the carrying amount of approximately RMB268,000 has been reclassified from investment property to property, plant and equipment following the change of use.

At 31 December 2022, the fair value of the Group's investment property was approximately RMB1,270,000 respectively. These fair value was determined by the Directors of the Company mainly with reference to a valuation performed by an independent qualified professional valuer, using the income capitalisation approach.

During the year ended 31 December 2023 and 2022, no rental income or direct operating expenses attributable to investment property that generated rental income have been recognised in the consolidated income statement.

14 物業、廠房及設備及使用權 資產(續)

於2023年及2022年12月31日，本集團並無與尚未開始的租賃物業有相關的租賃合約承擔。

於2023年12月31日，本集團對短期租賃或低價值資產租賃的承擔約為人民幣161,000元(2022年：人民幣89,000元)。

15 投資物業

2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
281	308
(13)	(27)
(268)	—
—	281

截至2023年12月31日止年度，本集團管理層決定將投資物業轉為倉庫。因此，賬面值約人民幣268,000元的投資物業已於用途變更後重新分類至物業、廠房及設備。

於2022年12月31日，本集團投資物業之公允價值約為人民幣1,270,000元。該等公允價值乃本公司董事主要參考獨立合資格專業估值師使用收入資本化法進行的估值後釐定。

於截至2023年及2022年12月31日止年度，概無租金收入或產生租金收入的投資物業應佔的直接經營開支於綜合收益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

16 INTANGIBLE ASSETS

16 無形資產

		Software 軟件 RMB'000 人民幣千元
Year ended 31 December 2022		
Opening net carrying amount	期初賬面淨值	1,236
Additions	添置	
Amortisation (Note 6)	攤銷(附註6)	(493)
Closing net carrying amount	期末賬面淨值	<u>743</u>
At 31 December 2022		
Cost	成本	2,514
Accumulated amortisation	累計攤銷	<u>(1,771)</u>
Net carrying amount	賬面淨值	<u>743</u>
Year ended 31 December 2023		
Opening net carrying amount	期初賬面淨值	743
Additions	添置	72
Amortisation (Note 6)	攤銷(附註6)	(363)
Closing net carrying amount	期末賬面淨值	<u>452</u>
At 31 December 2023		
Cost	成本	2,586
Accumulated amortisation	累計攤銷	<u>(2,134)</u>
Net carrying amount	賬面淨值	<u>452</u>

During the years ended 31 December 2023 and 2022, amortisation of approximately RMB7,000 and RMB114,000 has been charged in administrative expenses and approximately RMB356,000 and RMB379,000 has been charged in cost of sales, respectively.

截至2023年及2022年12月31日止年度，分別約人民幣7,000元及人民幣114,000元之攤銷已自行政開支扣除，而約人民幣356,000元及人民幣379,000元已自銷售成本扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

17 FINANCIAL INSTRUMENTS BY CATEGORY

17 按類別劃分的金融工具

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Financial assets	金融資產		
<i>Financial assets at amortised cost</i>	<i>按攤銷成本列賬的金融資產</i>		
Trade and bills receivables (Note 20)	貿易應收款項及應收票據(附註20)	78,185	6,137
Deposits and other receivables	按金及其他應收款項	418	37
Cash and cash equivalents (Note 21)	現金及現金等價物(附註21)	268,978	187,910
		347,581	194,084
Financial liabilities	金融負債		
<i>Financial liabilities at amortised cost</i>	<i>按攤銷成本列賬的金融負債</i>		
Trade payables (Note 28)	貿易應付款項(附註28)	108,793	10,096
Other payables and accruals	其他應付款項及應計款項	17,238	7,748
Interest-bearing borrowing (Note 26)	計息借款(附註26)	33,440	-
Lease liabilities (Note 25)	租賃負債(附註25)	3,883	-
Loan from ultimate holding company (Note 29)	最終控股公司貸款(附註29)	3,411	-
		166,765	17,844

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

18 預付款項、按金及其他應收款項

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Current portion	即期部分		
Prepayments to suppliers	預付供應商款項	1,378	225
Other prepayments	其他預付款項	568	310
Other receivables	其他應收款項	89	2
Deposits	按金	233	35
Other tax receivables	其他應收稅項	580	-
Amount due from a related company (Note)	應收關聯公司款項(附註)	96	-
		2,944	572
Non-current portion	非即期部分		
Prepayments of acquisition of property, plant and equipment	收購物業、廠房及設備的預付款項	121	25

Note: The amount due from a related company is unsecured, interest free and repayable on demand.

附註：應收關聯公司款項為無抵押、不計息及須按要求償還。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

At 31 December 2023 and 2022, the carrying amounts of deposits and other receivables approximated their fair values.

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	人民幣	2,547	305
HKD	港元	518	212
USD	美元	–	80
		3,065	597

19 INVENTORIES

Raw materials
Less: Allowance on inventories

原材料
減：存貨撥備

Allowance on inventories amounting to approximately RMB1,456,000 was recognised in the consolidated income statement and included in cost of sales for the year ended 31 December 2023 (2022: RMB3,065,000).

18 預付款項、按金及其他應收款項(續)

於2023年及2022年12月31日，按金及其他應收款項的賬面值與其公允價值相若。

本集團預付款項、按金及其他應收款項的賬面值以下列貨幣計值：

19 存貨

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Raw materials	原材料	10,822	11,020
Less: Allowance on inventories	減：存貨撥備	(4,521)	(3,065)
		6,301	7,955

截至2023年12月31日止年度，約人民幣1,456,000元的存貨撥備已於綜合收益表中確認，並計入銷售成本（2022年：人民幣3,065,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

20 CONTRACT ASSETS, TRADE AND BILLS RECEIVABLES

20 合約資產、貿易應收款項及應收票據

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Contract assets	合約資產	6,906	6,226
Less: Loss allowance on contract assets	減：合約資產虧損撥備	(52)	(28)
Contract assets, net	合約資產淨額	6,854	6,198
Trade receivables	貿易應收款項	81,377	9,374
Bills receivables	應收票據	180	160
Less: Loss allowance on trade receivables	減：貿易應收款項虧損撥備	(3,372)	(3,397)
Trade and bills receivables, net	貿易應收款項及應收票據淨額	78,185	6,137
		85,039	12,335

Contract assets represent the Group's rights to consideration for work completed but unbilled for its business. The contract assets are transferred to trade receivables when the rights become unconditional, which generally takes one to three months. The balances of contract assets fluctuated from year-to-year during the years ended 31 December 2023 and 2022 as the Group provided varying amount of goods or services that were unbilled before the year-ends.

At 31 December 2023 and 2022, the carrying amounts of contract assets, trade and bills receivables approximated their fair values.

The Group grants credit up to 90 days (2022: up to 60 days) upon issuance of invoice.

合約資產指本集團就其業務已完成但未開票貨物和服務收取代價的權利。當權利成為無條件時（一般需時一至三個月），合約資產轉撥至貿易應收款項。由於本集團於年末之前所提供貨物或服務的未開票金額不同，故於截至2023年及2022年12月31日止年度的合約資產結餘按年浮動。

於2023年及2022年12月31日，合約資產、貿易應收款項及應收票據的賬面值與其公允價值相若。

本集團於出具發票後提供信貸期最高至90日（2022年：最高至60日）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

20 CONTRACT ASSETS, TRADE AND BILLS RECEIVABLES (Continued)

Movements on the Group's loss allowance on contract assets are as follows:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
At 1 January	於1月1日	28	28
Provision for loss allowance on a collective basis	按共同基準計提的虧損撥備	34	-
Reversal of loss allowance	撥回虧損撥備	(10)	-
At 31 December	於12月31日	52	28

20 合約資產、貿易應收款項及應收票據(續)

本集團合約資產虧損撥備的變動如下：

Movements on the Group's loss allowance on trade receivables are as follows:

本集團貿易應收款項虧損撥備的變動如下：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
At 1 January	於1月1日	3,397	2,615
Provision for loss allowance on an individual basis	按個別基準計提的虧損撥備	-	702
Provision for loss allowance on a collective basis	按共同基準計提的虧損撥備	367	110
Reversal of loss allowance	撥回虧損撥備	(392)	(30)
At 31 December	於12月31日	3,372	3,397

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

20 CONTRACT ASSETS, TRADE AND BILLS RECEIVABLES (Continued)

At 31 December 2023 and 2022, the ageing analysis of trade and bills receivables, based on invoice date, was as follows:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
1 to 3 months	1至3個月	78,737	4,884
Over 3 months	3個月以上	2,820	4,650
		81,557	9,534
Less: Loss allowance on trade receivables	減：貿易應收款項虧損撥備	(3,372)	(3,397)
		78,185	6,137

The carrying amounts of the Group's contract assets, trade and bills receivables were denominated in the following currencies:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	人民幣	12,988	11,750
USD	美元	72,051	585
		85,039	12,335

The maximum exposure to credit risk at 31 December 2023 and 2022 was the carrying value of the receivables and contract assets mentioned above. The Group did not hold any collateral as security.

20 合約資產、貿易應收款項及應收票據(續)

於2023年及2022年12月31日，貿易應收款項及應收票據按發票日期的賬齡分析如下：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
1 to 3 months	1至3個月	78,737	4,884
Over 3 months	3個月以上	2,820	4,650
		81,557	9,534
Less: Loss allowance on trade receivables	減：貿易應收款項虧損撥備	(3,372)	(3,397)
		78,185	6,137

本集團合約資產、貿易應收款項及應收票據的賬面值以下列貨幣計值：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	人民幣	12,988	11,750
USD	美元	72,051	585
		85,039	12,335

於2023年及2022年12月31日的最高信貸風險為上文所述應收款項及合約資產的賬面值。本集團並無持有任何抵押品作為抵押。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

21 CASH AND CASH EQUIVALENTS

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Cash on hand	手頭現金	15	10
Cash at banks	銀行現金	268,963	187,900
Cash and cash equivalents	現金及現金等價物	268,978	187,910
Maximum exposure to credit risk	信貸風險最大敞口	268,963	187,900

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

現金及現金等價物就綜合現金流量表而言包括以下項目：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Cash and cash equivalents	現金及現金等價物	268,978	187,910

The carrying amounts of the Group's cash and cash equivalents were denominated in the following currencies:

本集團現金及現金等價物的賬面值以下列貨幣計值：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	人民幣	135,168	129,972
USD	美元	87,409	13,028
HKD	港元	46,401	44,910
		268,978	187,910

Cash at banks earned interest at floating rates based on daily bank deposit rate. At 31 December 2023 and 2022, the carrying amounts of cash and cash equivalents approximated their fair values.

銀行現金根據每日銀行存款利率按浮息賺取利息。於2023年及2022年12月31日，現金及現金等價物的賬面值與其公允價值相若。

At 31 December 2023 and 2022, cash and cash equivalents of the Group amounting to approximately RMB192,740,000 and RMB184,374,000, respectively, were deposited with the banks in the PRC where the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the Government of the PRC.

於2023年及2022年12月31日，本集團的現金及現金等價物分別約為人民幣192,740,000元及人民幣184,374,000元，存於中國境內的銀行，而將資金匯出中國受中國政府頒佈外匯管理規則及法規規管。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

22 SHARE CAPITAL

22 股本

		Number of shares	Nominal value	Nominal value
		股份數目	面值	面值
		'000	HK\$'000	RMB'000
		千股	千港元	人民幣千元
Ordinary shares of HK\$0.01 each	每股0.01港元的 普通股股本			
Authorised:	法定：			
At 1 January 2022,	於2022年1月1日、			
31 December 2022,	2022年12月31日、			
1 January 2023 and	2023年1月1日及			
31 December 2023	2023年12月31日	10,000,000	100,000	84,177
		<hr/>		
		Number of shares	Nominal value	Nominal value
		股份數目	面值	面值
		'000	HKD\$'000	RMB'000
		千股	千港元	人民幣千元
Issued and fully paid:	已發行及繳足：			
At 1 January 2022,	於2022年1月1日、			
31 December 2022,	2022年12月31日、			
1 January 2023 and	2023年1月1日及			
31 December 2023	2023年12月31日	1,260,000	12,600	10,511
		<hr/>		

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

23 RESERVE

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Other reserves

Other reserves represent the combined share capital and capital reserve of the companies comprising the Group, after elimination of inter-company transactions and balances at 31 December 2023 and 2022 in relation to the reorganisation in prior years.

(c) 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 10% of statutory profits 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 for 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 shareholders.

(d) Exchange reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation to the presentation currency.

23 儲備

(a) 股份溢價

股份溢價指發行本公司股份所得款項淨額超出面值的部分。根據開曼群島法律及本公司組織章程細則，只要本公司有能力償還其在正常經營過程中到期的債務，就可以向本公司股東分派溢價。

(b) 其他儲備

其他儲備指組成本集團的各公司的合併股本及資本儲備，已對銷2023年及2022年12月31日與過往年度重組有關的公司間交易及結餘。

(c) 法定儲備

中國法律法規要求在中國註冊的公司在向權益持有人進行溢利分派之前，必須計提若干法定儲備，該等儲備將從各自法定財務報表中呈報的所得稅後溢利（經抵銷以往年度的累計虧損後）中撥付。所有法定儲備都有特定用途。中國公司在分派本年度稅後溢利前，須將所得稅後法定溢利的10%計入法定盈餘儲備。當法定盈餘儲備的總和超過公司註冊資本的50%時，公司可停止繳存。法定盈餘儲備只能用於彌補公司虧損、擴大公司經營或增加公司資本。此外，公司亦可根據股東決議案，用除稅後溢利進一步向酌情盈餘儲備繳款。

(d) 匯兌儲備

換算儲備包括將國外業務換算成呈列貨幣所產生的所有匯兌差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

24 CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

24 合約負債、其他應付款項及應計款項

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Current portion	即期部分		
Payables for acquisition of property, plant and equipment	購買物業、廠房及設備的應付款項	2,743	3,716
Other tax payables	其他應付稅項	–	2,350
Commission payables	應付佣金	10,816	–
Other payables	其他應付款項	693	627
Accruals for auditors' remuneration	應計核數師薪酬	909	1,592
Accruals for employee benefit expenses	應計僱員福利開支	3,479	1,654
Accruals for professional fees	應計專業費用	222	282
Other accruals	其他應計款項	482	106
Deposits received from customers	自客戶收取的按金	533	1,330
		19,877	11,657
Contract liabilities (Note 5(e))	合約負債(附註5(e))	220	365
		20,097	12,022
Non-current portion	非即期部分		
Other payables	其他應付款項	1,373	1,425

At 31 December 2023 and 2022, the carrying amounts of the Group's other payables and accruals approximated their fair values.

The carrying amounts of the Group's contract liabilities, other payables and accruals were dominated in the following currencies.

於2023年及2022年12月31日，本集團其他應付款項及應計款項的賬面值與其公允價值相若。

本集團的合約負債、其他應付款項及應計款項賬面值按以下貨幣計值：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	人民幣	8,644	10,622
USD	美元	–	659
HKD	港元	12,826	2,166
		21,470	13,447

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

25 LEASE LIABILITIES

		Minimum lease payments		Present value of minimum lease payment	
		最低租賃付款		最低租賃付款之現值	
		2023	2022	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000
		2023年	2022年	2023年	2022年
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within one year	一年內	1,541	–	1,355	–
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	2,662	–	2,528	–
		4,203	–	3,883	–
Less: Future finance charges	減：未來融資支出	(320)	–	N/A 不適用	N/A 不適用
Present value of lease obligations	租賃責任之現值	3,883	–	3,883	–
Less: Amount due for settlement within 12 months (show under current liabilities)	減：十二個月內到期償還款項(於流動負債下列示)			(1,355)	–
Amount due for settlement after 12 months	十二個月後到期償還款項			2,528	–

At 31 December 2023, the weighed average effective interest rate for the lease liabilities of the Group was 5.4% per annum.

於2023年12月31日，本集團租賃負債的加權平均實際利率為每年5.4%。

26 INTEREST-BEARING BORROWING

		2023	2022
		RMB'000	RMB'000
		2023年	2022年
		人民幣千元	人民幣千元
Interest-bearing borrowing – unsecured – Within one year	計息借款 – 無抵押 – 一年內	33,440	–

At 31 December 2023, the unsecured interest-bearing borrowing is wholly repayable within six months since its inception and arranged at fixed rate per annum of 8.0%. The unsecured borrowing is borrowed from a financial institution which is an independent third party.

於2023年12月31日，無抵押計息借款自其開始起計六個月內悉數償還，並按固定年利率8.0%安排。無抵押借款乃向一間金融機構(一名獨立第三方)借入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

27 DEFERRED TAX LIABILITIES

27 遞延稅項負債

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Deferred tax liabilities	遞延稅項負債	532	549

The movement in deferred tax liabilities during the years ended 31 December 2023 and 2022 is as follows:

遞延稅項負債於截至2023年及2022年12月31日止年度的變動如下：

Deferred tax liabilities	遞延稅項負債	Contracts assets 合約資產 RMB'000 人民幣千元	Accelerated tax depreciation 加速稅務折舊 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於2022年1月1日	(4)	(424)	(107)	(535)
Charge to the consolidated income statement	於綜合收益表扣除	(3)	(3)	(8)	(14)
At 31 December 2022	於2022年12月31日	(7)	(427)	(115)	(549)
Credit to the consolidated income statement	計入綜合收益表	6	19	(8)	17
At 31 December 2023	於2023年12月31日	(1)	(408)	(123)	(532)

Deferred income tax assets are recognised for the tax loss carried forwards to extent that the realisation of the related tax benefit through future taxable profit is probable.

遞延稅項資產確認為稅項虧損結轉，一定程度上可能通過未來應課稅溢利實現相關稅項福利。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

27 DEFERRED TAX LIABILITIES (Continued)

No deferred tax asset has been recognised due to the unpredictability of future profit streams. At the end of the Reporting Period, the Group has the following tax losses arising in the PRC that can be offset against future taxable profits of the respective subsidiaries for a maximum of 5 years from the year in which the tax loss was incurred:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Year of expiry	到期年份		
2028	2028年	10,942	-

The Group had undistributed earnings of approximately RMB122,484,000 at 31 December 2023 (2022: approximately RMB130,736,000), which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred liability has been recognised as the Company is able to control the timing of distributions of dividends from the PRC subsidiaries and is not expected to distribute these profits in the foreseeable future.

Dividends payable by a foreign invested enterprise in the Mainland China to its foreign investors are subject to 10% withholding tax, unless any foreign investor's jurisdiction of incorporation has a tax treaty with the Mainland China that provides for a different withholding arrangements.

27 遞延稅項負債(續)

由於無法預測未來溢利來源，故並無確認遞延稅項資產。於報告期末，本集團有以下中國產生的稅務虧損，可用於抵銷相關附屬公司由稅務虧損產生當年起計，最多五年的未來應課稅溢利：

於2023年12月31日，本集團的未分派盈利約為人民幣122,484,000元（2022年：約人民幣130,736,000元），如作為股息派付，收款人須繳納稅項。由於本公司有能力控制中國附屬公司分派股息的時機，且可預見未來不會分派股息，存在可評稅暫時差額，但並無確認遞延負債。

於中國內地之外資企業應付股息須繳付10%預扣稅，除非任何外國投資者註冊成立之司法權區與中國內地就不同預扣安排訂有稅務條約者則外。

28 TRADE PAYABLES

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Trade payables	貿易應付款項		
To related parties	應付予關聯方	8,341	-
To third parties	應付予第三方	100,452	10,096
		108,793	10,096

The trade payables are interest free and with normal credit terms up to 30 days (2022: up to 30 days).

28 貿易應付款項

貿易應付款項為免息及正常信貸期最高至30天（2022年：最高至30天）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

28 TRADE PAYABLES (Continued)

At 31 December 2023 and 2022, the ageing analysis of trade payables, based on invoice date, was as follows:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
1 to 3 months	1至3個月	107,210	6,279
Over 3 months	3個月以上	1,583	3,817
		108,793	10,096

The carrying amounts of the Group's trade payables were denominated in the following currencies:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	人民幣	35,447	10,096
USD	美元	73,346	–
		108,793	10,096

29 LOAN FROM ULTIMATE HOLDING COMPANY

The loan from ultimate holding company is unsecured, interest free, repayable on demand and denominated in HKD. The carrying amount of the loan from ultimate holding company approximated its fair value.

30 DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 December 2023 and 2022.

28 貿易應付款項(續)

於2023年及2022年12月31日，貿易應付款項按發票日期的賬齡分析如下：

	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
1 to 3 months	107,210	6,279
Over 3 months	1,583	3,817
	108,793	10,096

本集團貿易應付款項的賬面值按以下貨幣計值：

	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
RMB	35,447	10,096
USD	73,346	–
	108,793	10,096

29 最終控股公司貸款

最終控股公司貸款為無抵押、不計息、須按要求償還，並以港元計值。最終控股公司貸款的賬面值與其公允價值相若。

30 股息

本公司於截至2023年及2022年12月31日止年度並無派付或宣派股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

31 綜合現金流量表附註

(a) Reconciliation of loss before income tax to cash generated from operations:

(a) 除所得稅前虧損與經營產生的現金對賬：

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Loss before income tax	除所得稅前虧損	(8,665)	(8,773)
Adjustments for:	就以下各項作出調整：		
Interest income	利息收入	(2,306)	(2,338)
Interest expenses	利息開支	352	11
Depreciation of property, plant, and equipment	物業、廠房及設備折舊	14,892	17,310
Depreciation of right-of-use assets	使用權資產折舊	465	85
Depreciation of investment property	投資物業折舊	13	27
Amortisation of intangible assets	無形資產攤銷	363	493
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	2
Net (reversal of)/provision for loss allowance on financial assets and contract assets	(撥回)/計提金融資產及合約資產虧損撥備淨額	(1)	782
Write-down of inventories	存貨撇減	1,456	3,065
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	7,382	-
		13,951	10,664
Changes in working capital:	營運資金變動：		
Trade and bills receivables	貿易應收款項及應收票據	(72,023)	11,788
Contract assets	合約資產	(680)	2,122
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	(2,372)	1,033
Inventories	存貨	198	(1,283)
Trade payables	貿易應付款項	98,697	(10,097)
Other payables and accruals	其他應付款項及應計款項	8,168	532
Contract liabilities	合約負債	(145)	(223)
Cash generated from operations	經營產生的現金	45,794	14,536

Notes to the Consolidated Financial Statements
綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

**31 NOTES TO THE CONSOLIDATED
STATEMENT OF CASH FLOWS (Continued)**

(b) In the consolidated statements of cash flows, proceeds from disposal of property, plant and equipment comprise:

		2023	2022
		RMB'000	RMB'000
		2023年	2022年
		人民幣千元	人民幣千元
Net carrying amount disposed	出售的賬面淨值	-	2
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	-	(2)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	-	-

(c) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

During the year ended 31 December 2023, the Group entered into lease arrangements in respect of leased assets with a total capital value at the inception of leases of approximately RMB4,183,000 (2022: nil).

31 綜合現金流量表附註 (續)

(b) 於綜合現金流量表中，出售物業、廠房及設備的所得款項包括：

(c) 主要非現金交易

除於綜合財務報表其他地方所披露的資料外，本集團有以下主要非現金交易：

截至2023年12月31日止年度，就本集團訂立的租賃安排，該等租賃資產期初的資本總值約為人民幣4,183,000元（2022年：無）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Reconciliation of liabilities arising from financing activities

The movements during the years ended 31 December 2023 and 2022 in the Group's liabilities arising from financing activities are as follows:

	At 1 January 2023 於2023年 1月1日 RMB'000 人民幣千元	Non-cash changes 非現金變動				At 31 December 2023 於2023年 12月31日 RMB'000 人民幣千元
		Net cash flow 現金淨流入 RMB'000 人民幣千元	Addition of property, plant and equipment 添置 物業、廠房 及設備 RMB'000 人民幣千元	Exchange difference 匯兌差額 RMB'000 人民幣千元	Interest expenses 利息開支 RMB'000 人民幣千元	
Year ended 31 December 2023	截至2023年 12月31日止年度					
Interest-bearing borrowing	計息借款	-	33,440	-	-	33,440
Lease liabilities	租賃負債	-	(416)	4,183	54	3,883
Loan from ultimate holding company	最終控股公司貸款	-	3,411	-	-	3,411
Total liabilities from financing activities	來自融資活動的 負債總額	-	36,435	4,183	54	40,734

32 CONTINGENT LIABILITIES

At 31 December 2023 and 2022, the Group did not have any material contingent liabilities.

33 CAPITAL COMMITMENTS

Capital expenditure contracted for at 31 December 2023 and 2022 but not yet incurred is as follows:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Contracted but not provided for	已訂約但尚未撥備	193	395

31 綜合現金流量表附註(續)

(d) 由融資活動而產的負債對賬

截至2023年及2022年12月31日止年度，本集團因融資活動產生的負債變動如下：

32 或然負債

於2023年及2022年12月31日，本集團並無任何重大或然負債。

33 資本承擔

於2023年及2022年12月31日未已訂約但未產生的資本開支如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

34 RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, further information of the related party transactions for the year ended 31 December 2023 and 2022 is set out below.

(a) Holding entity

The ultimate holding company and controlling shareholder are disclosed in Note 1 to the consolidated financial statements. Details of the loan from ultimate holding company is set out in Note 29 to the consolidated financial statements.

(b) Transaction with related parties

Saved as disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the years ended 31 December 2023 and 2022, at terms mutually agreed by both parties:

34 關聯方交易

除綜合財務報表其他部分披露的交易/資料外，截至2023年及2022年12月31日止年度關聯方交易的更多資料載列如下。

(a) 控股實體

最終控股公司及控股股東於綜合財務報表附註1披露。最終控股公司貸款詳情載於綜合財務報表附註29。

(b) 與關聯方交易

除綜合財務報表其他地方所披露者外，截至2023年及2022年12月31日止年度，已按訂約雙方共同協定的條款與關聯方進行以下交易：

Nature of transaction	交易類別	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
<i>Related companies (Note (i))</i>	<i>關聯公司(附註(i))</i>		
(i) Office rental payments* (Notes (ii) and (iv))	(i) 支付辦公室租金* (附註(ii)及(iv))	598	86
(ii) Purchases of footwear products* (Notes (iii) and (iv))	(ii) 採購鞋履產品* (附註(iii)及(iv))	34,847	—

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

34 RELATED PARTY TRANSACTIONS

(Continued)

(b) 與關聯方交易 (Continued)

Notes:

- (i) The family members of the directors have control and/or significant influence over the related companies.
 - (ii) Lease payments were charged in accordance with respective tenancy agreements.
 - (iii) Purchases were charged in accordance with the framework agreement.
 - (iv) The above transactions were charged based on the terms mutually agreed with the related parties and in the ordinary and usual course of business.
- * These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(c) Key management compensation

Key management includes the executive directors of the Company who have the responsibility for the planning, directing, controlling and the execution of the activities of the Group. The compensation paid or payable to key management is shown below:

		2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
Wages and salaries	工資及薪金	1,695	658
Discretionary bonus	酌情花紅	12	-
Pension costs – defined contribution plan	退休金成本—界定供款計劃	19	47
		1,726	705

34 關聯方交易 (續)

(b) 與關聯方交易 (續)

附註：

- (i) 董事的家屬對關聯公司有控制權及／或重大影響力。
 - (ii) 租賃付款乃按相關租賃協議徵收。
 - (iii) 採購按框架協議徵收。
 - (iv) 以上交易乃按關聯方互相同意的條款徵收，並在日常及一般業務過程中進行。
- * 該等關聯方交易亦構成上市規則第十四A章所界定的關連交易或持續關連交易。

(c) 主要管理層薪酬

主要管理層包括負責計劃、指示、控制及執行本集團業務的本公司執行董事。已付或應付主要管理層的薪酬列示如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company at 31
December 2023

35 本公司的財務狀況表及儲備變動

本公司於2023年12月31日的財務狀況表

		Note	2023 RMB'000 2023年 人民幣千元	2022 RMB'000 2022年 人民幣千元
		附註		
Assets	資產			
Non-current asset	非流動資產			
Interest in subsidiaries	於附屬公司的權益		186,371	186,371
Current assets	流動資產			
Prepayments	預付款項		242	257
Amounts due from subsidiaries	應收附屬公司款項	(b)	65,757	91,946
Cash and cash equivalents	現金及現金等價物		131	–
			66,130	92,203
Total assets	資產總值		252,501	278,574
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	22	10,511	10,511
Share premium	股份溢價		80,081	80,081
Reserves	儲備	(a)	186,374	186,374
Accumulated losses	累計虧損	(a)	(29,661)	(25,875)
Total equity	權益總額		247,305	251,091
Liabilities	負債			
Current liabilities	流動負債			
Accruals	應計款項		1,085	1,873
Amounts due to subsidiaries	應付附屬公司款項	(b)	700	25,610
Loan from ultimate holding company	最終控股公司貸款	29	3,411	–
Total liabilities	負債總額		5,196	27,483
Total equity and liabilities	權益及負債總額		252,501	278,574

The statement of financial position of the Company was approved by the Board of directors on 28 March 2024 and was signed on its behalf by

本公司的財務狀況表已經董事會於2024年3月28日批准刊發，並由以下人士代為簽署。

Tsoi Wing Sing
蔡榮星
Director
董事

Tsoi Lam Ki
蔡琳琪
Director
董事

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

35 本公司的財務狀況表及儲備變動(續)

(a) Reserves movement of the Company

(a) 本公司儲備變動

		Share premium 股份溢價 (Note 23(a)) (附註23(a)) RMB'000 人民幣千元	Capital reserve 資本儲備 (Note) (附註) RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total reserve 總權益 RMB'000 人民幣千元
At 1 January 2022	於2022年1月1日	80,081	186,374	(28,249)	238,206
Profit for the year	年內溢利	-	-	2,374	2,374
Total comprehensive income	全面收益總額	-	-	2,374	2,374
At 31 December 2022 and 1 January 2023	於2022年12月31日 及2023年1月1日	80,081	186,374	(25,875)	240,580
Loss for the year	年內虧損	-	-	(3,786)	(3,786)
Total comprehensive loss	全面虧損總額	-	-	(3,786)	(3,786)
At 31 December 2023	於2023年12月31日	80,081	186,374	(29,661)	236,794

Note: The capital reserve of the Company represents the aggregated net asset values of the subsidiaries acquired by the Company pursuant to the reorganisation in prior years.

附註：本公司的資本儲備指本公司根據過往年度的重組收購的附屬公司的資產淨值總額。

(b) Amounts due from/to subsidiaries

The amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

(b) 應收／應付附屬公司款項

應收／應付附屬公司款項為無抵押、不計息及須按要求償還。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

36 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director is set out below:

Name of director	董事姓名	Fees	Salaries	Discretionary bonus	Allowances benefits in kind	Employer's contribution to pension scheme	Total
		袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	津貼及 實物福利 RMB'000 人民幣千元	僱主對退休金 計劃的供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
For the year ended 31 December 2023	截至2023年12月31日止年度						
<i>Executive directors</i>	<i>執行董事</i>						
Tsoi Wing Sing	蔡榮星	107	269	-	-	3	379
Tsoi Lam Ki (Note i)	蔡琳琪(附註i)	18	83	12	-	3	116
Jian Xuegen (Note ii)	簡雪良(附註ii)	45	969	-	-	13	1,027
Larry Stuart Torchin	Larry Stuart Torchin	107	-	-	-	-	107
Lin Mingqiang	林民強	-	97	-	-	-	97
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Chan Hoi Shan	陳海山	107	-	-	-	-	107
Chiu Kwok Hung, Justin	趙國雄	107	-	-	-	-	107
Chow Kit Ting	周傑霆	107	-	-	-	-	107
		598	1,418	12	-	19	2,047
For the year ended 31 December 2022	截至2022年12月31日止年度						
<i>Executive directors</i>	<i>執行董事</i>						
Tsoi Wing Sing (Note iii)	蔡榮星(附註iii)	26	-	-	-	-	26
Jian Xuegen (Note iii)	簡雪良(附註iii)	13	163	-	-	3	179
Larry Stuart Torchin (Note iii)	Larry Stuart Torchin (附註iii)	26	-	-	-	-	26
Lin Bingzhong (Note iv)	林秉忠(附註iv)	-	72	-	-	11	83
Lin Mingqiang	林民強	-	97	-	-	-	97
Lin Chaowei (Note iv)	林朝偉(附註iv)	-	72	-	-	11	83
Lin Chaowen (Note iv)	林朝文(附註iv)	-	72	-	-	11	83
Wei Cunzhuo (Note iv)	魏存灼(附註iv)	-	72	-	-	-	72
Lin Lili (Note iv)	林莉莉(附註iv)	-	45	-	-	11	56
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>						
Chan Hoi Shan (Note iii)	陳海山(附註iii)	26	-	-	-	-	26
Chiu Kwok Hung, Justin (Note ii)	趙國雄(附註ii)	26	-	-	-	-	26
Chow Kit Ting	周傑霆	117	-	-	-	-	117
Sheng Zijiu (Note iv)	盛子九(附註iv)	90	-	-	-	-	90
Yip Koon Shing (Note iv)	葉冠成(附註iv)	91	-	-	-	-	91
Wong Chun Sek Edmund (Note iv)	黃俊頌(附註iv)	91	-	-	-	-	91
		506	593	-	-	47	1,146

Notes:

- (i) Appointed on 31 October 2023
- (ii) Resigned on 31 October 2023
- (iii) Appointed on 30 September 2022
- (iv) Resigned on 30 September 2022

附註：

- (i) 於2023年10月31日獲委任
- (ii) 於2023年10月31日辭任
- (iii) 於2022年9月30日獲委任
- (iv) 於2022年9月30日辭任

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

36 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' retirement benefits and termination benefits

During the years ended 31 December 2023 and 2022, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors of the Company; nor are any payable.

(c) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2023 and 2022, no consideration was provided to third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by connected entities with such directors

During the years 31 December 2023 and 2022, there were no loans, quasi-loans and other dealing arrangements in favour of directors of the Company, controlled bodies corporate by and connected entities with such directors of the Company.

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

36 董事福利及權益 (續)

(b) 董事退休福利及終止福利

截至2023年及2022年12月31日止年度，概無有關終止董事服務的酬金、退休福利、付款或福利向本公司董事直接或間接支付或作出；亦無任何應付款項。

(c) 就獲提供董事服務而向第三方提供代價

截至2023年及2022年12月31日止年度，概無就獲提供董事服務而向第三方提供代價。

(d) 有關以董事、由有關董事控制的法團及與其有關連的實體為受益人的貸款、準貸款及其他交易的資料

截至2023年及2022年12月31日止年度，概無有關以本公司董事、由有關董事控制的法團及與其有關連的實體為受益人的貸款、準貸款及其他交易安排。

(e) 董事於交易、安排或合約中的重大權益

除綜合財務報表另有披露者外，概無訂立本公司董事於當中直接或間接擁有重大權益而於年末或年內任何時間存續且與本集團業務有關的重大交易、安排及合約。

STAR SHINE HOLDINGS GROUP LIMITED
應星控股集團有限公司