

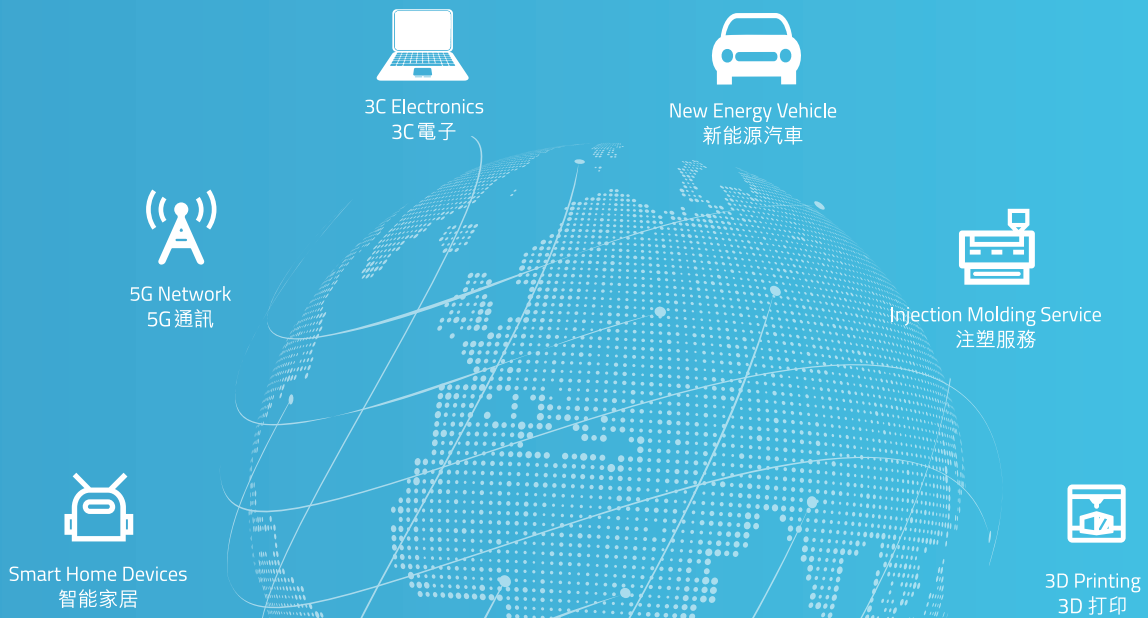
Ka Shui International Holdings Limited 嘉瑞國際控股有限公司

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

2023

Annual Report
年報

.....



Technovation Drives the Smart Future
科技創新 智訊未來

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

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

CHIEF EXECUTIVE OFFICER

Mr. Chu Weiman

CHIEF FINANCIAL OFFICER

Mr. Seto Sai Cheong Paul
(resigned with effect from 31 July 2023)
Mr. Yu Wai Chun
(appointed with effect from 3 January 2024)

AUTHORISED REPRESENTATIVES

Mr. Chu Weiman
Ms. Leung Lai Seung

COMPANY SECRETARY

Ms. Leung Lai Seung

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

董事

執行董事

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

獨立非執行董事

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

行政總裁

初維民先生

首席財務總監

司徒世昌先生
(於二零二三年七月三十一日辭任)
余偉秦先生
(於二零二四年一月三日獲委任)

授權代表

初維民先生
梁麗嫦小姐

公司秘書

梁麗嫦小姐

審核委員會

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

提名委員會

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

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

REMUNERATION COMMITTEE

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

RSM Hong Kong
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

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

WEBSITE

www.kashui.com

薪酬委員會

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

註冊辦事處

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

香港主要營業地點

香港九龍
九龍灣宏光道一號
億京中心B座29樓A室

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17M樓

核數師

羅申美會計師事務所
執業會計師
註冊公眾利益實體核數師

主要往來銀行

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

網址

www.kashui.com

FINANCIAL HIGHLIGHTS

財務概要

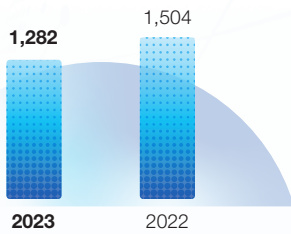
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
RESULTS			
Revenue	業績 收入	1,282,495	1,504,439
(Loss)/profit attributable to owners of the Company	本公司權益持有人應佔 (虧損)/溢利	(28,435)	74,844
EBITDA	未計利息、稅項、折舊及 攤銷前盈利	66,250	183,767
PER SHARE DATA			
Basic (loss)/earnings per share (HK cent(s))	每股資料 每股基本(虧損)/盈利 (港仙)	(3.18)	8.37
Total dividends per share (HK cent(s))	每股總股息(港仙)	NIL	2.3
— Interim dividend paid per share (HK cent(s))	— 已付每股中期股息(港仙)	NIL	0.3
— Proposed final dividend per share (HK cent(s))	— 建議每股末期股息(港仙)	NIL	2.0
Dividend payout ratio	派息比率	N/A	27.5%



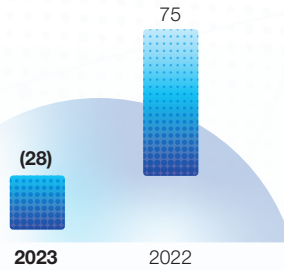
FINANCIAL HIGHLIGHTS (CONTINUED)

財務概要(續)

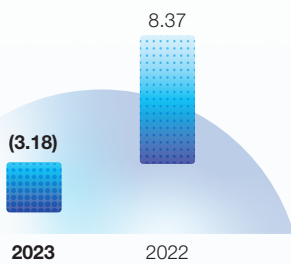
Revenue (HK\$ million)
收入(百萬港元)



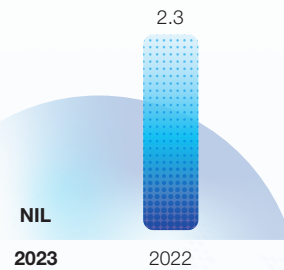
(Loss)/profit attributable to owners of the Company (HK\$ million)
本公司權益持有人應佔(虧損)/溢利(百萬港元)



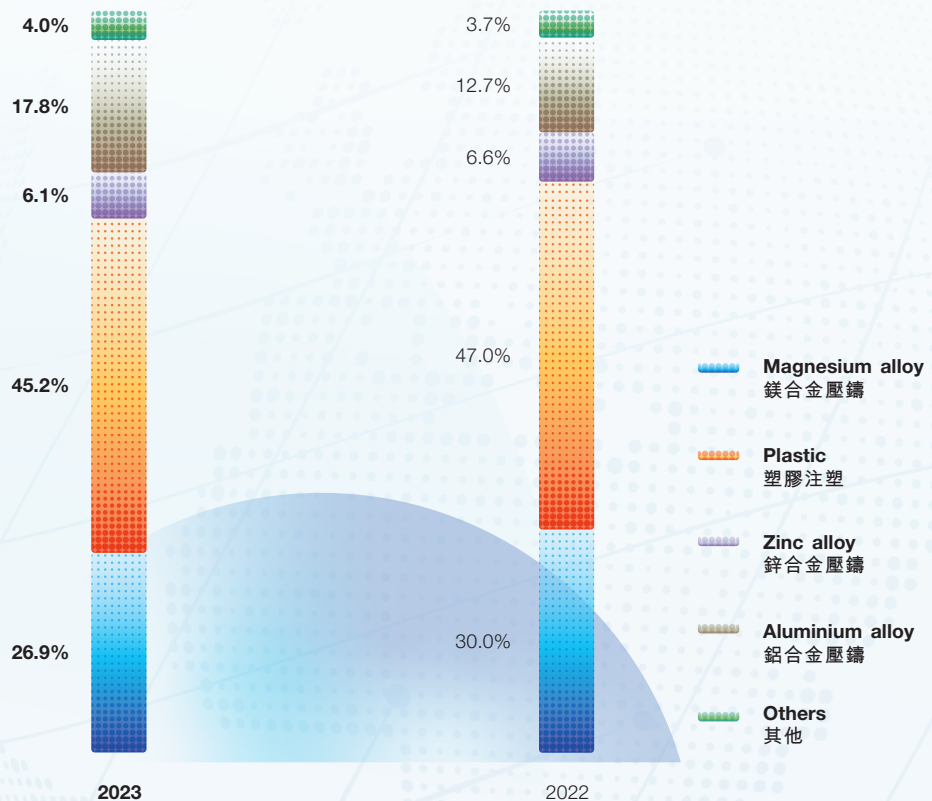
Basic (loss)/earnings per share (HK cent(s))
每股基本(虧損)/盈利(港仙)



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



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



KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2023 Final Results
26 March 2024

Annual General Meeting
31 May 2024

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

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

財務日誌

二零二三年全年業績公告
二零二四年三月二十六日

股東週年大會
二零二四年五月三十一日

股份代號

822

每手股數

2,000股

投資者關係

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



CHAIRMAN'S STATEMENT 主席報告



Chairman Lee Yuen Fat
主席 李遠發

Dear Shareholders,

On behalf of the Board of Directors of Ka Shui International Holdings Limited (the “Company” or “Ka Shui”), I wish to report the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2023 (the “Year”).

Year 2023 presented significant challenges for Chinese manufacturers and exporters amidst a complex economic landscape. Despite the removal of COVID-19-related restrictions and the reopening of borders in China, ongoing geopolitical tensions, high inflation, and interest rate hikes by the US Federal Reserve, contributed to the intricacies of the environment. Western nations, in particular, faced substantial economic pressures due to inflation, resulting in decreased non-essential spending. This caused a notable downturn in demand across our key markets such as communication devices and accessories, personal care, and smart home products.

致各位股東：

本人謹代表嘉瑞國際控股有限公司（「本公司」或「嘉瑞」）董事會報告本公司及其附屬公司（統稱為「本集團」）截至二零二三年十二月三十一日止年度（「本年度」）之經審核全年業績。

在複雜的經濟形勢下，二零二三年對中國製造商和出口商是重大挑戰的一年。儘管中國已取消新冠病毒相關的限制並重新開放邊境，但持續的地緣政治緊張局勢、通脹高企及美聯儲加息，導致營商環境錯綜複雜。尤其是西方國家，由於通脹而面臨巨大的經濟壓力，從而減少非必需開支。這導致我們的主要市場（例如通訊設備和配件、個人護理及智能家居產品）的需求顯著下降。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

In view of the above complex economic landscape, the Group reported revenue of HK\$1,282,495,000 (2022: HK\$1,504,439,000) and net loss attributable to owners of the Company was HK\$28,435,000 (2022: net profit of HK\$74,844,000) for the Year. After thorough consideration of our Group's future business development and financial position, the Board of Directors considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise, and therefore has resolved not to declare a final dividend for the year ended 31 December 2023 (2022: HK2.0 cents) per share for the Year.

As a pioneer in materials research and development, Ka Shui has attained significant recognition in the die-casting industry and received prestigious awards for its innovative technologies in 2023. At the 4th Die-casting CEO Summit & High-level Forum for Lightweight Nonferrous Casting 2023, we were honored as one of the "Top 50 Die-casting Manufacturing Enterprises with Comprehensive Strengths" in China. Our advancements in single-piece casting of magnesium and aluminum alloy auto parts have earned it prominence in the rapidly growing new energy vehicle sector. Furthermore, our R&D projects were awarded gold medals at the "2023 Asia International Innovative Invention Award" for groundbreaking technologies, including our patented Multiple Power Ports System for electric vehicles, patented High Thermal Conductivity Rare-earth Magnesium Alloy and patented Biocide-Free Germ-Repellent Plastic.

For over four decades, we have taken pride in our role as a specialized provider of material solutions, focusing on metal alloy die-casting and plastic injection molding. Our journey has seen us diversify our business and product offerings, spanning from communication devices and accessories, personal care, automotive parts, to smart home products and new energy vehicles. This expansion has been fueled by our commitment to innovative research and development ("R&D") in lightweight materials and intelligent production and management systems. A notable highlight of our endeavors in the last two years was the successful launch of our self-developed low-floor LPG extended-range minibus. This milestone, coupled with our growing business scale, underscores our ongoing efforts in diversifying our business portfolio.

鑒於以上的複雜經濟形勢，本集團於本年度的收入為1,282,495,000港元(二零二二年：1,504,439,000港元)及本公司權益持有人應佔淨虧損為28,435,000港元(二零二二年：74,844,000港元淨溢利)。經審慎考慮本集團未來業務發展及財務狀況後，董事會認為保留適當水平之資金，以便充份掌握日後之業務發展機會，乃審慎之舉，故此決議不宣派截至二零二三年十二月三十一日止年度之末期股息(二零二二年：2.0港仙)。

作為材料研發的領先者，嘉瑞於二零二三年獲得壓鑄行業的高度認可，其創新技術也獲得多項極具聲望的獎項。於「2023第四屆壓鑄CEO峰會暨有色鑄造輕量化高層論壇」上，我們很榮幸成為中國「鑄造行業壓鑄件生產企業綜合實力50強」之一。我們在鎂合金及鋁合金汽車零部件一體化鑄造方面的提升使其在快速發展的新能源汽車領域方面脫穎而出。此外，憑藉突破性技術，我們的研發項目榮獲「2023亞洲國際創新發明大獎」之金獎，包括應用於電動車的專利技術「多源電源接口系統」、專利技術「高導熱稀土鎂合金」及專利技術「斥菌塑料」。

四十多年來，我們作為專業的材料解決方案供應商，一直專注於金屬合金壓鑄和塑膠注塑成型，對此感到自豪。我們繼續在業務和產品多元化之路邁進，匯聚了從通訊設備和配件、個人護理、汽車零部件到智能家居產品和新能源汽車。由於我們於輕量化材料以及智能化生產及管理系統的研發(「研發」)的努力推動了業務擴張。近兩年我們引人注目的一大亮點為成功推出自主研发低地台石油氣增程小巴。有了這里程碑，加上我們不斷擴大的業務規模，突顯我們在業務組合多元化方面的持續努力。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

In the face of emerging challenges over the past five years, including trade tariffs imposed by the U.S. and escalating Sino-U.S. tensions, compounded by disruptions in the supply chain during the COVID-19 pandemic, we recognized the need for a new strategy to navigate the increasingly complex landscape of global trade and logistics. As a response, we formulated new medium-term strategies to address the heightened risks posed by ongoing geopolitical conflicts.

1. **Upstream Expansion:** In 2023, we invested into establishing an upstream magnesium processing project in Shaanxi Province, China. This strategic move was driven by projections indicating a substantial increase in global demand for raw magnesium, particularly in key industries such as automotive, 3C, aerospace, transportation, and constructions. The Group has begun supplying general and specialized magnesium alloys to manufacturers across various sectors in China and exporting pure magnesium in various net shapes to the European market. Moreover, by securing a stable supply of key raw materials for our magnesium alloy products, we aim to differentiate ourselves from competitors and enhance our vertically integrated brand power, ultimately attracting new global customers and orders.
2. **Acquisition of a New Factory in Mexico:** In July 2023, we finalized the acquisition of the Global Plastic Solutions Group, which owns a manufacturing and assembling base of plastic products in Mexico. This strategic move positions us to better serve the American market, aligning with increasing regional procurement trends. With a spacious facility spanning over 90,000 square feet and a team of experienced professionals, this acquisition enhances our production capabilities and strengthens our presence in North America. By offering multi-location solutions to customers, we bolster the resilience and adaptability of our supply chain, paving the way for future growth and expansion in the American market.

面對過去五年的各種新挑戰，包括美國徵收的貿易關稅及中美緊張局勢升級，加上於新型冠狀病毒期間供應鏈的中斷，我們意識到需要制定新的策略來應對全球貿易和物流盤根錯節的格局。對此，我們制定了新的中期策略以處理持續的地緣政治衝突所帶來更大的風險。

1. **上游擴張：**於二零二三年，我們在中國陝西省進行了一項建設上游鎂深加工項目的投資。此策略行動是受全球對鎂原料需求將大幅增加的預測而推動，特別是在汽車、3C、航天工業、交通運輸和化工等主要行業。本集團已開始向中國各產業製造商提供常規及專用鎂合金，並向歐洲市場出口異型鎂錠。此外，透過確保關鍵的鎂合金產品原料的穩定供應，我們致力從競爭對手中脫穎而出，並增強我們的垂直整合的品牌力，以吸引新的全球客戶和訂單。
2. **收購墨西哥新工廠：**於二零二三年七月，我們完成了Global Plastic Solutions Group的收購，該集團於墨西哥擁有製造和組裝塑膠產品基地。此策略行動使我們能夠更好地服務美國市場，同時配合日益增加的區域採購趨勢。此收購涉及佔地越90,000平方英尺的寬敞工廠及經驗豐富的專業團隊，增強了我們的生產能力和在北美的業務。透過向客戶提供多地點解決方案，我們增強自身供應鏈的復原力和適應力，為未來在美國市場發展和擴張鋪路。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告(續)

Market diversification continues to be a focal point for our company. Leveraging the established global platform of Ka Shui, we are actively pursuing opportunities in Southeast Asia and the Middle East, aligning with regional initiatives like the Belt and Road Initiative. Additionally, we intend to explore further prospects in emerging sectors such as new energy vehicles and smart electronics. By strategically expanding both horizontally and vertically along the value chain, our aim is to maximize our strengths and values to our customers and the industry.

Looking ahead, amidst prevailing uncertainties, our dedication to innovation, diversification, and strategic expansion remains resolute. We are confident in our ability to navigate challenges and leverage emerging opportunities to drive sustainable growth and generate long-term value for our stakeholders.

Lastly, I would like to extend my deepest appreciation to our esteemed shareholders, valued business partners, and loyal customers for their steadfast support throughout these arduous circumstances. I am immensely grateful to our dedicated directors and hardworking employees for their unwavering commitment to fulfilling our commitments and fostering innovation. With these well-defined strategies firmly in place, Ka Shui is poised to attain sustainable growth in the years ahead.

Lee Yuen Fat
Chairman of the Group

Hong Kong, 26 March 2024

市場多元化仍然是本公司的重中之重。憑著嘉瑞成熟的全球平台，我們積極在東南亞和中東等地區尋找機遇，以配合「一帶一路」等區域倡議。此外，我們也打算在新能源汽車及智能電子等新興領域進一步探索前景。透過沿著價值鏈有策略地橫向和縱向擴展其業務，我們旨在為客戶及行業發揮最大的優勢及價值。

展望未來，儘管仍存在不確定因素，我們會堅定不移地繼續致力於創新、多元化和策略擴張。我們對應對挑戰和利用新機遇推動持續發展以為我們的持份者創造長期價值的能力充滿信心。

最後，我謹向我們尊敬的股東、尊貴的業務夥伴和忠實的客戶表示最深切的感謝，感謝他們在這極其艱難的時期給予我們的毫不动摇的支持。我非常感謝我們盡職盡責的董事和勤奮的員工致力於履行我們的承諾和促進創新。有了這些明確的策略，嘉瑞已做好準備在未來幾年實現可持續增長。

李遠發
集團主席

香港，二零二四年三月二十六日

(A) FINANCIAL REVIEW

During the year under review, in spite of the removal of COVID-19-related restrictions and the reopening of borders in China, the persistent geopolitical tensions, high inflation, and interest rate hikes by the US Federal Reserve contributed to the slowdown of the global economic recovery. The weakening consumer sentiment adversely affected the Group's sales. In view of this, the Group's overall revenue for the year ended 31 December 2023 (the "Year") recorded a year-on-year decrease of approximately 14.8% to HK\$1,282,495,000 (2022: HK\$1,504,439,000). This is primarily attributed to the unsatisfactory performance in the sales of plastic, zinc and magnesium alloy together with other business. As a result, the consolidated net loss attributable to owners of the Company amounted to approximately HK\$28,435,000 (2022: consolidated net profit of HK\$74,844,000). The Group's gross profit for the Year also reduced to by approximately 28.9% to HK\$238,395,000 (2022: HK\$335,334,000) and gross profit margin was approximately 18.6% (2022: 22.3%).

The Group's EBITDA, computed as profit before tax, depreciation, amortisation and finance costs, amounted to approximately HK\$66,250,000 (2022: HK\$183,767,000).

(B) BUSINESS REVIEW

Plastic business

In light of the substantial economic pressures faced by the Western nations due to high inflation, Western nations reduced non-essential spending. In this relation, the revenue of plastic business segment had declined by approximately 18.0% to HK\$579,277,000 (2022: HK\$706,584,000), which accounted for approximately 45.2% (2022: 47.0%) of the Group's overall revenue. The Group has established a pilot production facility in Mainland for germ-repelling plastic which will be able to reach out more new customers. Also, the recent strategic acquisition of a new factory in Mexico enables us to shift part of the production chain to overseas in order to enhance the resilience and adaptability of our supply chain and develop the market in North America.

(A) 財務回顧

年內，雖然中國已取消新型冠狀病毒相關的限制並重新開放邊境，但延續的地緣政治緊張局勢、通脹高企及美聯儲加息，導致全球經濟復甦疲弱。消費意欲減弱對本集團的銷售產生負面的影響。因此，本集團截至二零二三年十二月三十一日止年度（「本年度」）的整體收入較去年錄得約14.8%之跌幅至1,282,495,000港元（二零二二年：1,504,439,000港元）。這主要是由於塑膠、鋅及鎂合金以及其他業務的銷售業績不理想。因此，本公司權益持有人應佔綜合淨虧損為約28,435,000港元（二零二二年：74,844,000港元綜合淨溢利）。本集團年內毛利也減少約28.9%至238,395,000港元（二零二二年：335,334,000港元），毛利率約為18.6%（二零二二年：22.3%）。

本集團的未計利息、稅項、折舊及攤銷前盈利（以稅項、折舊、攤銷和融資成本前盈利計算）約為66,250,000港元（二零二二年：183,767,000港元）。

(B) 業務回顧

塑膠業務

由於西方國家因高通脹而面臨龐大的經濟壓力，所以西方國家減少了非必需開支。因此，塑膠業務分部的收入下降約18.0%至579,277,000港元（二零二二年：706,584,000港元），佔本集團整體收入約45.2%（二零二二年：47.0%）。本集團已在內地設立斥菌塑料的試驗生產設施，可接觸更多新客戶。而且，近期策略性收購位於墨西哥的一所新工廠讓我們將部分生產鏈移至海外，以增強其供應鏈的復原力和適應力和開發北美的市場。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Magnesium alloy business

Affected by the poor sales of intelligent devices in 2023, the revenue of the magnesium alloy business reduced to by approximately 23.5% to HK\$345,052,000 (2022: HK\$451,100,000), accounting for approximately 26.9% of the Group's overall revenue (2022: 30.0%). Our self-developed high thermal conductivity magnesium alloy has been brought into mass production in 2023 and it is expected that there will be a great potential on the demand of this material across various sectors, including 3C, transportation, aerospace and new energy vehicle industries in the years ahead. The Group will continue to explore new products and applications of magnesium alloy with an aim to developing new markets and capture new business opportunities.

Aluminium alloy business

Benefited from robust demand for alloys incorporating lightweight technologies in traditional and new energy vehicles, the revenue of the aluminium alloy business for the Year increased by approximately 20.0% to HK\$228,366,000 (2022: HK\$190,367,000) when compared with that of the previous year. The segment's contribution to the Group's overall revenue had also grown from approximately 12.7% in 2022 to approximately 17.8% in 2023. The Group will strive to design and produce substantial automotive components in aluminium alloys and to develop new markets in new energy vehicle industry in enhancing the profitability of this segment in the forthcoming future.

Zinc alloy business

The ongoing high inflation and high interest rate, particularly in Western nations have greatly dampened consumer sentiments which had resulted in lower household products spending. As such, the revenue of the zinc alloy business for the year ended 31 December 2023 was approximately HK\$78,355,000 (2022: HK\$99,327,000), representing a decrease of approximately 21.1% when compared with that of 2022. This business segment accounted for approximately 6.1% of the Group's overall revenue (2022: 6.6%).

鎂合金業務

受到二零二三年智能產品銷售不佳的影響，鎂合金業務的收入下跌約23.5%至345,052,000港元(二零二二年：451,100,000港元)，佔本集團整體收入約26.9%(二零二二年：30.0%)。我們自主研发的高導熱鎂合金已於二零二三年起投入量產及預計未來幾年此材料的需求在不同產業(包括3C、交通運輸、航天工業及新能源汽車)將具有潛力。本集團將繼續探索鎂合金的新產品和應用，期望未來能開發新市場和抓緊新業務的機遇。

鋁合金業務

受在傳統及新能源汽車對輕量化合金技術的需求都必不可少的推動下，本年度鋁合金業務的收入較去年增加約20.0%至228,366,000港元(二零二二年：190,367,000港元)。該分部對本集團整體收入的貢獻也從二零二二年的約12.7%上升至二零二三年的約17.8%。本集團未來將致力於設計及生產大量鋁合金汽車零部件，並開拓新能源汽車產業新市場，以提升該分部的盈利。

鋅合金業務

由於持續的高通脹及高利率，特別對於西方國家，所以大大打擊消費意欲，從而導致了家用產品的銷售下降。因此，截至二零二三年十二月三十一日止年度的鋅合金業務收入約為78,355,000港元(二零二二年：99,327,000港元)，與二零二二年相比減少約21.1%。該業務分部約佔本集團整體收入的6.1%(二零二二年：6.6%)。

Others

The revenue of other businesses (trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicle power systems and production of smart home and other products) dropped by approximately 9.8% to HK\$51,445,000 (2022: HK\$57,061,000) when compared with that of the previous year.

(C) PROSPECTS

Moving forward into 2024, the Group maintains a cautiously optimistic outlook on its future growth trajectory. The consistent interest rate policy upheld by the US Federal Reserve since the fourth quarter of 2023, alongside market expectations of further declines in inflation and potential interest rate cuts in 2024, bode well for a more positive consumer sentiment in the coming year. However, amidst ongoing geopolitical tensions, concerns linger regarding global trade dynamics.

These shifting dynamics are reshaping the global supply chain landscape, prompting the Group to take a proactive stance. In response, the Group has developed the “Four New” strategy, strategically diversifying our business ventures across multiple fronts to navigate the ever-changing business environment effectively. The methodical implementation of this strategy thus far, coupled with its favorable reception in the market, reaffirms the Group’s confidence in its strategic direction.

New Materials

Ka Shui has garnered widespread acclaim for its unwavering dedication to research and development in the realm of new materials. Its pioneering advancements in high thermal conductivity magnesium alloy and germ-repelling plastics have established new industry standards and captured the attention of its customers. Specifically, the integration of the Group’s high thermal conductivity magnesium alloy into various series of personal notebooks has enhanced the heat dissipation and lightweight features of the latest generation of personal electronics.

其他

與去年相比，其他業務(照明產品貿易、提供汽車維修服務、銷售特別種類車輛、提供新能源汽車動力系統業務及生產智能家居及其他產品)收入下降約9.8%至51,445,000港元(二零二二年：57,061,000港元)。

(C) 展望

展望二零二四年，本集團對其未來增長軌跡保持審慎樂觀的看法。美聯儲自二零二三年第四季以來維持一致利率政策，加上市場對通脹進一步放緩和二零二四年可能減息的預期，預測來年消費者信心將增強。然而，在持續緊張的地緣政局中，人們對全球貿易動態的擔憂仍然存在。

這些變化多端的動態正重塑全球供應鏈格局，促使本集團採取積極主動的立場。對此，本集團制定了「四新」策略，以業務多元化的策略，有效應對變幻莫測的商業環境。迄今為止，該策略循序漸進實施，並受到市場歡迎，再次加強本集團對其戰略方向的信心。

新材料

嘉瑞堅定致力研發新材料而獲得廣泛的讚譽。開創發展高導熱鎂合金和斥菌塑料，樹立了新的行業標準，並吸引了客戶的注意。具體而言，本集團的高導熱鎂合金融入各式各類的個人筆記本系列，提升了最新一代個人電子產品的散熱及輕量化特性。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

In 2023, Ka Shui brought the high thermal conductivity magnesium alloy into mass production. Over 100 tons of such new material has been used by downstream manufacturers and customers. It is anticipated that the demand of this material will be promising due to the booming business in new energy vehicle electronic components.

Ka Shui has established a pilot production facility in Mainland for germ-repelling plastic with annual capacity of 250 tons. With this facility, Ka Shui will be able to reach out to more clients who requested sizeable samples for their own testing. Ka Shui has been actively exploring different areas for germ repelling applications and the response from drinking water piping industry is promising. The Group is anticipating more and bigger batch of trial in 2024.

Moving forward, the Group aims to further penetrate industries such as 3C, automobile, healthcare, and others through proactive marketing and targeted promotional efforts. By doing so, Ka Shui seeks to solidify the position of its innovative materials as the preferred choices for its customers across diverse sectors.

New Business

With over four decades of extensive experience in material solutions, the Group's strategic expansions, both horizontally and vertically, are inherently advantageous for its long-term growth and sustainability.

In today's automotive sector, the demand for lightweight technology is paramount, spanning both traditional and new energy vehicle categories. The Group occupies a pivotal role by delivering lightweight solutions tailored for a wide array of vehicles, including electric, plug-in, and hybrid models in China. Capitalizing on our significant edge in large-scale die casting and machining capabilities, we seamlessly design and produce substantial automotive components across various materials, offering a comprehensive range of auto parts and expanding our business reach across diverse customer segments.

於二零二三年，嘉瑞將高導熱鎂合金投入量產。超過100噸已被下游製造商和客戶使用。隨著新能源汽車電子零部件業務的蓬勃發展，預計此材料的需求將具有潛力。

嘉瑞已在內地設立年產能250噸斥菌塑料的試驗生產設施。有了這設施，嘉瑞將能夠接觸更多需要大量樣本進行測試的客戶。嘉瑞一直積極探索不同領域的斥菌應用，亦欣見深受飲用水喉管行業的歡迎。本集團預計二零二四年將會有更多及更大規模的試用。

展望未來，本集團計劃透過進行積極行銷和針對性推廣，以提升3C、汽車、醫療保健等行業的滲透率。透過以上推廣，嘉瑞力求鞏固其創新材料的地位，作為不同行業客戶的首選。

新業務

憑藉四十多年在材料方案的豐富經驗，本集團的橫向和縱向策略性擴張對其可持續長期增長具備固有優勢。

在當今的汽車領域，無論在傳統及新能源汽車方面，對輕量化技術的需求都必不可少。本集團透過為中國各類車輛（包括電動式、插電式和混合動力汽車）提供輕量化解決方案，發揮舉足輕重的作用。憑藉我們在大型壓鑄及精加工能力的顯著優勢，我們順利地設計和生產各種各樣材料的大型汽車零部件，提供全面的汽車零部件，並將我們的業務擴展至不同的客戶群。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

Last year, the Group has extended its presence in the magnesium industry, and is evolving into a vertically integrated magnesium solution provider. In addition to its traditional product line of magnesium alloy parts, the Group now offers a comprehensive range of metal solutions, including general magnesium alloys, specialized new magnesium alloys, and the latest addition — pure magnesium in various net shapes for client's specific purposes. Since establishing an upstream magnesium processing project in the first half of 2023 in Shaanxi Province, a leading magnesium production hub in China, the Group's has been supplying general and specialized magnesium alloys to manufacturers across various sectors, including automotive, 3C, aerospace, transportation, and chemical industries. Furthermore, the Group has commenced shipping magnesium products to the European market beginning this year.

For midstream, benefited from the expansion of new energy vehicle industry, the Group's new energy vehicle component grew significantly in 2023. It is anticipated that the tide of new energy vehicles will continue to grow and the Group's new energy vehicle components manufacturing will benefit from such growth.

For downstream expansion, the Group proudly unveiled our self-developed low-floor LPG extended-range minibus in 2023 and one unit of minibus is currently in Hong Kong for "Type-Approval" certification by local authorities. This innovative minibus embodies the ethos of "low-carbon travel" across materials and fuels, earning praise from government officials, esteemed customers, and industry peers alike.

New Market

Market diversification remains the Group's top priority as the Group seeks to expand its business footprint and adapt to regional procurement trends.

去年，本集團已擴大其於鎂產業的影響力，及逐步發展為一家垂直整合的鎂解決方案供應商。除了傳統的鎂合金零部件產品線外，本集團現正提供全面的金屬解決方案，包括常規鎂合金、專用新型鎂合金以及最新產品 — 異型鎂錠以滿足客戶的特定用途。自從二零二三年上半年在被譽為中國領先鎂生產中心的陝西省開展上游鎂深加工項目，本集團一直向汽車、3C、航天工業、交通運輸和化工領域等製造商提供常規及專用鎂合金。此外，本集團已於年初開始向歐洲市場運送鎂產品。

中游方面，受惠於新能源汽車產業拓展，本集團新能源汽車零部件業務於二零二三年大幅增長。預期新能源汽車熱潮將持續上升，導致本集團的新能源汽車零部件製造將受惠於此增長。

下游拓展方面，本集團於二零二三年推出我們自主研发低地台石油氣增程小巴，其中一輛小巴目前正在香港接受當局的「類型核可」的認證。這款創新的小巴體現了跨越材料和燃料的「低碳出行」特質，贏得了包括政府官員、尊貴客戶和業界同行的讚譽。

新市場

市場多元化仍然是本集團尋求擴展業務版圖和適應區域採購趨勢的首要任務。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

With the recent acquisition of the Global Plastic Solutions, S. de R.L. de C.V. and Avery Plastics Consulting Group Inc., the group of which is known for its manufacturing and assembly of plastic products in Mexico and benefiting from duty-free privileges for exports to the US, the Group now has a solid foundation to better serve US customers. This strategic acquisition offers several advantages, including increased proximity to customers, lower logistics expenses, and improved customer service responsiveness and support. Moreover, by providing multi-location solutions to customers, the Group enhances the resilience and adaptability of its supply chain. Looking ahead, the Group aims to leverage this overseas manufacturing and sales hub to unlock new opportunities and expand its presence in the American market.

Aligned with the Belt and Road Initiative of the Chinese and Hong Kong governments, the Group is actively pursuing opportunities in Southeast Asia and the Middle East. In Indonesia, discussions are underway with local authorities regarding business prospects in the transportation sector, particularly the development potential of electric commercial vehicles. Drawing on its expertise in minibus design and manufacturing, the Group is exploring partnerships with local auto manufacturers to enter the Indonesian electric commercial vehicle market at a reasonable cost and risk. Additionally, in the UAE, the Group is engaging with potential customers for its Eco-Sand 3D printing business, offering personalized product manufacturing and comprehensive rapid prototyping services.

Hydrogen Economy is a hot topic in the globe that Ka Shui is actively investigating our role that we can play. The Group will, leveraging on its core materials and manufacturing expertise as well as connections to various stakeholders, continue to foster cooperations in global level so as to create more values to our stakeholders.

隨著本集團近期收購位於墨西哥有多年製造和組裝塑膠產品及享有向美國出口的免稅特權的Global Plastic Solutions, S. de R.L. de C.V.和Avery Plastics Consulting Group Inc.，集團現擁有能更好地服務美國客戶的堅實基礎。此收購策略具有多項優勢，包括更貼近客戶、降低物流開支以及提升對客戶服務回應和支援。此外，透過向客戶提供多地點解決方案，本集團增強其供應鏈的復原力和適應力。展望未來，本集團旨在借用此海外製造和銷售中心來發掘新機遇，同時擴大其在美國市場的影響力。

配合中國及香港政府的「一帶一路」倡議，本集團積極在東南亞及中東等地尋找機遇。在印尼，正在與當局討論交通運輸業的商業前景，特別是電動商用車方面的發展潛力。憑藉其在小巴設計和製造方面的專業知識，本集團正在探索與印尼當地的汽車製造商建立合作夥伴關係，以合理的成本和風險進入印尼電動商用車市場。此外，在阿拉伯聯合大公國，本集團正在與其環保砂型3D打印業務的潛在客戶接洽，提供個人化產品製造和全面的快速原型製作服務。

氫經濟是全球的熱門話題，嘉瑞正積極探索自身的角色。本集團將憑藉其核心材料和製造專業知識以及與各持份者的聯繫，繼續促進全球層面的合作，為各持份者創造更多價值。

New Opportunities

In leveraging the established platform of Ka Shui, replete with a global network and manufacturing expertise, the Group is poised to delve further into new prospects within its competitive strengths, including new energy vehicles and smart electronics.

For instance, the Group started a cooperation with a leading developer of underwater cleansing robot for swimming pools. Our manufacturing expertise and solutions helped the client to achieve speedy ramp up with stability in quality which eventually helped the client to win the market. It is anticipated that such AI robot pool cleaner with patented technology has the potential of developing into a sizable market share in the near future.

Conclusion

Building upon its reputation as a reliable material solutions provider for global brands, the Group will tactically utilize its network to expand its business both horizontally and vertically along the value chain in the years ahead. By proactively embracing the “Four New” strategy, the Group is poised to capitalize on emerging opportunities and reinforce its position as a dynamic leader in the evolving business landscape, aiming to maximize value for its customers, shareholders, and society.

(D) LIQUIDITY AND FINANCIAL RESOURCES

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

新機遇

憑著嘉瑞的成熟平台、加上全球網絡及製造專業知識，本集團已準備進一步探索在新能源汽車及智能電子等其他競爭優勢領域的新前景。

例如，本集團與一家領先用於游泳池的水底清潔機器人的發展商展開合作。我們的製造專業知識和解決方案幫助客戶快速提升並穩定質量，最終幫助客戶贏得了市場。預計這種擁有專利技術的AI智能泳池清潔機器人在不久的將來有潛力發展為相當大的市場份額。

總結

憑藉其作為全球品牌可靠的材料解決方案供應商的聲譽，本集團於未來幾年將策略性地利用其網絡，沿著價值鏈橫向和縱向擴展其業務。透過積極地實行「四新」策略，本集團已準備抓住新機遇，並鞏固其於變幻莫測的商業環境中作為充滿活力的領導者的地位，旨在為客戶、股東乃至整個社會實現價值最大化。

(D) 流動資金及財務資源

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

The principal sources of working capital of the Group during the Year was from cash flows generated from operating activities and bank borrowings. As at 31 December 2023, the Group had restricted bank balances as well as bank and cash balances of approximately HK\$196,319,000 (2022: HK\$246,013,000), most of which were denominated in either US dollars, Renminbi or Hong Kong dollars.

The interest-bearing borrowings of the Group as at 31 December 2023 were bank loans and loan from non-controlling interest with an aggregate amount of approximately HK\$64,518,000 (2022: HK\$69,806,000). All of these borrowings were denominated in Hong Kong dollars (2022: Hong Kong dollars and Euros) and which were primarily subject to floating interest rates. The borrowings with maturities falling due within one year, in the second to fifth year with repayment on demand clause and in the second to fifth year without repayment on demand clause amounted to HK\$63,333,000, HK\$Nil and HK\$1,185,000 respectively (2022: HK\$60,502,000, HK\$8,333,000 and HK\$971,000 respectively).

As at 31 December 2023, the net gearing ratio (a ratio of the sum of the total bank borrowings and loan from non-controlling interest less restricted bank balances (if any) and bank and cash balances divided by the total equity) of the Group was not applicable since the Group had net cash (restricted bank balances (if any) and bank and cash balances less total borrowings) of HK\$131,801,000 (2022: net cash of HK\$176,207,000).

As at 31 December 2023, the net current assets of the Group were approximately HK\$438,304,000 (2022: HK\$533,429,000), which consisted of current assets of approximately HK\$837,175,000 (2022: HK\$906,171,000) and current liabilities of approximately HK\$398,871,000 (2022: HK\$372,742,000), representing a current ratio of approximately 2.1 (2022: 2.4).

本集團於年內主要營運資金來源為經營業務所得現金流及銀行借款。於二零二三年十二月三十一日，本集團擁有有限制銀行存款和銀行及現金結餘約196,319,000港元(二零二二年：246,013,000港元)，當中大多數以美元、人民幣或港元計值。

本集團於二零二三年十二月三十一日的計息借款為銀行貸款及非控股權益貸款，總額約為64,518,000港元(二零二二年：69,806,000港元)。該等借款全部以港元(二零二二年：港元及歐元)計值，所採用的利率主要為浮動利率。將於一年內到期、於第二至第五年到期(包括按要求償還條款)及於第二至第五年到期(不含按要求償還條款)之銀行貸款金額分別為63,333,000港元、零港元及1,185,000港元(二零二二年：分別為60,502,000港元、8,333,000港元及971,000港元)。

於二零二三年十二月三十一日，由於本集團之現金淨額(有限制銀行存款(如有)以及銀行及現金結餘減去銀行總借貸)為131,801,000港元(二零二二年：現金淨額為176,207,000港元)，因此，淨借貸比率(以銀行借款及非控股權益貸款總和減有限制銀行存款(如有)和銀行及現金結餘除以權益總額之比率)不適用於本集團。

於二零二三年十二月三十一日，本集團流動資產淨值約為438,304,000港元(二零二二年：533,429,000港元)，包括流動資產約837,175,000港元(二零二二年：906,171,000港元)及流動負債約398,871,000港元(二零二二年：372,742,000港元)，流動比率約為2.1(二零二二年：2.4)。

(E) EXPOSURE TO FOREIGN EXCHANGE RISK

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

(F) CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no material contingent liabilities.

(G) CHARGE ON ASSETS

As at 31 December 2023, none of the assets of the Group were pledged.

(H) SIGNIFICANT INVESTMENTS, ACQUISITIONS OR DISPOSAL

On 26 May 2023, Orient World International Limited, an indirect wholly-owned subsidiary of the Company (the "Purchaser") entered into the stock purchase agreement with Avery Plastics Consulting Group Inc. ("Avery Plastics"), Global Plastic Solutions, S. de R.L. de C.V. ("GPS"), Martin R. Avery ("Avery") and Hector Obando ("Obando" and together with Avery, the "Sellers"), pursuant to which the Purchaser has agreed to acquire 90% of the issued and outstanding capital stock of Avery Plastics and GPS respectively at a total consideration of approximately US\$1,973,000 ("Acquisition"). Avery Plastics is a corporation incorporated in California and GPS is a corporation incorporated in Mexico which are engaged in plastic injection molding and assembly in support of the consumer cell phone industry, automotive industry and medical industry. Supplemental agreements were entered into on 22 June 2023 and completion of Acquisition took place on 5 July 2023.

(E) 外匯風險承擔

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

(F) 或然負債

於二零二三年十二月三十一日，本集團並無任何重大或然負債。

(G) 資產抵押

於二零二三年十二月三十一日，本集團並無資產作為抵押。

(H) 重大投資、收購或出售

於二零二三年五月二十六日，本公司之一家間接全資附屬公司，即凱華國際有限公司（「買方」）與Avery Plastics Consulting Group Inc.（「Avery Plastics」）、Global Plastic Solutions, S. de R.L. de C.V.（「GPS」）、Martin R. Avery（「Avery」）及 Hector Obando（「Obando」），與Avery一起共稱為「賣方」訂立股權收購協議，據此，買方同意收購Avery Plastics及GPS各自之已發行股本之90%，代價約為1,973,000美元（「收購事項」）。Avery Plastics是一家於加利福尼亞州註冊成立的公司，而GPS是一家於墨西哥註冊成立的公司。兩間公司從事塑膠注塑成型及組裝，為手機行業、汽車行業和醫療行業提供服務。補充協議於二零二三年六月二十二日簽訂，而收購事項已於二零二三年七月五日完成。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論及分析(續)

As all of the applicable percentage ratios in respect of the Acquisition were less than 5%, the Acquisition did not constitute a disclosable transaction of the Company and thus was not subject to reporting and announcement requirements under Chapter 14 of the Listing Rules. As such, during the year ended 31 December 2023, the Group did not have any significant investments, acquisitions or disposals.

(I) HUMAN RESOURCES

As at 31 December 2023, the Group had approximately 4,762 full-time employees (31 December 2022: 3,750). The Group attributes its success to the hard work and dedication of all staff, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides a competitive salary package, including retirement schemes, medical benefits and bonuses. The Group's remuneration policy and structure are determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme as incentives and rewards for those qualifying staff who have made contributions to the Group. The aforesaid share award scheme expired on 9 January 2023.

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

由於有關收購事項之所有適用百分比率均低於5%，收購事項不足以構成本公司之須予披露交易。因此，收購事項無需遵守上市規則第十四章項下之申報及規定。有見及此，於二零二三年十二月三十一日止年度，本集團並無任何重大投資、收購或出售。

(I) 人力資源

於二零二三年十二月三十一日，本集團約有4,762名全職僱員(二零二二年十二月三十一日：3,750名)。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬待遇，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。上述提及之股份獎勵計劃已於二零二三年一月九日失效。

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

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員

EXECUTIVE DIRECTORS

Mr. Lee Yuen Fat, aged 68, founded the Group in 1980 and is the Chairman of the Group. Mr. Lee was appointed as an Executive Director of the Company since 2 June 2007 and is a director of certain subsidiaries of the Company. He is also a director of Precisefull Limited, which is the controlling shareholder of the Company. Mr. Lee is responsible for the formulation of the overall business strategies of the Group. He has over 40 years of experience in the die casting industry. Mr. Lee holds a Master of Science Degree in Materials Engineering from the Yanshan University in the PRC. Mr. Lee was conferred the “China Foundry Lifetime Achievement Award” by the China Foundry Association, an award of Honorary Fellowship and Fellowship of Management and Business Administration by the Professional Validation Council of Hong Kong Industries and is the Vice Chairman of the Professional Validation Council of Hong Kong Industries. Mr. Lee has been appointed by the Foundry Industry Association, Guangdong Province as an Expert of the Casting Industry and is selected for its Expert Database. He has been appointed by the Shenzhen Longgang District Municipal People’s Government as an excellent expert of Longgang District, Shenzhen and is the Professorate Senior Engineer conferred by the Human Resources and Social Security Department of Guangdong Province of China.

執行董事

李遠發先生，68歲，於一九八零年創辦本集團及為本集團之主席。李先生於二零零七年六月二日獲委任為本公司執行董事，彼為本公司若干附屬公司之董事。彼亦為Precisefull Limited（本公司控股股東）之董事。李先生負責制定本集團整體業務策略。彼擁有逾40年鑄造業經驗，持有中國燕山大學材料工程碩士學位。此外，李先生獲中國鑄造協會授予中國鑄造行業終身成就獎，及獲香港工業專業評審局頒授榮譽院士及工商院士，並擔任香港工業專業評審局副主席一職。李先生被廣東省鑄造行業協會聘為鑄造行業專家，併入選其專家庫，及被深圳市龍崗區人民政府聘為深圳市龍崗區優秀專家及獲中國廣東省人力資源和社會保障廳授予正高級工程師職稱。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Lee was one of the founding members and was the Chairman of the Hong Kong Die-casting Association (now become the Hong Kong Foundry Association (the "HKFA")) in 1989. He was elected as the first Chairman of the HKFA and Hong Kong Federation of Innovative Technologies and Manufacturing Industries (formerly known as Federation of Hong Kong Machinery and Metal Industries) in 2008 and 2011 respectively. Mr. Lee is currently the Chairman of Hong Kong Federation of Innovation Technologies and Manufacturing Industries, Vice Chairman of the PRD Council of Federation of Hong Kong Industries, Shenzhen Division and Chairman of the Sixth Industry Training Advisory Committee of Manufacturing Technology (Tooling, Metals & Plastics) of Hong Kong Qualifications Framework. Mr. Lee currently continues to be the Rotating Chairman of Die Casting Branch of the China Foundry Association, Executive Director of the China Foundry Association, the Managing Vice Chairman of the Fifth General Committee of the Guangdong Foundry Industry Association and the Vice Director General of Foundry Branch of the Guangdong Mechanical Engineering Association. Mr. Lee is also currently Deputy Director of the Domestic Technical Correspondence Working Group Expert of the International Organization for Standardization Foundry Machinery Technical Committee ISO/TC306, and a member of the Light Alloy Industry Technology Innovative Alliance Expert Committee of Guangdong Province. Mr. Lee is the brother-in-law of Ms. Chan So Wah, the executive director of the Company.

Mr. Wong Wing Chuen, aged 62, joined the Group in 1988 and was appointed as an Executive Director and Vice Chairman of the Company on 2 June 2007 and 1 January 2017 respectively. He is a director of certain subsidiaries of the Company. Mr. Wong is also currently the director of manufacturing of the Group and is responsible for the Group's manufacturing activities. Mr. Wong has over 39 years of experience in die design and manufacturing and the die casting industry. He is an Associate of the Professional Validation Council of Hong Kong Industries.

李先生為香港壓鑄學會(現時為香港鑄造業總會)創辦人之⼀，及後於一九八九年出任該會會長。彼分別於二零零八年及二零一一年被選為香港鑄造業總會和香港創新科技及製造業聯合總會(前稱香港機械金屬業聯合總會)首任會長。李先生現任香港創新科技及製造業聯合總會主席、香港工業總會珠三角工業協會深圳分部副主席及香港資歷架構製造科技業(模具、金屬及塑膠)第六屆行業培訓諮詢委員會主席。李先生現繼續擔任中國鑄造協會壓鑄分會輪值理事長、中國鑄造協會常務理事、廣東省鑄造行業協會第五屆常務副會長及廣東省機械工程學會鑄造分會理事長。李先生現亦擔任國際標準組織鑄造機械技術委員會ISO/TC306國內技術對口工作組專家副主任委員及廣東省輕合金產業技術創新聯盟專家委員會委員。李先生為本公司執行董事陳素華女士之大伯。

黃永銓先生，62歲，於一九八八年加入本集團，並分別於二零零七年六月二日及二零一七年一月一日獲委任為本公司執行董事及副主席。彼為本公司若干附屬公司之董事。黃先生現時亦是本集團制作總監及負責本集團之製造業務。黃先生擁有逾39年模具設計與製造及壓鑄業經驗，為香港工業專業評審局的副院士。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Chu Weiman, aged 67, joined the Group in February 2021 and is currently the Chief Executive Officer of the Group. He was appointed as an Executive Director, a member of the remuneration committee and nomination committee of the Company on 1 September 2021. He is primarily responsible for the overall management and supervision of the execution of the overall business strategies of the Group. Mr. Chu holds a master's degree of business administration from the University of Southern California, USA, a master's degree of science in engineering from the University of California, Los Angeles, USA and a bachelor's degree in power mechanical engineering from National Tsing Hua University, Taiwan. He is a licensed professional engineer of California, USA. Prior to joining the Group, Mr. Chu was an executive director and the chief executive officer of trading division of Leeport (Holdings) Limited (Stock code: 387), a company listed on the main board of the Hong Kong Stock Exchange, from February 2015 to December 2020 and from September 2016 to December 2020 respectively. Mr. Chu has held various senior positions in multi-national companies with operations in Hong Kong and mainland China and worked as the branch director for Innovation Process and Automation Branch and branch director for Manufacturing Productivity Branch of Hong Kong Productivity Council during the years between 2000 and 2007. He is currently an honorary general committee member of the Chinese Manufacturers' Association of Hong Kong.

初維民先生，67歲，於二零二一年二月加入本集團，現為本集團行政總裁。彼於二零二一年九月一日獲委任為本公司執行董事、薪酬委員會及提名委員會成員。彼主要負責本集團的整體管理及監督整體業務策略的執行。初先生持有美國南加州大學工商管理碩士學位、美國加利福尼亞大學洛杉磯分校工程碩士學位及台灣國立清華大學動力機械系學士學位。彼為美國加利福尼亞州的註冊專業工程師。在加入本集團之前，初先生分別於二零一五年二月至二零二零年十二月及二零一六年九月至二零二零年十二月擔任香港聯交所主板上市的公司力豐(集團)有限公司(股票代號：387)的執行董事及貿易部行政總裁。初先生曾在多間於香港和中國內地經營業務的跨國公司擔任不同高級職位，並於二零零零年至二零零七年間擔任香港生產力促進局創新暨自動化部副總裁及生產技術部副總裁。他現時為香港中華廠商聯合會榮譽會董。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Ms. Chan So Wah, aged 65, joined the Group in 1999 and was appointed as an Executive Director of the Company on 1 April 2019. She is a director of certain subsidiaries of the Company. Ms. Chan is currently the director of planning and management of the Group and is primarily responsible for overseeing the Group's business development as well as planning and management. She has over 35 years of experience in sales, marketing and management. She holds a master's degree in business administration obtained through distance learning education from the Centenary College in New Jersey, USA and she is a Fellow of the Professional Validation Council of Hong Kong Industries (Die Casting and Foundry Industry). Ms. Chan was awarded Asian Outstanding Leadership Award for Women in September 2019 by Asian College of Knowledge Management. She is the sister-in-law of Mr. Lee Yuen Fat, the Chairman and the Executive Director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Sun Kai Lit Cliff BBS, JP, aged 70, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the chairman of the remuneration committee as well as the nomination committee of the Company and a member of the audit committee of the Company. Professor Sun has over 40 years of experience in the household products manufacturing industry. Professor Sun was appointed by the Hong Kong Special Administrative Region Government (the "HKSAR Government") as Justice of the Peace in July 2003 and was awarded the Bronze Bauhinia Star by the HKSAR Government in July 2006. He had been a member of the Chinese People's Political Consultative Conference of Shenzhen, Ningbo and Zhejiang Committee for over 20 years. He is currently the Honorary President of the Federation of Hong Kong Industries, Honorary Chairman of The Hong Kong Exporters' Association, Honorary Chairman of the Hong Kong Q Mark Council, the Honorary President of the Hong Kong Plastics Manufacturers Association, the Supervising President of Guangdong Overseas Chinese Enterprises Association and an Adjunct Professor of the City University of Hong Kong. Professor Sun is currently an independent non-executive director of Wisdom Education International Holdings Company Limited (Stock code: 6068), which is listed on the main board of the Hong Kong Stock Exchange.

陳素華女士，65歲，於一九九九年加入本集團，並於二零一九年四月一日獲委任為本公司執行董事。陳女士為本公司若干附屬公司之董事。陳女士現為本集團策劃及管理總監，主要負責監督本集團的業務開展及策劃管理等事宜。陳女士擁有逾35年銷售、市場推廣及管理經驗。彼持有美國新澤西世紀學院工商管理碩士學位(遙距課程)及為香港工業專業評審局之院士(壓鑄及鑄造業)。陳女士於二零一九年九月獲亞洲知識管理學院授予「亞洲傑出女領袖獎」。彼為本公司主席及執行董事李遠發先生的弟婦。

獨立非執行董事

孫啟烈教授 BBS, JP，70歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會及提名委員會主席以及審核委員會成員。孫教授於家居用品製造業擁有逾40年經驗。孫教授於二零零三年七月獲香港特別行政區政府(「香港特區政府」)頒發太平紳士榮譽，並於二零零六年七月獲香港特區政府頒發銅紫荊星章。彼曾任中國人民政治協商會議深圳市、寧波市及浙江省委委員逾20年。彼現時為香港工業總會名譽會長、香港出口商會名譽主席、香港優質產品標誌局名譽主席、香港塑膠業廠商會名譽會長、廣東省僑商投資企業協會監事長及香港城市大學客席教授。孫教授現為香港聯交所主板上市的公司光正教育國際控股有限公司(股份代號：6068)的獨立非執行董事。

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

Ir Dr. Lo Wai Kwok *GBS, MH, JP*, aged 71, was appointed as an Independent Non-executive Director of the Company on 2 June 2007. He is the member of the audit committee, nomination committee and remuneration committee of the Company. Ir Dr. Lo holds a doctoral degree in engineering, master's degrees in engineering and in business administration respectively and a bachelor's degree in engineering. He is a Chartered Engineer and Fellow of the Hong Kong Institute of Engineers. Ir Dr. Lo was awarded the "Young Industrial Awards of Hong Kong" and the "Ten Outstanding Young Persons Selection" in 1992, the Medal of Honour of the HKSAR Government in July 2001, and was appointed as Justice of the Peace by the HKSAR Government in July 2004. Ir Dr. Lo was also awarded the Bronze Bauhinia Star, the Silver Bauhinia Star and the Gold Bauhinia Star in July 2009, July 2015 and July 2021 by the HKSAR Government respectively. Ir Dr. Lo is currently a member of the Legislative Council of Hong Kong, representing the Engineering functional constituency. He has over 40 years of experience in the electronic and power supply industry and is an Adjunct Professor of the City University of Hong Kong.

Mr. Andrew Look, aged 59, was appointed as an Independent Non-executive Director of the Company on 16 December 2009. He is the member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Look holds a bachelor's degree in commerce from the University of Toronto, Canada and has over 30 years of experience in the equity investment analysis of Hong Kong and China stock markets. From 2000 to 2008, Mr. Look served in Union Bank of Switzerland ("UBS") as the head of Hong Kong research, strategy and product. He was rated as the best Hong Kong strategist and best analyst by the Asiamoney magazine, a leading monthly financial and capital markets publication for corporate and finance readers and investors, in 2001, 2002, 2003, 2005, 2006 and 2007. Mr. Look is currently an independent non-executive director of Hung Fook Tong Group Holdings Limited (Stock code: 1446), CITIC Resources Holdings Limited (Stock code: 1205), EC Healthcare (Stock code: 2138) and L.K. Technology Holdings Limited (Stock Code: 558), all of which are listed on the main board of the Hong Kong Stock Exchange.

盧偉國博士工程師，*GBS, MH, JP*，71歲，於二零零七年六月二日獲委任為本公司獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。盧博士持有工程學博士學位、工程及工商管理碩士學位與工程學學士學位，並為特許工程師及香港工程師學會資深會員。盧博士為一九九二年「香港青年工業家獎」及「十大傑出青年選舉」與二零零一年七月香港特區政府榮譽勳章的得獎者，更於二零零四年七月獲香港特區政府委任為太平紳士。盧博士亦分別於二零零九年七月、二零一五年七月及二零二一年七月獲香港特區政府頒發銅紫荊星章、銀紫荊星章及金紫荊星章。盧博士現為香港立法會議員，代表工程功能界別。彼於電子及電源供應業積累超過40年經驗及於香港城市大學出任客席教授。

陸東先生，59歲，於二零零九年十二月十六日獲委任為本公司獨立非執行董事。彼為本公司審核委員會、提名委員會及薪酬委員會成員。陸先生持有加拿大多倫多大學商科學士學位，於香港及中國股票市場資產投資分析累積逾30年經驗。由二零零零年至二零零八年，陸先生於瑞士銀行（「瑞士銀行」）出任香港研究、策略及產品部主管。陸先生曾於二零零一、二零零二、二零零三、二零零五、二零零六及二零零七年獲得《亞洲貨幣》雜誌（一本以企業及財經讀者及投資者為對象之著名財經及資本市場月刊）頒發「香港最佳策略員」及「最佳分析師」殊榮。陸先生現為香港聯交所主板上市的公司鴻福堂集團控股有限公司（股份代號：1446）、中信資源控股有限公司（股份代號：1205）、EC Healthcare醫思健康（股份代號：2138）及力勁科技集團有限公司（股份代號：558）的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), aged 60, was appointed as an Independent Non-executive Director of the Company on 11 May 2015. He is the chairman of the audit committee of the Company and the member of the nomination committee and remuneration committee of the Company. Mr. Kong is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants (the United Kingdom). He has accumulated over 30 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates. Mr. Kong is currently a consultant of a company providing company secretarial, risk management and financial advisory services and is an independent non-executive director of Auto Italia Holdings Limited (Stock code: 720), a company listed on the main board of the Hong Kong Stock Exchange.

SENIOR MANAGEMENT

Ir Chan Sin Wing Norman, aged 51, joined the Group in 2004 and is the director of enterprise development of the Group. He is primarily responsible for overseeing the research and development as well as new business development of the Group. Ir. Chan holds a master's degree in industrial engineering and industrial management and a bachelor degree in engineering from the University of Hong Kong. He is currently a Fellow and the Executive Member of the Hong Kong Institution of Engineers. He is also the Professorate Senior Engineer conferred by the Human Resources and Social Security Department of Guangdong Province of China. Prior to joining the Group, Ir Chan worked as a senior consultant of the Hong Kong Productivity Council for over nine years.

江啟銓先生 (前稱江道揚), 60歲, 於二零一五年五月十一日獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席、本公司提名委員會及薪酬委員會成員。江先生是香港會計師公會會員及英國特許公認會計師公會資深會員。彼於香港上市公司及國際商業綜合企業累積了超過30年的會計、審計、企業融資及項目管理的經驗。江先生現時為一間提供公司秘書、風險管理與財務顧問服務之公司的顧問及香港聯交所主板上市的公司意達利控股有限公司(股份代號: 720)的獨立非執行董事。

高級管理人員

陳善榮工程師, 51歲, 於二零零四年加入本集團, 為本集團企業拓展總監, 主要負責監督本集團的研發工作及新業務發展。陳工程師持有香港大學工業工程及工業管理碩士學位和工程學學士學位。彼現時為香港工程師學會資深會員及執行委員會委員。彼亦獲中國廣東省人力資源和社會保障廳授予正高級工程師職稱。加入本集團前, 陳工程師曾任香港生產力促進局高級顧問逾九年。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理人員(續)

Mr. Yu Wai Chun, aged 50, joined the Group in January 2024 and is currently the chief financial officer of the Company. Mr. Yu is a fellow member of the Hong Kong Institute of Certified Public Accountants and the fellow member of the Association of Chartered Certified Accountants. Mr. Yu is graduated from The Hong Kong Polytechnic University with a Bachelor of Arts in Accountancy and with an Master of Business Administration degree from the City University of London. Mr. Yu possesses more than 25 years of experience in accounting, corporate finance, risk management and internal controls. Prior to joining the Company, Mr. Yu held key corporate positions in various companies, including (i) chief financial officer of Cornerstone Financial Holdings Limited (stock code: 8112) from October 2015 to June 2022; (ii) chief financial officer of China Tangshang Holdings Limited (formerly known as Culture Landmark Investment Limited, stock code: 674) from July 2011 to July 2015; (iii) assistant general manager of China Resources Beer (Holdings) Company Limited (formerly known as China Resources Enterprise Limited, stock code: 291) from August 2001 to November 2010; and (iv) consultant at KPMG Consulting (Asia) Limited from October 2000 to June 2001 and assistant manager at KPMG from August 1995 to September 1999. He also served as the independent non-executive director of (i) China Carbon Neutral Development Group Limited (formerly known as Bisu Technology Group International Limited, stock code: 1372) between October 2020 and May 2022 and (ii) HSC Resources Group Limited (formerly known as WINDMILL Group Limited, stock code: 1850) between November 2021 to July 2023.

Mr. Chan Man Fu, aged 52, joined the Group in 2016 and is currently the financial controller of the Company. Prior to joining the Company, Mr. Chan has held senior financial positions in different listed companies in Hong Kong and has over 25 years of experience in the areas of audit, finance and treasury management. He holds a master's degree in business administration from the Hong Kong Baptist University and is a member of the Hong Kong Institute of Certified Public Accountants.

余偉泰先生，50歲，於二零二四年一月加入本集團，現為本集團之首席財務總監。余先生為香港會計師公會資深會員及英國特許會計師公會資深會員。余先生畢業於香港理工大學並取得會計學學士學位，並自倫敦大學城市學院(City University of London)取得工商管理碩士學位。余先生於會計、公司融資、風險管理及內部控制方面累積逾25年經驗。在加入本公司前，余先生曾於多間公司擔任關鍵公司職務，包括(i)於二零一五年十月至二零二二年六月擔任基石金融控股有限公司(股份代號：8112)之首席財務總監；(ii)於二零一一年七月至二零一五年七月擔任中國唐商控股有限公司(前稱為文化地標投資有限公司，股份代號：674)之首席財務總監；(iii)於二零零一年八月至二零一零年十一月擔任華潤啤酒(控股)有限公司(前稱為華潤創業有限公司，股份代號：291)之助理總經理；及(iv)於二零零零年十月至二零零一年六月擔任畢馬威顧問(亞洲)有限公司之顧問及於一九九五年八月至一九九九年九月擔任畢馬威之助理經理。彼亦(i)於二零二零年十月至二零二二年五月期間任中國碳中和發展集團有限公司(前稱為比速科技集團國際有限公司，股份代號：1372)及(ii)於二零二一年十一月至二零二三年七月期間任鴻盛昌資源集團有限公司(前稱為海鑫集團有限公司，股份代號：1850)之獨立非執行董事。

陳文賦先生，52歲，於二零一六年加入本集團，現為本集團之財務總監。於加入本公司前，陳先生曾於多間香港上市公司擔任高級財務職位及於審計、財務與財資管理範疇擁有超過25年經驗。彼持有香港浸會大學工商管理碩士學位及為香港會計師公會會員。

DIRECTORS' REPORT

董事會報告

The board of directors (the “Board”) of Ka Shui International Holdings Limited (the “Company”) have the pleasure in submitting its report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

A fair review of the business of the Group, together with a description of the principal risks and uncertainties facing by the Company, as well as indication of likely future developments in the business of the Group are set out in the sections “Business Review” on pages 11 to 13, “Principal Risks and Uncertainties facing the Company” on page 67 and “Prospects” on pages 13 to 17 of this report respectively. An analysis using financial key performance indicators is set out in the sections “Segment Information” on pages 253 to 257 and “Five-Year Financial Summary” on page 328 in this report.

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

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

嘉瑞國際控股有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零二三年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

主要業務

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

業務回顧

本集團中肯業務回顧，連同本公司所面對主要風險及不明朗因素之描述、以及本集團業務日後可能出現之發展，分別載於本報告第11至13頁之「業務回顧」、第67頁之「本公司所面對主要風險及不明朗因素」及第13至17頁之「展望」內。使用關鍵財務績效指標作出之分析載於本年報第253至257頁之「分部資料」及第328頁之「五年財務概要」內。

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

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

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

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

The Board considers that the Group has conducted its operations in accordance with the environmental policy in all material respects during the year ended 31 December 2023. Details of the environmental performance of the Group during the year ended 31 December 2023 are set out in the section "Environmental, Social and Governance Report" on pages 73 to 147.

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

The Group aims at conducting business activities in accordance with the highest standards of business ethics and integrating environmentally and socially responsible management practices across the entire organization. The approaches adopted by our Group mainly focus on four key areas. Within each of these four areas, we have solicited opinions from our stakeholders and have identified 34 corporate social responsibility-related topics and have adopted numerous specific targeted policies and goals. Detailed discussions on the environmental policies and performance, compliance with the relevant local laws

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

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

董事會認為，於截至二零二三年十二月三十一日止年度，本集團的運作在所有重大方面均按照本集團的環境政策進行。有關本集團截至二零二三年十二月三十一日止年度的環境績效詳情載於「環境、社會及管治報告」一節第73至147頁。

本集團的業務已遵守對本集團整體有重大影響的相關法律法規。

集團旨在按照最高商業道德標準進行業務活動，並整合及實施對環境和社會負責任的企業管理。本集團採取的方法主要集中在四個關鍵領域。在這四個領域中的每一個領域，我們都徵求了持份者的意見，並找出三十四個與企業社會責任相關的主題，並採用了許多針對性的政策和目標。有關環境政策及表現之詳細討論、對本集團構成重

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

and regulations that have a significant impact on the Group and the account of the key relationships of the Group with employees, customers and suppliers are set out in the section headed "Environmental, Social and Governance Report" on pages 73 to 147 of this report.

EMOLUMENT POLICY AND RETIREMENT BENEFITS SCHEME

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

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 157.

大影響之地方相關法律法規之遵守情況及本集團與僱員、客戶及供應商之主要關係之詳細論述載於本報告第73至147頁之「環境、社會及管治報告」一節。

薪酬政策及退休福利計劃

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

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

業績及分派

本集團於年內之業績載於第157頁之綜合損益表內。

INTERIM AND FINAL DIVIDEND

No interim dividend was declared and paid during the year (2022 interim dividend: HK0.3 cent). The Board considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise, and therefore has resolved not to recommend the payment of a final dividend for the year ended 31 December 2023 (2022: HK2.0 cents).

The register of members of the Company will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 27 May 2024.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF THE YEAR

No significant events affecting the Group that require additional disclosures or adjustments occurred after the financial year ended 31 December 2023.

RESERVES

Movements in reserves during the year are set out in the consolidated statement of changes in equity on page 161.

As at 31 December 2023, the Company's reserve available for distribution amounted to approximately HK\$214,357,000 (2022: HK\$211,233,000).

PROPERTY, PLANT AND EQUIPMENT

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

中期及末期股息

於年內，本公司並無宣派及派付中期股息(二零二二年中期股息：0.3港仙)。董事會認為保留適當水平之資金，以便充份掌握日後之業務發展機會，乃審慎之舉，故此決議不建議派發截至二零二三年十二月三十一日止年度之末期股息(二零二二年：2.0港仙)。

本公司將於二零二四年五月二十八日(星期二)至二零二四年五月三十一日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格出席應屆股東週年大會並於會上投票，所有股份過戶文件連同有關股票及過戶表格須於二零二四年五月二十七日(星期一)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17M樓。

自年末以來影響本集團的重大事件

截至二零二三年十二月三十一日止財政年度後，概無影響本集團而須另行披露或調整的重大事件。

儲備

本年度內，儲備之變動情況載於第161頁之綜合權益變動表。

於二零二三年十二月三十一日，本公司之可供分派儲備約為214,357,000港元(二零二二年：211,233,000港元)。

物業、機器及設備

本集團物業、機器及設備於本年度內之變動詳情載於綜合財務報表附註19。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

MAJOR CUSTOMERS AND SUPPLIERS

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

Sales

— the largest customer	26.3%
— five largest customers combined	53.6%

Purchase

— the largest supplier	3.5%
— five largest suppliers combined	16.6%

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

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2023 and assets and liabilities of the Group as at 31 December 2019, 2020, 2021, 2022 and 2023 are set out on page 328.

SHARE CAPITAL

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

EQUITY-LINKED AGREEMENTS

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

主要客戶及供應商

於本年度內，本集團之主要客戶及供應商應佔總營業額及總採購額之百分比如下：

銷售

— 最大客戶	26.3%
— 五大客戶合計	53.6%

採購

— 最大供應商	3.5%
— 五大供應商合計	16.6%

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

財務概要

本集團於截至二零二三年十二月三十一日止過往五個財政年度之業績以及本集團於二零一九年、二零二零、二零二一、二零二二年及二零二三年十二月三十一日之資產及負債的概要載於第328頁。

股本

本公司的已發行股本於本年度內並無變動。

股票掛鈎協議

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

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$68,000 (2022: HK\$154,000).

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

THE BOARD

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

Executive Directors

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

Independent non-executive directors

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

The biographical details of the directors are set out on pages 21 to 26 of this report.

捐款

於本年度，本集團作出之慈善及其他捐款合共約為68,000港元(二零二二年：154,000港元)。

股份優先購買權

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

稅項減免

就本公司所知，概無本公司股東因持有本公司證券而獲得任何稅務減免。

購買、出售或贖回本公司之上市證券

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事會

於本年度內及截至本報告日期止，本公司之董事為：

執行董事

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

獨立非執行董事

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

董事之履歷詳情載列於本報告之第21至第26頁。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

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

In accordance with the Company's Articles of Association, Mr. Chu Weiman, Ms. Chan So Wah and Mr. Andrew Look will retire from office by rotation, and being eligible, Mr. Chu Weiman and Ms. Chan So Wah will offer themselves for re-election at the forthcoming annual general meeting. However, Mr. Andrew Look will not offer himself for re-election at the forthcoming annual general meeting.

PERMITTED INDEMNITY PROVISION

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

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

DIRECTORS' SERVICE CONTRACTS

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

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

There were no transactions, arrangements or contracts of significance (inclusive of provision of services to the Company or any of its subsidiaries), which is significant in relation to the Company's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director (including entity connected with a director) and the controlling shareholder of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

根據本公司組織章程細則，初維民先生、陳素華女士及陸東先生需輪值退任，初維民及陳素華女士有資格並願意於應屆股東週年大會上膺選連任。惟陸東先生不尋求於應屆股東週年大會上膺選連任。

獲准許之彌償條文

為董事訂立之獲准許彌償條文於整個財政年度一直生效且現時正在生效。

本公司於年內辦理董事責任保險及續保有關保險，為本集團董事提供適當保障。

董事之服務合約

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

董事及控股股東於重大交易、安排或合約之權益

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

MANAGEMENT CONTRACTS

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

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported the following details of loan facilities which exist at any time during the year ended 31 December 2023 and up to the date of this report and include covenants requiring specific performance obligations of the controlling shareholder of the Company.

On 21 December 2018, Ka Shui International Development Limited (formerly known as Ka Shui Manufactory Co., Limited (the "Borrower")), the indirect wholly owned subsidiary of the Company, entered into a facility agreement with a bank, under which a term loan facility for an aggregate amount of up to HK\$100 million was extended to the Borrower (the "2018 Facility Agreement"). Any draw-down of the loan under the said facility would be repayable by eight quarterly instalments commencing the 15th month after its own draw-down date. The Borrower may drawdown the 2018 Facility Agreement for a period of 18 months from the date of the 2018 Facility Agreement. As at 31 December 2023, the loan under the said facility had been drawn down in full, with the last drawn down date on 8 June 2020. The 2018 Facility Agreement contains a specific performance obligation that Mr. Lee, a controlling shareholder (as defined in the Listing Rules) and an executive director of the Company, shall at all times beneficially own (whether directly or indirectly) not less than 50% of the shareholding and equity interest in the Borrower and the Company and maintain management control over both the Borrower and the Company. A breach of the aforesaid specific performance obligation will constitute an event of default under the 2018 Facility Agreement. If an event of default under the 2018 Facility Agreement occurs and is not remedied in accordance with the terms of the 2018 Facility Agreement, the bank may (among other things) cancel its further commitments under the 2018 Facility Agreement, and/or declare that all or part of the loans together with accrued interests under the 2018 Facility Agreement would become immediately due and payable. This term loan facility had been repaid by the Borrower in full in June 2023.

管理合約

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

根據上市規則第13.21條之披露

根據上市規則第13.21條之規定，董事會匯報下列於截至二零二三年十二月三十一日止年度及截至本報告日期止任何時間存在並附帶對本公司控股股東施加特定履約責任契諾之貸款融資詳情。

於二零一八年十二月二十一日，本公司之間接全資附屬公司嘉瑞國際發展有限公司(前稱為嘉瑞製品有限公司)(「借方」)與一間銀行訂立一份融資協議(「2018融資協議」)。根據此融資協議，借方取得定期貸款融資金額達100,000,000港元。按此融資之任何提取貸款將由各自提取日期起計第15個月開始分八期按季償還。借方可以訂立2018融資協議的18個月期限內提取2018融資協議貸款。截至二零二三年十二月三十一日，此融資下的貸款已全部提取完畢，最後提取日期為二零二零年六月八日。2018年融資協議載有對本公司控股股東(定義見上市規則)及執行董事李先生須履行之特定責任，李先生須於任何時候於借方及本公司實益擁有(無論直接或間接)不低於50%之股權和權益及維持於借方和本公司之管理控制權。違反上述須履行之特定責任將構成2018融資協議項下之違約事件。若2018融資協議項下之違約事件出現及未有根據2018融資協議的條款予以補救，銀行可根據2018融資協議(其中包括)取消其作出的進一步承諾，及/或宣佈2018融資協議項下的全部或部分貸款連同應計利息將隨即到期支付。借方已於二零二三年六月全數償還此定期貸款融資。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Save as disclosed above, the directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2023 and as at the date of this report.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

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

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

As at 31 December 2023, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of

除上文披露者外，於二零二三年十二月三十一日及於本報告日期，董事並不知悉有任何其他事項須根據上市規則第13.18條之規定作出披露。

董事及五名最高薪酬人士之薪酬

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

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及淡倉

於二零二三年十二月三十一日，本公司董事及主要行政人員，於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7至第9分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及淡倉)；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及淡

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

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

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

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

(A) 本公司股份之好倉及淡倉

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

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Notes:

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

附註：

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

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

(B) 於本公司相關股份的好倉 — 實物交收非上市股本衍生工具

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

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

附註：上述本公司已授出的購股權詳情載於本報告「購股權計劃」一節。

Save as disclosed above, as at 31 December 2023, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 to 9 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules. In addition, save as disclosed above, at no time during the year ended 31 December 2023 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

As at 31 December 2023, the following persons (being substantial shareholders and other persons), other than the directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances

除上文所披露者外，於二零二三年十二月三十一日，概無本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何根據證券及期貨條例第XV部第7至第9分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及淡倉；或根據標準守則須知會本公司及聯交所之權益及淡倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零二三年十二月三十一日止整年內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

主要股東及其他於本公司及其相聯法團之股份、相關股份及債券的權益及淡倉

於二零二三年十二月三十一日，下列主要股東及其他人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2至第5分部須向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本

DIRECTORS' REPORT (CONTINUED)

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

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

Long Positions in the Shares

股份之好倉

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

Substantial shareholders

主要股東

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

Other persons

其他人士

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

Notes:

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

附註：

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

Save as disclosed above, at no time during the year, the directors and the chief executives of the Company were aware of any other persons (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 to 5 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

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

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

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

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

除上文所披露者外，於本年度內，本公司董事及主要行政人員並不知悉任何其他人士(本公司董事或主要行政人員除外)於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2至第5分部披露之權益或淡倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或淡倉。

購股權計劃

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

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

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

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

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

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

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

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

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

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

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

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

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

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

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

As at 1 January 2023 and 31 December 2023, the number of options available for grant under the currently in-place scheme mandate for the Share Option Scheme was both 49,166,140 options, representing approximately 5.5% of the total issued share capital of the Company as at the date of this report.

As at 1 January 2023 and 31 December 2023, the total number of ordinary shares available for issue (less those exercised, cancelled and lapsed) under the Share Option Scheme was both 89,376,140, representing 10.0% of the issued share capital of 893,761,400 Shares as at the date of this report.

購股權計劃項下股份的認購價將由董事會決定，惟該價格不得低於以下最高者：

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

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

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

於二零二三年一月一日及二零二三年十二月三十一日，購股權計劃現行生效的計劃授權項下可供授出的購股權數目均為49,166,140份購股權，相當於本報告日期本公司已發行股本總數的約5.5%。

於二零二三年一月一日及二零二三年十二月三十一日，購股權計劃項下可供發行的普通股總數(減已行使、已註銷及已失效的股份)均為89,376,140股，相當於於本報告日期893,761,400股股份的已發行股本的10.0%。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

Details of the share options granted to (i) each of the Directors, chief executive or substantial shareholders of the Company, or their respective associates, (ii) each related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the ordinary shares in issue; and (iii) other employee participants, related entity participants and service providers by category, and remained outstanding as at 31 December 2023 under the Share Option Scheme are as follows:

根據本公司於二零二三年十二月三十一日已向(i)本公司各董事、最高行政人員或其他的主要股東、及彼等各自的聯繫人；(ii)在任何12個月期間已授予和將授予超過已發行普通股0.1%的購股權的各相關實體參與者或服務供應商；及(iii)按類別劃分的其他員工參與者、相關實體參與者和服務供應商授出而尚未行使之購股權之詳情如下：

Date of Grant	Exercise Price	Exercise period	Outstanding as at 1 January 2023	Granted during the year	Lapsed during the year	Cancelled during the year	Exercised during the year	Outstanding as at 31 December 2023
授出日期	行使價 HK\$ 港元	行使期	二零二三年 一月一日 尚未行使	年內授出	年內失效	於年內 已註銷	年內行使	二零二三年 十二月三十一日 尚未行使

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

董事、行政總裁或主要股東(及彼等各自的聯繫人)

Directors

董事

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

Directors' associate

董事之聯繫人

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

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

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

Notes:

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

附註:

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

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

3. It refers to the aggregate options remained outstanding as at 31 December 2023, without taking in account 2,000,000 and 2,000,000 options granted to service providers, Mr. Keung Wing Ching and Mr. Au Yeung Kai Chor, respectively, as separately disclosed under “(B) Each related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the ordinary shares in issue” in the table above.
 4. There was no performance target for all options granted on 31 October 2022.
 5. Since there was no exercise of options during the year ended 31 December 2023, therefore this report is not required to disclose the weighted average closing prices of the Shares immediately before the dates on which the options were exercised during the year.
3. 誠如上表「(B)每名相關實體參與者或服務提供商，已授出及於任何12個月期內將予授出的購股權超過已發行普通股的0.1%」單獨披露者，指於二零二三年十二月三十一日仍為尚未行使，並無計及已向服務提供商姜永正先生及歐陽啟初先生分別授出的2,000,000份及2,000,000份購股權。
 4. 於二零二二年十月三十一日已授出的所有購股權概無業績目標。
 5. 由於截至二零二三年十二月三十一日止年度概無行使購股權，故本報告緊接年內購股權獲行使當日前無須披露股份的加權平均收市價。

The share options granted are recognised in the financial statements. The information on measurement of the fair value of share options is set out in note 40(a) to the financial statements.

授出的購股權已於財務報表確認。有關計量購股權公平值之資料載於財務報表附註40(a)。

SHARE AWARD SCHEME

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

The Share Award Scheme expired on 9 January 2023.

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

股份獎勵計劃

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

股份獎勵計劃已於二零二三年一月九日失效。

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

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

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

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

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

Since the Adoption Date and up to 9 January 2023 (the "Relevant Period"), only 210,000 award has been granted during the year ended 31 December 2014, all of which have been vested, and as a result there was no unvested award as at 1 January 2023 and up to 9 January 2023.

For the period from 1 January 2023 to 9 January 2023, no Awarded Share was granted, vested, lapsed or cancelled pursuant to the Share Award Scheme.

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

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

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

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

由於採納日期及直至二零二三年一月九日(「有關期間」)，僅於截至二零一四年十二月三十一日止年度授出210,000項獎勵，所有獎勵已獲歸屬，因此，於二零二三年一月一日及直至二零二三年一月九日止年度並無尚未歸屬的獎勵。

由二零二三年一月一日至二零二三年一月九日期間，概無按股份獎勵計劃授出獎勵股份，亦無獎勵股份歸屬、失效或取消。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

As at 1 January 2023 and 31 December 2023, 44,311,770 ordinary shares and 0 ordinary share remain available for future grants of the awards respectively, representing approximately 5.0% and 0% of the total issued share capital of the Company as at the date of this report.

Since the Share Award Scheme expired on 9 January 2023, the maximum number of Awarded Shares under the Share Award Scheme and its respective percentage of the issued share capital of the Company as at 31 December 2023 and as at the date of this report are no longer applicable. No further shares may be awarded to an awarded person under the Share Award Scheme.

Since there is no option granted under the Share Option Scheme or Awarded Shares awarded under the Share Award Scheme during the year, the number of shares that may be issued in respect of the above divided by the weighted average number of ordinary shares in issue for the year is not applicable.

COMPETING BUSINESS

None of the directors of the Company had any interest in any business, which competes or is likely to compete, either directly or indirectly, with the Company or any of its subsidiaries during the year under review. Each of Mr. Lee and Precisefull (the controlling shareholders (within the meaning of the Listing Rules) of the Company) has provided a written confirmation, which has been reviewed and confirmed by the independent non-executive directors of the Company, confirming that they have complied with the terms of a Deed of Non-competition entered into between them and the Company for the year ended 31 December 2023.

PUBLIC FLOAT

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

於二零二三年一月一日及二零二三年十二月三十一日，分別為44,311,770股普通股及0股普通股仍為可供日後授出的獎勵，相當於本公司於本報告日期的已發行股份總數的約5.0%及0%。

由於股份獎勵計劃已於二零二三年一月九日屆滿，因此截至二零二三年十二月三十一日及本報告日期，根據股份獎勵計劃授出的獎勵股份數目上限及其各自佔本公司已發行股本的百分比不再適用。根據股份獎勵計劃，不得再向獎勵人士授予任何股份。

由於年內並無根據購股權計劃授出的購股權或根據股份獎勵計劃授予的獎勵股份，因此上述可能發行的股份數目除以年內已發行普通股的加權平均數並不適用。

競爭業務

於回顧年度，本公司董事概無於與本公司或其任何附屬公司競爭或可能競爭、直接或間接的任何業務中擁有任何權益。本公司控股股東(定義見上市規則)李先生及 Precisefull各自已提供書面確認，並由本公司獨立非執行董事審閱及確認，彼等於截至二零二三年十二月三十一日止年度內已遵守本公司與彼等所訂立之不可競爭契據之條款。

公眾持股量

於本報告日及就本公司董事所知，根據本公司可以得悉之公開資料，本公司已按上市規則之要求，維持足夠公眾持股量。

SIGNIFICANT INVESTMENTS, ACQUISITIONS OR DISPOSAL

On 26 May 2023, Orient World International Limited, an indirect wholly-owned subsidiary of the Company (the "Purchaser") entered into the stock purchase agreement with Avery Plastics Consulting Group Inc. ("Avery Plastics"), Global Plastic Solutions, S. de R.L. de C.V. ("GPS"), Martin R. Avery ("Avery") and Hector Obando ("Obando" and together with Avery, the "Sellers"), pursuant to which the Purchaser has agreed to acquire 90% of the issued and outstanding capital stock of Avery Plastics and GPS respectively at a total consideration of approximately US\$1,973,000 ("Acquisition"). Avery Plastics is a corporation incorporated in California and GPS is a corporation incorporated in Mexico which are engaged in plastic injection molding and assembly in support of the consumer cell phone industry, automotive industry and medical industry. Supplemental agreements were entered into on 22 June 2023 and completion of Acquisition took place on 5 July 2023.

As all of the applicable percentage ratios in respect of the Acquisition were less than 5%, the Acquisition did not constitute a disclosable transaction of the Company and thus was not subject to reporting and announcement requirements under Chapter 14 of the Listing Rules. As such, during the year ended 31 December 2023, the Group did not have any significant investments, acquisitions or disposals.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 December 2023 are set out in note 44 to the consolidated financial statements. Save for the acquisition from connected persons in the year ended 31 December 2022 and as disclosed in note 44(a) to the consolidated financial statements, the related party transactions set out therein do not fall within the definition of connected transactions under Chapter 14A of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

No significant events affecting the Group that require additional disclosures or adjustments occurred after the financial year ended 31 December 2023.

重大投資、收購或出售

於二零二三年五月二十六日，本公司之一家間接全資附屬公司，即凱華國際有限公司（「買方」）與 Avery Plastics Consulting Group Inc.（「Avery Plastics」）、Global Plastic Solutions, S. de R.L. de C.V.（「GPS」）、Martin R. Avery（「Avery」）及 Hector Obando（「Obando」），與 Avery 一起共稱為「賣方」訂立股權收購協議，據此，買方同意收購 Avery Plastics 及 GPS 各自之已發行股本之 90%，代價約為 1,973,000 美元（「收購事項」）。Avery Plastics 是一家於加利福尼亞州註冊成立的公司，而 GPS 是一家於墨西哥註冊成立的公司。兩間公司從事塑膠注塑成型及組裝，為手機行業、汽車行業和醫療行業提供服務。補充協議於二零二三年六月二十二日簽訂，而收購事項已於二零二三年七月五日完成。

由於有關收購事項之所有適用百分比率均低於 5%，收購事項不足以構成本公司之須予披露交易。因此，收購事項無需遵守上市規則第十四章項下之申報及規定。有見及此，於二零二三年十二月三十一日止年度，本集團並無任何重大投資、收購或出售。

關聯人士交易

截至二零二三年十二月三十一日止年度本集團關聯人士交易詳情載於綜合財務報表附註 44。除截至二零二二年十二月三十一日止年度向關連人士收購及綜合財務報表附註 44(a) 所披露者外，載於該附註的關聯人士交易不屬於上市規則第 14A 章項下的關連交易。

報告期間完結後事項

於截至二零二三年十二月三十一日止財政年度後，概無發生任何須作出額外披露或調整而影響本集團的重大事項。

DIRECTORS' REPORT (CONTINUED)

董事會報告(續)

AUDITOR

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

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

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

OTHER CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Other changes in directors' and chief executive's information for the year ended 31 December 2023 are set out below:

Mr. Lee Yuen Fat, an executive director of the Company, has ceased to be a member of Vocational Training Council Manufacturing Technology Training Board with effect from April 2023 and was appointed as Chairman of the Sixth Industry Training Advisory Committee of Manufacturing Technology (Tooling, Metals & Plastics) of Hong Kong Qualifications Framework in January 2024.

Mr. Chu Weiman, an executive director of the Company, was appointed as Honorary General Committee Member of the Chinese Manufacturers' Association of Hong Kong in January 2024.

Save as the information disclosed above, there is no change in directors' and chief executive's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the year ended 31 December 2023.

By order of the Board

Lee Yuen Fat
Chairman

Hong Kong, 26 March 2024

核數師

於本公司上屆股東週年大會上，羅申美會計師事務所獲續聘為本公司核數師。

綜合財務報表已由將退任且合資格並願意膺選連任之羅申美會計師事務所審核。

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

董事及主要行政人員資料的其他變更

截止二零二三年十二月三十一日止年度的董事及主要行政人員資料其他變更載列如下：

本公司執行董事李遠發先生於二零二三年四月起不再擔任職業訓練局製造科技業訓練委員會委員及於二零二四年一月獲委任為香港資歷架構製造科技業(模具、金屬及塑膠)第六屆行業培訓諮詢委員會主席。

本公司執行董事初維民先生於二零二四年一月獲委任為香港中華廠商聯合會榮譽會董。

除上文所披露資料外，概無任何董事及主要行政人員變更資料於二零二三年十二月三十一日年度須根據上市規則第13.51B(1)條之規定予披露。

承董事會命

李遠發
主席

香港，二零二四年三月二十六日

CORPORATE GOVERNANCE REPORT

企業管治報告

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

With the above in mind, the Company has applied the principles and adopted corporate governance practices as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in its corporate governance. In accordance with the requirements of the Listing Rules and also to enhance its corporate governance practices, the Company has also adopted a number of corporate governance policies, including but not limited to the board diversity policy, director nomination policy, shareholders’ communication policy, dividend policy, risk management policy, inside information policy, anti-corruption policy and whistleblowing policy.

For the year ended 31 December 2023 and up to the date of this report, the Board is of the view that Company has been in compliance with all the applicable code provisions of the CG Code, the details of which are explained in the relevant paragraphs below.

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

基於上述情況，本公司已應用此等原則並採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄C1《企業管治守則》(「企業管治守則」)所載之企業管治守則於其企業管治。為符合上市規則的要求並增強公司企業管治水準，本公司還採用了許多企業管治政策，包括但不限於董事會成員多元化政策、董事提名政策、股東溝通政策、股息政策、風險管理政策、內幕消息政策、反貪腐政策以及舉報政策。

於截至二零二三年十二月三十一日止年度及截至本報告日期止，董事會認為本公司已遵守企業管治守則中所載適用的所有守則條文，詳情載於下文有關段落。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

THE BOARD

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

As at 31 December 2023, the Board comprised eight members as follows:

Executive Directors

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

Independent Non-executive Directors

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

Biographical details of the directors of the Company (“Directors”) as at the date of this report are set out on pages 21 to 26 of this report.

Save as disclosed in the section headed “Directors and Senior Management” in this report, the Board members had no financial, business, family or other material/relevant relationships with each other as at 31 December 2023.

董事會

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

於二零二三年十二月三十一日，董事會包括下列八名成員：

執行董事

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

獨立非執行董事

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

於本報告日，本公司董事（「董事」）之個人資料詳情載於本報告第21至第26頁。

除本報告中「董事和高級管理人員」一節中披露的內容外，於二零二三年十二月三十一日，各董事會成員之間並沒有財務、業務、親屬或其他重大或相關之關係。

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

The Board conducts four regular scheduled meetings a year on a quarterly basis generally and ad hoc meetings are convened when circumstances require. Notice of at least 14 days is given to all Directors for all regular Board meetings and all Directors are given opportunity to include matters for discussion in the agenda. Draft minutes of Board meetings are circulated to all Directors for comments. Minutes of Board meetings with details of matters considered by the Board and decisions reached are kept by the Company Secretary and open for inspection by the Directors.

During the year, four Board meetings and one annual general meeting were held and details of attendance of Directors are set out in the table on page 63 of this report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

董事會於年內一般舉行四次定期會議，約每季度一次，並於情況需要時召開特別會議。董事會的所有定期會議通知最少在會議前十四天發給所有董事，所有董事均可提出討論事項列入會議議程。董事會會議紀錄初稿會發送予全體董事以發表意見。董事會會議紀錄詳細紀錄董事局考慮之事項及達致的決定，由公司秘書備存，董事可隨時查閱。

於本年度內，本公司已舉行四次董事會會議及一次股東週年大會，個別董事之出席資料詳載於本報告第63頁。

主席及行政總裁

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors were appointed for a term of two years. To further strengthen the standard of corporate governance, the Company follows the CG Code and requires any re-appointment of an independent non-executive Director who has served on the Board for over nine years to be subject to a separate resolution to be approved by shareholders. Mr. Andrew Look will retire from office by rotation, and will not offer himself for re-election at the forthcoming annual general meeting. In such cases, the Board will set out in the annual report or circular the reasons why it considers such Directors to continue to be independent and should be re-elected. As at the date of this report, none of all the independent non-executive directors of the Company have served more than nine years on the Board.

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

With their different experiences and expertises, the independent non-executive Directors supervise and provide independent judgement to the Board on strategic and significant matters. The Board seeks to develop an effective working environment for the executive and independent non-executive Directors so as to improve the quality of the decisions made by the Board without constraining the independent views of the independent non-executive Directors. Regular Board meetings were held during the year with open discussions between the executive Directors and the independent non-executive Directors to enhance communication and effective working relationship. The Board had reviewed the effectiveness of the Group's mechanism to ensure independent views and inputs being available to the Board for the year ended 31 December 2023, and considered it effective.

獨立非執行董事

所有獨立非執行董事之任期為兩年。為進一步提高企業管治水平，本公司依照企業管治守則，已要求凡服務董事會超過九年之獨立非執行董事，須獲得股東以獨立決議案方式批准，方可連任。陸東先生需於應屆股東週年大會上輪值退任，惟不尋求膺選連任。如有此情況，董事會將在年報或通告函中向股東列明其認為該董事仍屬獨立人士以及應獲重選之原因。於本報告日，不是所有本公司之獨立非執行董事於董事會任職超過九年。

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

獨立非執行董事憑藉其不同的經驗和專業知識，監督並就戰略性和重大事項向董事會提供獨立判斷。董事會力求為執行董事及獨立非執行董事營造有效的工作環境，以在不限制獨立非執行董事發表獨立意見的情況下提高董事會決策的質素。年內定期召開董事會會議，執行董事與獨立非執行董事進行公開討論，以加強溝通及提升有效率的工作關係。董事會已審核本集團機制的有效性，以確保董事會於截至二零二三年十二月三十一日止年度可獲得獨立意見和參與，並認為其有效。

LIABILITY INSURANCE FOR THE DIRECTORS

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

CONTINUOUS PROFESSIONAL DEVELOPMENT

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

BOARD COMMITTEES

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

董事責任保險

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

持續專業發展

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

董事會委員會

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Audit Committee

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

During 2023, the Audit Committee held two meetings. Major work completed by the Audit Committee during the year included: (i) reviewed the interim and annual results of the Group; (ii) reviewed significant accounting and audit issues of the Company; (iii) reviewed the internal audit report and three-year internal audit plan and advised on the material risks facing the Group; (iv) reviewed the risk management and internal control systems of the Group; (v) assisted the Board to evaluate the effectiveness of the Company's internal audit function; and (vi) made recommendation to the Board on the re-appointment of the auditors of the Company and engagement of external independent professional firm for performing internal audit services.

審核委員會

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

於二零二三年，審核委員會舉行了二次會議。審核委員會於年內完成的主要工作包括：(i)審閱本集團之中期及全年業績；(ii)審閱本公司主要會計及核數事項；(iii)審閱內部審核報告及三年內部審核計劃及就本集團面對之重大風險提供意見；(iv)審閱本集團之風險管理與內部監控系統；(v)協助董事會評估本公司內部審核功能之有效性；及(vi)就重新委任本公司核數師及聘任外間獨立專業機構進行內部審核服務，向董事會提供推薦建議。

Nomination Committee

The Nomination Committee was set up in June 2007 and is mainly responsible for reviewing the structure, size and the composition of the Board and making recommendations on any proposed change to the Board to complement the Company's corporate strategy; assessing the independence of independent non-executive Directors; making recommendations to the Board on the appointment of Directors and succession planning for Directors. The Nomination Committee consists of four independent non-executive Directors, namely Professor Sun Kai Lit, Cliff *BBS, JP*, Ir Dr. Lo Wai Kwok *GBS, MH, JP*, Mr. Andrew Look and Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie), and one executive Director, Mr. Chu Weiman. Professor Sun Kai Lit, Cliff *BBS, JP* is the Chairman of the Nomination Committee.

During 2023, the Nomination Committee held one meeting. Major work completed by the Nomination Committee during the year included: (i) recommended the directors to be re-elected at annual general meeting; (ii) assessed the independence of independent non-executive directors of the Company; and (iii) reviewed the structure, size and the composition of the Board.

Remuneration Committee

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

提名委員會

提名委員會於二零零七年六月成立，主要負責檢討董事會的架構、規模及組成與就任何為配合本公司企業策略而擬對董事會作出的變動提供推薦建議、評核獨立非執行董事的獨立性、就委任董事及董事繼任計劃向董事會提供意見。提名委員會由四名獨立非執行董事孫啟烈教授*BBS, JP*、盧偉國博士*工程師·GBS, MH, JP*、陸東先生、江啟銓先生(前稱江道揚)和一名執行董事初維民先生組成，而孫啟烈教授*BBS, JP*為提名委員會之主席。

於二零二三年，提名委員會舉行了一次會議。提名委員會於年內完成的主要工作包括：(i)建議在股東週年大會上重選董事；(ii)評核本公司獨立非執行董事的獨立性；及(iii)檢討董事會的架構、規模和組成。

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責為就本公司董事及高級管理人員之薪酬政策及架構向董事會推薦意見，並因應董事會之企業方針及目標而檢討及釐定個別董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬，包括審閱和/或批准上市規則第17章有關股份計劃的事宜。薪酬委員會由四名獨立非執行董事孫啟烈教授*BBS, JP*、盧偉國博士*工程師·GBS, MH, JP*、陸東先生、江啟銓先生(前稱江道揚)和一名執行董事初維民先生組成。薪酬委員會之主席為獨立非執行董事孫啟烈教授*BBS, JP*。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

During 2023, the Remuneration Committee held one meeting. Major work completed by the Remuneration Committee during the year included: (i) reviewed and recommended to the Board for the approval of the renewal of service contracts of independent non-executive directors of the Company; and (ii) determined and approved the remuneration and bonus payable to executive directors of the Company.

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

The remuneration of the members of senior management (except directors) who were employed by the Group during the year ended 31 December 2023, shown by band, is set out below:

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

To incentivise its employees and promote the long-term growth of the Company, the Company has conditionally adopted a share option scheme (the “Share Option Scheme”). Details of the Share Option Scheme are set out in the section headed “Director’s report – Share Option Scheme”.

All options were granted to directors, employee participants and consultants of the Group under the Share Option Scheme without performance targets. In view that (i) the grantees who are the directors, employees and consultants of the Group will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; and (ii) the grant is a recognition for the grantees’ past contributions to the Group, the Remuneration Committee is of the view that the grant of options without performance targets is market competitive and aligns with the purpose of the Share Option Scheme.

於二零二三年，薪酬委員會舉行了一次會議。薪酬委員會於年內完成的主要工作包括：(i) 審閱及向董事會推薦批准本公司獨立非執行董事之服務合約的更新；及(ii) 決定及批准本公司執行董事的薪酬和花紅。

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

於截至二零二三年十二月三十一日之年度，由本集團聘請的高級管理人員(董事除外)的薪酬，按薪酬組別劃分，載列如下：

為激勵其僱員並推動本公司長期發展，本公司有條件採納購股權計劃(「購股權計劃」)。購股權計劃之詳情載於「董事會報告 – 購股權計劃」一節。

根據購股權計劃授予本集團董事、員工參與者及顧問的全部期權，並無業績目標。鑒於(i) 承授人為將對本集團的整體業務表現、可持續發展及／或良好企業管治直接作出貢獻的本集團董事、僱員及顧問；及(ii) 授出是對承授人為過往向本集團作出貢獻的認可，故薪酬委員會認為在不設業績目標的情況下向承授人授出獎勵具備市場競爭力，且符合購股權計劃的目的。

Risk Management Committee

The Company has set up the Risk Management Committee with terms of reference in October 2020. The main responsibilities of the Risk Management Committee include monitoring and reviewing the process of the risk management and internal control, and advising the Board on the appropriateness, effectiveness of and the proposed improvements to be made to the existing risk management and internal control systems; providing recommendations to the management on risk management and internal control, and setting up procedures to unveil, assess and manage material risk factors and ensuring that management discharges its responsibility to implement effective risk management and internal control systems; and reviewing with the Group's management, external auditor and the internal audit function, the adequacy of the Group's policies and procedures regarding risk management and internal control systems and any relevant statement by the directors to be included in the annual accounts prior to their endorsement by the Board. The Risk Management Committee currently comprises (i) the Chief Executive Officer of the Company (namely Mr. Chu Weiman) as its chairman, (ii) Director of Manufacturing (namely Mr. Wong Wing Chuen), (iii) Director of Planning and Management (namely Ms. Chan So Wah), all of whom are executive Directors, and (iv) the Director of Sales and Marketing (namely Mr. Wong Wai Chung, Peter). Following Mr. Seto Sai Cheong's resignation as the Chief Financial Officer of the Company, he has ceased to be a member of the Risk Management Committee on 31 July 2023.

During 2023, the Risk Management Committee held two meetings. Major work completed by the Risk Management Committee during the year included: (i) discussed and reviewed the potential risks exposed to the Group in its operations; (ii) reviewed the effectiveness of the Group's internal control procedures and the Group's internal audit function and three-year internal audit plan; (iii) assessed the adequacy of the Group's policies and procedures regarding risk management and internal control systems; and (iv) recommended the appointment of new member of Risk Management Committee.

風險管理委員會

本公司已於二零二零年十月成立風險管理委員會，並制定其職權範圍。風險管理委員會主要職責包括監察及檢討風險管理及內部監控的過程，及對現時風險管理及內部監控系統的合適性、有效性及建議需改進的地方向董事會提出意見；向管理層就風險管理及內部監控提供建議，及制定辨認、評估及管理重大風險因素的程序，並確保管理層履行職責實施有效的風險管理及內部監控系統；及與本集團管理層、外聘核數師及內部審核功能檢討本集團有關風險管理及內部監控系統的政策及程序是否足夠以及在提交董事會批署前審閱任何董事擬載於年度賬目內的相關聲明。風險管理委員會現時由(i)本公司行政總裁初維民先生(作為主席)；(ii)制作總監黃永銓先生；(iii)策劃及管理總監陳素華女士(彼等全部為執行董事)及；(iv)營銷總監黃維中先生。司徒世昌先生因辭任本公司首席財務總監，彼於二零二三年七月三十一日起已不再擔任風險管理委員會成員。

於二零二三年，風險管理委員會召開了兩次會議。風險管理委員會於年內完成的主要工作包括：(i)討論及審視集團在營運中面對的潛在風險；(ii)審閱本集團的內部控制程序以及內部審核功能有否有效及三年內部審核計劃；(iii)評估本集團有關風險管理及內部監控系統的政策及程序是否足夠；以及(iv)建議委任風險管理委員會之新成員。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

CORPORATE GOVERNANCE FUNCTION

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

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

DIRECTOR NOMINATION POLICY

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

企業管治職能

董事會負責企業管治職能，並有下列職責：

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

董事提名政策

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

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

The Nomination Committee shall review the overall contribution and service to the Company of the retiring director and determine whether the retiring director continues to meet the selection criteria. The Board, with the recommendation from Nomination Committee, shall then make recommendation to shareholders in respect of the proposed re-election of the retiring director at the general meeting. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee will continue to review the Director Nomination Policy from time to time and may adopt changes as appropriate at the relevant time.

BOARD DIVERSITY POLICY

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

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

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

提名委員會將持續不時檢討董事提名政策，並可能於相關時間採納適當變動。

董事會成員多元化政策

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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

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

In view of the business nature of the Group (i.e. the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components), an industry which is more dominant by male traditionally, as at 31 December 2023, 87.5% of Directors, all of our senior management members and 59.5% of our total workforce were male. However, we will continue with our endeavor to increase female representation to a higher ratio in our workforce in the future.

董事會會每年檢討董事會成員多元化政策的執行及有效性。

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

鑑於本集團的業務性質(即生產鋅、鎂及鋁合金及塑膠產品及零部件)傳統上較多由男性主導，於二零二三年十二月三十一日，87.5%董事、所有高級管理人員及59.5%的員工為男性。但是，我們將繼續致力於員工增加女性代表，務求在將來達致更高比例。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

ATTENDANCE OF MEETINGS

A summary of attendance of Board meetings, committee meetings and general meetings in 2023 are detailed in the following table:

出席會議

下表載列於二零二三年董事會會議、委員會會議及股東大會之出席率摘要：

	Number of attendance/Number of meetings						Annual General Meeting
	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	Risk Management Committee meeting		
	董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	風險管理委員會會議	股東週年大會	

Executive Directors

執行董事

Mr. Lee Yuen Fat 李遠發先生	4/4	—	—	—	—	1/1
Mr. Wong Wing Chuen 黃永銓先生	4/4	—	—	—	2/2	1/1
Mr. Chu Weiman 初維民先生	4/4	—	1/1	1/1	2/2	1/1
Ms. Chan So Wah 陳素華女士	4/4	—	—	—	2/2	1/1

Independent Non-Executive Directors

獨立非執行董事

Professor Sun Kai Lit, Cliff <i>BBS, JP</i> 孫啟烈教授 <i>BBS, JP</i>	4/4	2/2	1/1	1/1	—	1/1
Ir Dr. Lo Wai Kwok <i>GBS, MH, JP</i> 盧偉國博士 <i>工程師 · GBS, MH, JP</i>	4/4	2/2	1/1	1/1	—	1/1
Mr. Andrew Look 陸東先生	4/4	2/2	1/1	1/1	—	1/1
Mr. Kong Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie) 江啟銓先生(前稱江道揚)	4/4	2/2	1/1	1/1	—	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") as set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code throughout the year under review.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company for the year ended 31 December 2023. The statement of the external auditor of the Company in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 148 and 156.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

董事進行證券交易的標準守則

本公司已採納上市規則附錄C3所載之董事進行證券交易的標準守則(「標準守則」)。經向全體董事作出具體查詢後確認，彼等於回顧年度內一直全面遵守標準守則所載規定準則。

董事就財務報表所承擔之責任

董事確認彼等對編製本公司截至二零二三年十二月三十一日止年度財務報表之責任。本公司之外聘核數師就其對本集團財務報表之申報責任而發出之聲明，載於第148至第156頁之獨立核數師報告內。

風險管理及內部監控

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

In addition, the Group has engaged an external independent professional firm during the year to carry out the internal audit for the Group and review its internal control system, covering all relevant financial, operational and compliance control functions within an established framework every six months, with audit period covering the entire financial year. Full reports covering the material findings with suggested measures prepared by this firm were submitted to the Risk Management Committee and the Audit Committee of the Company twice a year for review to ensure that an effective and adequate internal control system is in place and to resolve material internal control defects (if any).

For the year ended 31 December 2023, no significant control failings or weakness which had, or may have a material impact on the Company's financial performance or condition, have been identified. Further, the Board is of the view that the Company's processes for financial reporting and Listing Rules compliance in the year was effective.

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

For the year ended 31 December 2023, the Board considered that the Company's internal control and risk management systems were adequate and effective and the Company had complied with the code provisions on internal control and risk management of the CG Code.

此外，本集團於年內已聘用外間獨立專業機構，於涵蓋整個財政年度的審核期內每六個月對本集團進行內部審核及檢討其內部監控系統，包括已建立的架構內的所有相關財務、營運及合規監控效能。該機構每年兩次把所編製之報告提呈本公司之風險管理委員會以及審核委員會審閱，以確保有效及足夠之內部監控系統已存在。

截至二零二三年十二月三十一日止年度，概無已識別對本公司的財政業績或狀況產生或可能產生重大影響的重大控制失利或弱點。此外，董事會認為本公司於年內的財政申報及上市規則合規程序是有效的。

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

截至二零二三年十二月三十一日止年度，董事會認為本公司的內部監控及風險管理制度乃充足及有效，而本公司亦已遵守企業管治守則有關內部監控及風險管理的守則條文。

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

Business Risk

The inflation rates of major Western economies had been at elevated levels in 2023 due to aftereffects of COVID-19 and persistent geopolitical conflicts. The challenging global economic outlooks and the trend of deglobalization imposed new challenges to the Group's businesses and its operations. The Group will closely monitor the development of the aforesaid issues and evaluate its impact on the financial position and operating results of the Group, and to implement stringent cost control measures and to make necessary adjustments to its strategies and operations on vertical upstream integration.

Foreign Exchange Risk

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

Competition Risk

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

本公司所面對主要風險及不明朗因素

業務風險

因新型冠狀病毒疫情的後續影響和持續的地緣政治衝突，西方主要經濟體的通膨率於二零二三年一直處於較高水準。充滿挑戰的全球經濟前景以及逆全球化趨勢對本集團之業務及營運帶來新的挑戰。本集團將密切監察上述事件的發展，並評估其對本集團財務狀況及經營業績的影響，以及實施嚴緊之成本控制措施及在有需要時調整對其供應鏈上游整合的策略和營運。

外匯風險

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

競爭風險

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

PROCEDURES AND INTERNAL CONTROLS FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

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

處理及發佈內幕消息的程序及監控措施

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

AUDITOR'S REMUNERATION

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

核數師之酬金

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

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Statutory audit	法定審核	2,420	2,180
Non-audit services ⁽¹⁾	非審核服務 ⁽¹⁾	410	327
Total	總數	2,830	2,507

Note:

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

附註：

1. 非審核服務主要包括中期業績之約定程序及稅務諮詢服務。

COMPANY SECRETARY

The Company Secretary of the Company, Ms. Leung Lai Seung, is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. For the year ended 31 December 2023, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

公司秘書

本公司之公司秘書梁麗嫦女士為本公司之全職僱員，對本公司日常事務有所認識。截至二零二三年十二月三十一日止年度，公司秘書已遵守上市規則第3.29條的相關專業培訓規定。

INVESTOR RELATIONS

Dividend Policy

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

投資者關係

股息政策

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

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

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

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

Shareholders' Communication Policy

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

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

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

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

董事會並不知悉任何股東已放棄或同意放棄任何股息。

股東溝通政策

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

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

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

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

Constitutional Documents

There has been no change in the Company's constitutional documents during the year ended 31 December 2023.

SHAREHOLDERS' RIGHTS

Procedures for convening extraordinary general meeting on requisition

Pursuant to Article 64 of the Company's Articles of Association, an extraordinary general meeting may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the of voting rights (on a one vote per Share basis) in the issued share capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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

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

組織章程文件

於截至二零二三年十二月三十一日止年度，本公司之組織章程文件並無任何變動。

股東權利

請求召開股東特別大會之程序

根據本公司組織章程細則第64條，股東特別大會可由一名或多名持有股東要求召開，該等股東於提出要求當日須持有本公司已發行股本投票權不少於十分之一（按每股股份可投一票計算）。有關要求須以書面形式向董事會或公司秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在遞交該請求書後兩個月內召開。如董事會在請求書遞交日期起計二十一日內未有進行安排召開有關會議，則請求人（或多名請求人）可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而招致的所有合理費用，須由本公司償還請求人。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Procedure for putting forward proposals at general meeting

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

Shareholders' enquiries

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

於股東大會上提呈建議之程序

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

股東查詢

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THE REPORT

Ka Shui International Holdings Limited (hereinafter referred to as the “Company”, “we”, “our”) is a leading enterprise on product solutions, notably in the magnesium, aluminium and zinc alloy and plastic industry, with several production bases in Guangdong Province of the People’s Republic of China (“PRC” or “China”). Having a deep ambition to construct long-term trusted ties with our stakeholders in the industry and community, the Company together with our subsidiaries (collectively, the “Ka Shui” or the “Group”) is pleased to publish our 2023 environmental, social and governance (“ESG”) report (the “Report”) summarising our ESG performance and initiatives.

Scope of the Report

The Report evaluates the ESG management strategies and performance of the Group’s primary manufacturing facilities in Huizhou, China for the period between 1 January 2023, and 31 December 2023 (referred to as the “Reporting Period” or “2023”). The focus of the Report is on the Group’s core businesses, which include metal alloy and plastic. Unless otherwise specified, the data include the following subsidiaries, and the scope of the Report remains the same as the previous year. The operations covered are listed below:

關於本報告

嘉瑞國際控股有限公司(以下簡稱「本公司」、「我們」、「我們的」)是一家領先的產品解決方案企業，尤其是在鎂、鋁及鋅合金以及塑膠方面，在中華人民共和國(「中國」)廣東省擁有多個生產基地。本公司，連同我們的附屬公司(統稱「嘉瑞」或「本集團」)致力於與行業及社區的持份者建立長期的信任關係。本集團欣然刊發我們的二零二三年環境、社會及管治(「環境、社會及管治」)報告(「本報告」)，並概述我們的環境、社會及管治表現及措施。

報告範圍

本報告評估本集團位於中國惠州的主要生產設施於二零二三年一月一日至二零二三年十二月三十一日(「報告期」或「二零二三年」)期間的環境、社會及管治管理策略及表現。本報告重點是本集團的核心業務 — 合金及塑膠。除另有規定外，數據涉及以下附屬公司，及本報告範圍與去年相同。所涉及的業務載列如下：



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Reporting Standard

The preparation of the Report has followed the ESG Reporting Guide, as outlined in Appendix C2 of the Listing Rules on the Stock Exchange of Hong Kong Limited (“HKEx”). The Report strictly adheres to the reporting criteria of materiality, quantitative measurement, balance, and consistency:

報告準則

本報告乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄C2所載的環境、社會及管治報告指引的要求編製。本報告嚴格遵守下列報告準則：重要性、量化、平衡及一致性：

Reporting Principles 報告原則	Descriptions 描述
Materiality 重要性	<p>Through active engagement with key stakeholders and internal deliberations, we have identified the pertinent topics. The Materiality Assessment section of the Report presents a concise overview of the outcomes derived from this process.</p> <p>我們透過與主要持份者的積極溝通及內部討論確定了相關議題。有關此過程的結果概要載於本報告的重要性評估一節。</p>
Quantitative 量化	<p>We ensure transparency in our ESG performance by adhering to the ESG Reporting Guide. We employ robust methodologies and utilise reliable environmental and social key performance indicators (“KPIs”) to disclose our ESG performance. This enables the evaluation and validation of the effectiveness of our ESG policies and management systems.</p> <p>根據環境、社會及管治報告指引，我們確保環境、社會及管治表現的透明度。我們採用穩健的方法，並利用環境及社會關鍵績效指標(「關鍵績效指標」)以披露我們的環境、社會及管治表現，有助於評估與驗證我們的環境、社會及管治政策及管理系統的有效性。</p>
Balance 平衡	<p>The Board of Directors of the Company (the “Board”) has acknowledged its responsibility to oversee the Group’s sustainable development and review the truthfulness, accuracy and completeness of the Report. The Report provides an unbiased picture of the Group’s performance.</p> <p>本公司董事會(「董事會」)認同其有責任監督本集團的可持續發展，並審查本報告的真實性、準確性及完整性。本報告不偏不倚地呈報本集團的表現。</p>
Consistency 一致性	<p>To maintain consistency, the Report maintains the same methodologies, standards, and reporting scope same as the previous year. This approach ensures comparability and allows for a meaningful year-on-year comparison.</p> <p>本報告採用與去年相同的方法、標準及報告範圍，以保持一致性。此方法確保可比性，以進行有意義的年度對比。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The Board recognises its overall accountability for the Company's ESG strategy and reporting. The Report has been reviewed and approved by the Board.

Contact and Feedback

The Group is committed to fostering long-lasting relationships with its key stakeholders and the community. We highly appreciate your input on the Report and our sustainability performance, as we develop our ESG strategy with the best interests of our stakeholders in mind. We encourage you to share your suggestions or comments by sending written inquiries or feedback to the Group via email at enquiry@kashui.com. Your input is valuable to us.

VALUES AND MISSIONS

With over four decades of experience as a prominent player in the product solutions industry, specialising in magnesium, aluminium and zinc alloy, and plastic, the Group understands the significance of corporate social responsibility ("CSR") in ensuring our business sustainability and accomplishments. We are firmly committed to promoting the welfare of our stakeholders, including our employees, customers, environment, and community, aligning with our core values.

董事會確認其對本公司之環境、社會及管治策略及匯報的整體責任。本報告已經董事會檢討及批准。

聯絡及反饋

本集團致力於與主要持份者及社區建立長期的關係。由於我們以符合我們的持份者的最佳利益的方式制定環境、社會及管治策略，故我們重視閣下就本報告及可持續發展表現提出的寶貴意見。歡迎閣下有任何意見或建議，請將閣下的書面詢問或反饋意見透過電郵 enquiry@kashui.com 發送予本集團。請提出閣下的寶貴意見。

價值觀與使命

作為產品解決方案行業擁有四十餘年經驗的知名企業，尤其是在鎂、鋁和鋅合金以及塑膠領域，本集團深知企業社會責任（「企業社會責任」）對於確保業務可持續發展及有所成就的重要意義。我們致力於提供我們的持份者（包括僱員、客戶、環境及社區）的福祉，以符合我們的核心價值觀。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

The Group is dedicated to establishing a robust corporate governance framework that is strategically aligned. By leveraging our technological capabilities, innovation, and expertise, we aim to conduct our business operations in adherence to the highest standards of business ethics. Moreover, we strive to integrate socially responsible management practices throughout our organisation. This approach enables us to make a positive impact on the community, environment, and stakeholders. The Group's CSR missions, and guiding principles can be summarised as follows:

本集團致力於建立一個健全的企業管治架構，並與戰略保持一致。通過利用我們的技術能力、創新及專業知識，我們旨在按照最高商業道德標準開展業務活動。此外，我們亦努力在整個組織中納入社會責任管理慣例，從而使我們能夠對社區、環境及持份者產生積極影響。本集團的企業社會責任使命及指引原則可概括如下：



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

本集團的長期目標設定在以下四個主要方面：



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

These four long-term goals highlight the holistic approach that the company takes to ensure its success while considering the needs and expectations of customers, employees, shareholders, and the wider community. By striving for excellence in these areas, we can establish a strong foundation for sustainable growth and positive impact.

Group Level CSR Policy Statements

The Group is determined to conduct its business activities in adherence to the utmost standards of business ethics and to incorporate socially responsible management practices throughout the entire organisation. This strategic framework in corporate governance and commitment to CSR will empower us to generate positive outcomes for the community, environment, and stakeholders. The CSR approaches and principles of Ka Shui primarily revolve around four key areas of focus:

這四個長期目標凸顯本公司在考慮客戶、僱員、股東及廣大社區的需求及期望的同時，為確保其成功而採取的整體方法。通過於該等領域追求卓越，我們可為可持續增長及積極影響奠定堅實的基礎。

集團層面的企業社會責任政策聲明

本集團決心以最高的商業道德標準開展業務活動，並在整個組織中納入社會責任管理慣例。企業管治及企業社會責任承諾的戰略框架將使我們能夠為社區、環境及持份者創造正面的結果。嘉瑞的企業社會責任方法及原則主要集中在以下四個主要方面：

Sustainable operations 可持續營運

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

Caring for our people 關愛我們的僱員

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Protecting our environment 保護我們的環境

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

Supporting our community 支持我們的社區

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

This policy is effectively communicated to all employees of Ka Shui and implemented across all levels of the organisation. Furthermore, this policy will be shared with our suppliers and service providers, encouraging collaborative efforts in advancing and promoting CSR within their own operations. The management team will periodically review the effectiveness, appropriateness, and sufficiency of this policy and make necessary amendments as required.

BOARD OVERSIGHT

The Board plays a crucial role in overseeing the management of the Group's sustainability matters. Throughout the year, the Board, along with the ESG Working Group, dedicated substantial time to assess the impact of ESG-related risks on our operations and develop appropriate policies to address these risks. The Board's oversight focuses on equipping the management with the necessary tools and resources to effectively handle ESG issues within the framework of strategy and long-term value creation.

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

董事會監督

董事會在監督本集團管理可持續發展事宜方面發揮著至關重要的作用。年內，董事會及環境、社會及管治工作小組花費大量時間評估環境、社會及管治的相關風險對我們營運的影響，並制訂處理有關風險的適當政策。董事會監督側重確保管理層備有必要的工具及資源，以便在策略及長遠價值創造的框架內有效處理環境、社會及管治事宜。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

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

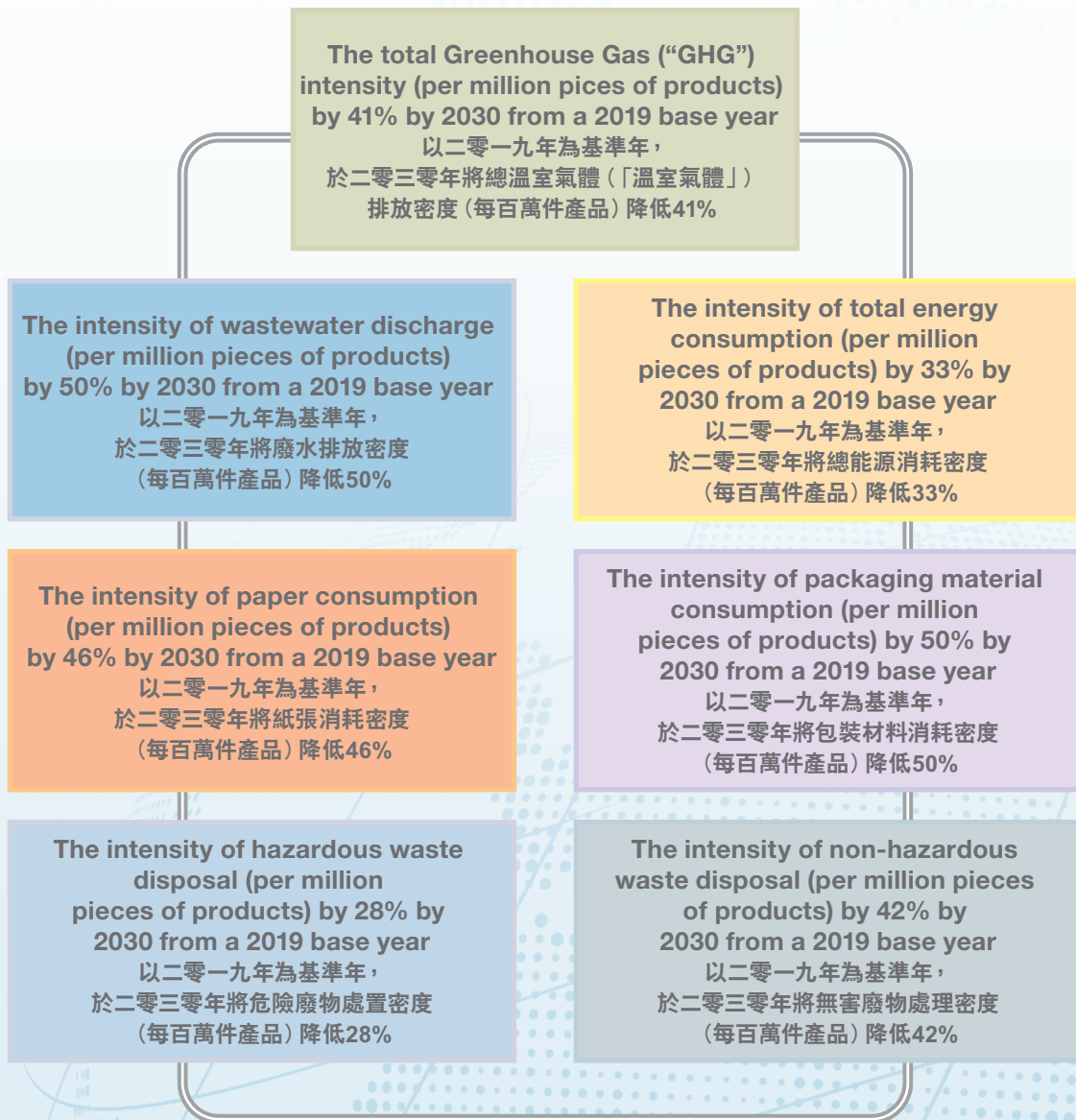
董事會於管理環境、社會及管治事宜的整體願景及策略：

Short and medium-term

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

短期及中期

為實現此前設定的環境關鍵績效指標目標，在以下方面降低：



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Long term

In accordance with the Group's CSR policy statement, we operate with a focus on "Sustainable Operations, Caring for Our People, Protecting Our Environment, and Supporting Our Community".

To assess the significance of various ESG risks and effectively manage them, the Board engages external experts. Additionally, an ESG Working Group has been established to facilitate communication with service providers regarding ESG matters. The Board reviews the progress towards achieving set targets by receiving progress reports from both the ESG Working Group and the assigned Executive Director.

CSR RISK MANAGEMENT

The Group has developed a comprehensive CSR risk management framework that is implemented by staff at all levels to enhance our commitment to CSR and effectively mitigate CSR-related risks. The ESG Working Group is responsible for actively monitoring these risks and convenes annually to execute the risk monitoring process.

Aligned with our core values of "Pursuit of Excellence, Creation of Values, Unity and Mutual Trust, Harmonious Development, Green Production, and Giving Back to the Community", our ESG risk management framework fosters collaboration across the entire organisation, enabling us to effectively manage CSR risks in our day-to-day operations. Throughout the CSR risk management process, we place particular emphasis on areas such as employment relations, business ethics, and significant environmental and social responsibilities.

長期

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

董事會聘請外部專家以評估不同環境、社會及管治風險的重要性，並對其進行有效管理。此外，環境、社會及管治工作小組亦已成立，以促進就環境、社會及管治事宜與服務供應商進行溝通。董事會亦通過收取環境、社會及管治工作小組及指定的執行董事提交的進展報告，審查既定目標實現的進展。

企業社會責任風險管理

本集團已制定適用於各級員工的全面企業社會責任風險管理框架，以加強我們對企業社會責任的承諾，並有效降低與企業社會責任風險相關的風險。環境、社會及管治工作小組負責積極監控該等風險，且每年召開一次會議以實施風險監控流程。

環境、社會及管治風險管理框架與我們的核心價值觀「追求卓越、創造價值、團結互信、和諧發展、綠色生產及回饋社會」貫徹一致，促進整個組織的協作，使我們能於日常營運中有效管理企業社會責任風險。在整個企業社會責任風險管理流程中，我們特別關注僱傭關係、商業道德以及重要的環境及社會責任等領域。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

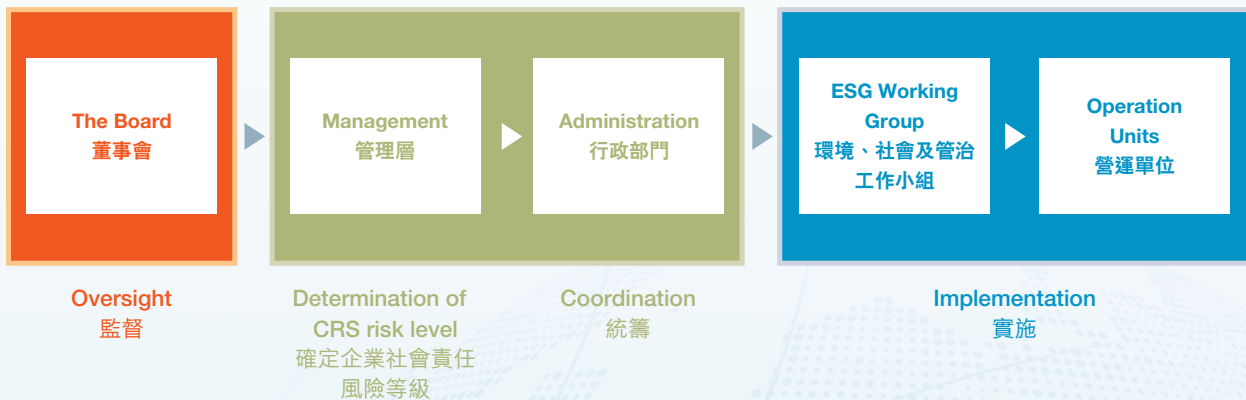
環境、社會及管治報告(續)

CSR Risk Management Framework

The Board assumes responsibility for the comprehensive oversight and implementation of CSR risk management processes, maintaining close communication with management and administrative bodies. This approach enables management to gain a deeper understanding of the most significant CSR risks faced by the Group and facilitates prompt action to address these risks. The following is a summary of the structure of the CSR risk management framework, including the roles and responsibilities associated with it:

企業社會責任風險管理框架

董事會負責全面監督及實施企業社會責任風險管理流程，並与管理層及行政部門進行密切溝通。此方法不僅使管理層能夠深入地了解本集團面臨的最重要的企業社會責任風險，而且有助於迅速採取行動以解決此等風險。企業社會責任風險管理框架的架構，包括與之相關的職責及責任，概述如下：



The Board 董事會

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

Management 管理層

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Administration 行政部門

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

ESG Working Group 環境、社會及管治工作小組

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

Operation Units 營運單位

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

Compliance Management System

The ESG Working Group serves as a vital regulatory management and monitoring mechanism within the Group. The Company Secretarial and Compliance Department plays a key role in regularly monitoring the Group's compliance status, assessing the overall risk tolerance level, and ensuring adherence to relevant laws across different jurisdictions by reviewing various legal contracts. Training sessions related to compliance, such as anti-corruption measures, are periodically provided to both employees and the Board as deemed necessary from time to time as appropriate.

合規管理系統

環境、社會及管治工作小組是本集團內部的重要的監管管理及監督機制。公司秘書及合規部門在定期監察本集團的合規情況、評估整體風險承受水平以及通過審閱各種法律合同以確保遵守各個司法權區的相關法律方面發揮著至關重要的作用。於必要時，本公司在適當情況下不時定期向僱員及董事會提供合規(例如反腐敗措施)相關的培訓。

CSR Risk Management Process

The Group demonstrates a proactive approach in identifying CSR risks that have the potential impact on our operations and stakeholders. We conduct regular and comprehensive reviews to assess the impacts of various CSR concerns on our customers, employees, and the community. The management team prioritises these issues to ensure an appropriate response while developing the CSR policy. To drive continuous improvement, the Group conducts regular reviews of the findings from the CSR risk assessment, identifying areas where enhancements can be made.

企業社會責任風險管理流程

本集團採取積極主動的方法，識別可能會對我們的營運能力及持份者造成影響的企業社會責任風險。我們定期對各種企業社會責任問題對我們的客戶、僱員及社區的影響進行全面審查。有關問題由管理團隊列出優先次序，以確保在制定企業社會責任政策時採取適當的應對措施。為推動持續改進，企業社會責任風險評估的結果將由本集團定期審閱，以發現可以改進的地方。

Risk 風險	Our responses 我們的應對
<p>Leadership Development Risk 領導力發展風險</p> <p>Failure of leadership development could lead to inaccurate allocation of resources, straying direction of strategies, and eventually increase the additional cost and risk, such as financial damages and reputational loss. 領導力發展的失敗可能導致資源分配不準確、戰略方向偏離，並增加額外的成本及風險，如經濟損失及聲譽損失。</p>	<p>We attach the importance to the management and leadership improvement of senior management. As such, we organised a training to directors and senior management about the latest development on the rules and regulations in Hong Kong to improve their expertise. The Group will continuously organise different training programs and ESG-related courses to improve their expertise and ability. 我們重視高級管理層管理及領導能力的提升。因此，我們就香港法例法規的最新發展為董事及高級管理層安排培訓，以提升彼等的專業知識。本集團將持續組織不同培訓計劃及環境、社會及管治相關課程，以提升彼等的專業知識及能力。</p>
<p>Technological Innovation Risk 技術創新風險</p> <p>Failure to implement technological advances in the Group's business model and strategies may undermine our competitiveness and long-term development in the industry. 倘不能於本集團的業務模式及戰略中落實技術進步，則可能會削弱我們於行業中的競爭力及長期發展。</p>	<p>We strive to foster an innovation culture within the Group by allocating resources to R&D, as well as encouraging continuous learning and upskilling of employees. In 2023, we are honoured to have received several gold awards of "Asia International Innovation Invention Awards". Please refer to the Enhancing Customer Satisfaction section of the Report for further details. 我們致力於在本集團內部培養創新文化，為研發分配資源，並鼓勵僱員持續學習並不斷提高技能。於二零二三年，我們榮獲「亞洲國際創新發明大獎」金獎。詳情請參閱本報告「提高客戶滿意度」一節。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Risk 風險	Our responses 我們的應對
<p>Employment Risk 僱傭風險</p> <p>Emerging market risk may arise from ESG-related shifts in market dynamics, regulations, and investment priorities. 與環境、社會及管治有關的市場動態、法規及投資重點的變化可能會帶來新興市場風險。</p>	<p>We maintain a robust system for monitoring emerging market trends, political changes, and ESG-related shifts. The Group actively engages with our stakeholders to stay informed about emerging market dynamics and regulatory changes. 我們擁有一個監控新興市場趨勢、政治變化及與環境、社會及管治有關的變化的強大系統。本集團積極與持份者合作，以隨時了解新興市場動態及監管變化。</p>
<p>Recruiting Risk 招聘風險</p> <p>Failure to recruit qualified employees with equal and non-discriminative principles to ensure optimal staffing levels in a balanced workforce environment. It could result in lack of qualified employees to support the Group's growth strategy. 無法以平等及非歧視原則招聘合格僱員，以確保在均衡勞動力環境中實現最佳的人員配置水平，可能導致缺乏合格員工以支持本集團的發展戰略。</p>	<p>Ensuring the well-being of our employees is a top priority for us. We are dedicated to providing a dynamic work environment and competitive remuneration packages to attract and retain talented individuals. We have established a robust system and a set of policies aimed at fostering and maintaining a positive and mutually beneficial relationship with our employees. 確保員工的福利是我們的首要任務。我們致力於提供充滿活力的工作環境及具競爭力的薪酬福利，以吸引及挽留人才。我們建立一套穩健的制度及政策，旨在培養並保持與員工之間積極互利的關係。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

ESG GOVERNANCE STRUCTURE

The Board consistently oversees the ESG performance of the Group and provides guidance in ESG matters. An assigned Executive Director engages in discussion with the ESG Working Group periodically to gain insight into any challenges they may encounter related to ESG data collection and disclosure. This collaborative approach ensures a comprehensive understanding of ESG issues and facilitates effective management and resolution of any difficulties faced in these areas.

The Executive Director is also responsible for:

環境、社會及管治的管治架構

董事會持續監察本集團的環境、社會及管治表現，並為環境、社會及管治事宜提供指導。指定執行董事定期與環境、社會及管治工作小組進行討論，以深入了解彼等在處理環境、社會及管治數據收集及披露事宜方面的挑戰。該種合作方式可確保對環境、社會及管治事宜的全面了解，有助於有效管理及解決該等領域面臨的任何困難。

該執行董事亦負責：



ESG Working Group

The ESG Working Group convenes regular meetings to address a wide range of issues and significant ESG concerns within the Group. The ESG Working Group is composed of key stakeholders, including the Company Secretary and heads/supervisors from various business units within our organisation. These units consist of the Human Resources Department and Operations Management Department under the Operation Unit, the Purchasing Department and Manufacturing Department under the Manufacturing Unit, and the Finance Unit. Through the collective expertise and representation of these members, the ESG Working Group ensures comprehensive coverage and effective management of ESG-related matters.

STAKEHOLDER ENGAGEMENT

We maintain regular communication with our stakeholders to actively seek their opinions and expectations regarding the Group's CSR concerns and the resulting environmental

環境、社會及管治工作小組

環境、社會及管治工作小組定期舉行會議，以解決本集團內部的各項事宜及重大環境、社會及管治事項。環境、社會及管治工作小組成員主要由持份者組成，包括公司秘書及本集團各業務單位的負責人／主管。該等單位包括營運單位轄下的人力資源部及營運管理部、製造單位及財務單位轄下的採購部及製造部。通過該等成員的集體專業知識及陳述，環境、社會及管治工作小組可確保全面涵蓋及有效管理環境、社會及管治相關事宜。

持份者參與

為了積極了解持份者對本集團企業社會責任議題及本公司業務所產生的相關環境及社會影響的意見及期望，我們與彼等保持定期溝通。透過收集

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

and social impacts on our business. By gathering stakeholder views and understanding their concerns, the Group can adapt its CSR management policies and approaches, as well as formulating strategies to address these CSR issues. This enables the Group to continuously enhance its CSR performance.

We establish effective communication channels with key stakeholder groups that have a significant impact on our business operations or are highly influenced by our activities. The following table outlines the various channels of communication used:

持份者的意見及了解彼等的關注點，本集團可調整企業社會責任管理政策及方法，以及制定應對企業社會責任問題的策略，從而使本集團持續提高企業社會責任表現。

我們與對我們的業務營運有重大影響或受我們的活動影響較大的主要持份者群體建立有效的溝通渠道。下表概述所使用的各種溝通渠道：

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

By utilising these communication channels, we maintain active and transparent engagement with our stakeholders, allowing for open dialogue and collaboration. This approach ensures that we address the concerns and expectations of our stakeholders while striving for continual improvement in our CSR performance.

MATERIALITY ASSESSMENT

To identify the most significant CSR issues for the Group and its stakeholders, an independent consultant was engaged to conduct a materiality assessment. This assessment involved gathering feedback through an online survey from various stakeholder groups, including customers, top management, and employees. The purpose of this exercise was to prioritise the material CSR issues that hold the greatest importance to the Group and address stakeholder concerns regarding CSR matters.

The framework for the Report and our CSR management strategies were developed based on the views and opinions collected from stakeholders. The aim of this approach is to address their concerns regarding CSR issues and ensure alignment between stakeholder priorities and the Group's actions.

通過利用該等溝通渠道，我們與持份者保持積極、透明的溝通，實現公開對話與合作。該方法確保我們在解決持份者的擔憂及期望的同時，不斷提高企業社會責任表現。

重要性評估

為釐定對本集團及其持份者最重要的企業社會責任問題，我們委託一間獨立諮詢公司進行重要性評估，包括通過線上調查收集各持份者群體(包括客戶、最高管理層及僱員)的反饋意見，旨在釐定對本集團最重要的重大企業社會責任問題的優先次序，並解決持份者對企業社會責任問題的擔憂。

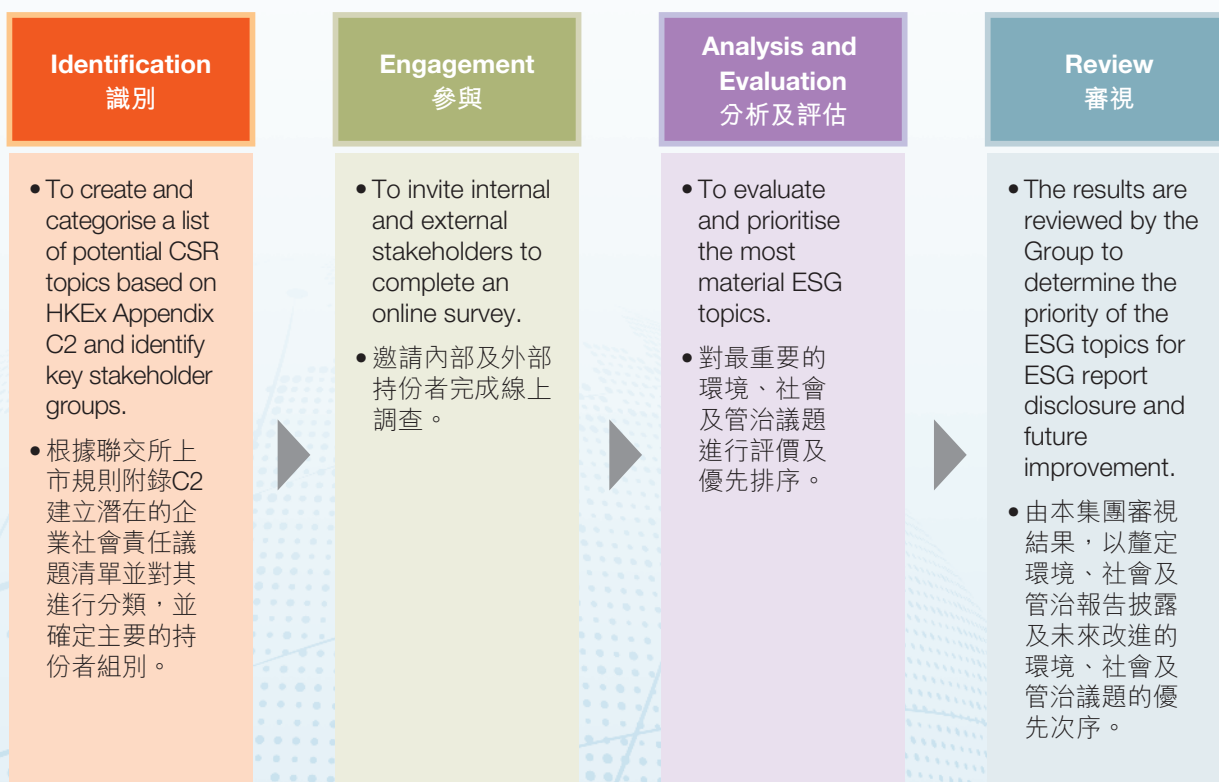
根據持份者的意見及觀點，我們制定了本報告的框架及我們的企業社會責任管理策略。此方法旨在解決彼等對企業社會責任問題的擔憂，確保持份者的優先關注問題與本集團的行動保持一致。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

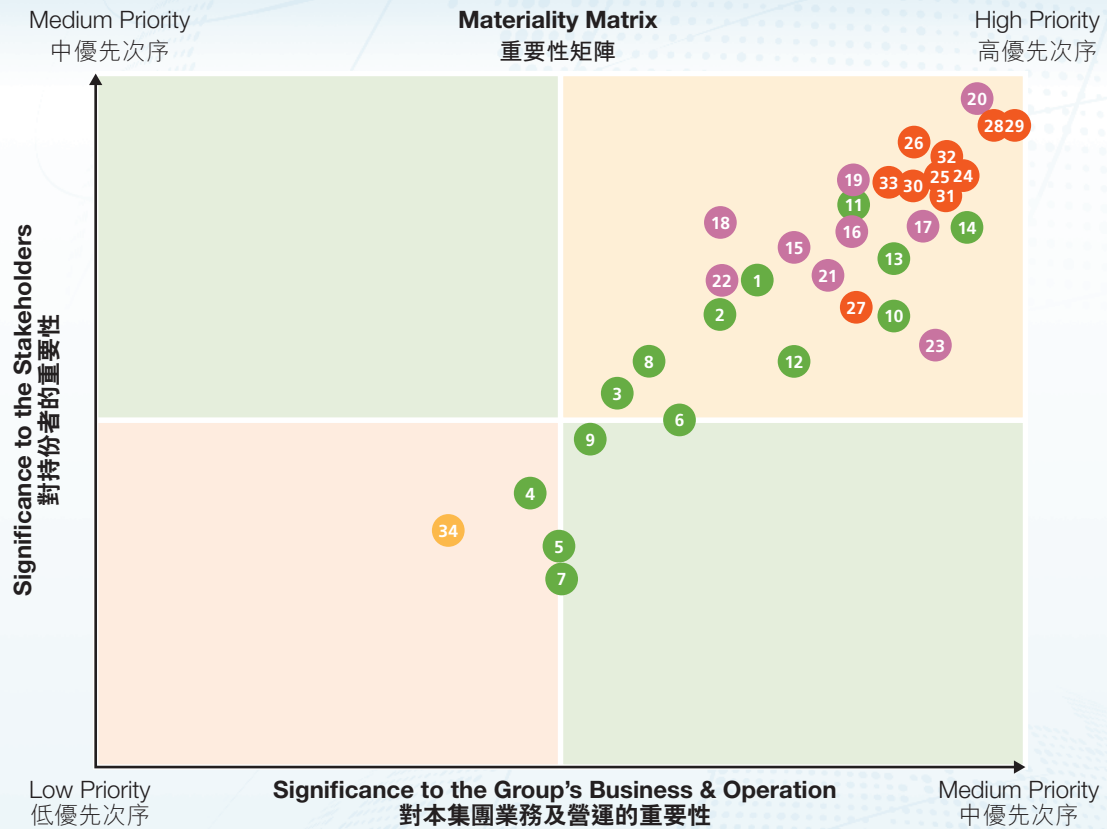
Stakeholders, including our major stakeholder groups, responded to a questionnaire, and provided feedback on the importance of each of the 34 identified CSR-related topics. Using this feedback, a materiality assessment matrix was created to evaluate the significance of these subjects in terms of priority for both stakeholders and the Group's business operations. The topics situated in the upper-right quadrant of the matrix were identified as the most important to the Group's business operations and stakeholders.

包括我們的主要持份者群體在內的持份者就34個已識別的企業社會責任相關議題的重要性回覆調查問卷並提供反饋意見。根據該等反饋意見，我們創建一個重要性評估矩陣，按優先次序排列評估該等議題對持份者及本集團業務營運的重要程度。矩陣右上角的議題被界定為對本集團業務營運及持份者最重要的議題。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



Environment 環境

1. Air emission
氣體排放
2. Greenhouse gas emission
溫室氣體排放
3. Decarbonisation
脫碳
4. Conservation of ecosystem
保護生態系統
5. Nature-related risk and opportunity management
與自然相關的風險及機遇治理
6. Circular economy
循環經濟
7. Environmental data management
環境數據管理
8. Climate change mitigation
減緩氣候變化
9. Climate risk management
氣候風險管理
10. Energy efficiency
能源效益
11. Water & effluents
水及污水
12. Use of materials
物料使用
13. Waste management
廢物管理
14. Environmental compliance
環境合規

Employment 就業

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

Social 社會

Operation 營運

24. Customer satisfaction
客戶滿意度
25. Product and service quality and complaints handling
產品及服務品質及投訴處理
26. Customer health and safety
客戶健康及安全
27. Marketing and product and service labelling compliance
營銷以及產品及服務標籤合規
28. Intellectual property
知識產權
29. Customer privacy and data protection
客戶私隱及數據保護
30. Responsible supply chain management
負責任的供應鏈管理
31. Fair operating practices on supplier
供應商公平操作規範
32. Business ethics
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社會經濟合規

Community 社區

34. Community investment
社區投資

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

By gaining a comprehensive understanding of the Group's and its stakeholders' most significant ESG topics, we can develop our business and CSR strategies to focus on the most important CSR issues. Conducting a materiality assessment plays a crucial role in engaging with our stakeholders. This enables us to effectively address the expectations and concerns expressed by stakeholders, as outlined below:

通過全面了解對本集團及其持份者最為重要的環境、社會及管治議題，我們可制定我們的業務及企業社會責任戰略，以關注最重要的企業社會責任問題。重要性評估是我們持份者參與的一個重要部分，可有效解決持份者的期望及關注點，概述如下：

Key concerns from stakeholders 持份者的主要關注點	Our responses 我們的回應	Section 章節
Ethical business 商業道德	The Group has consistently adhered to the principles of "Law-abiding, Honesty, Fairness, and Anti-corruption" and maintains a strict stance against any actions that compromise integrity. To reinforce this commitment, the Group has established an Anti-corruption Policy that outlines clear standards and guidelines to prevent corruption. 本集團始終堅持「守法、誠信、公正及反腐敗」的原則，對任何違反誠信的行為保持嚴正立場。為加強該承諾，本集團制定反腐敗政策，呈列反腐敗的明確標準及指導方針。	Sustainable Operation — Business Ethics 可持續營運 — 商業道德
Prevention of child labour & forced labour 預防童工及強迫勞工	Child and forced labour are considered unethical practices that violate human rights and contradict the principles and ethical responsibilities of the Company. We have implemented a rigorous policy on child and forced labour, drawing from the internationally recognized SA8000 Social Accountability Standard. The Group proactively implements measures to ensure that forced or child labour is strictly prohibited in all aspects of our operations. 童工及強迫勞動是侵犯人權的不道德做法，與本公司原則及道德責任背道而馳。根據國際公認的SA8000社會責任標準，我們已就童工及強迫勞動實施嚴格政策。本集團積極實施措施，以確保我們營運的所有方面均嚴厲禁止強迫勞工及童工。	Employment Conditions — Child and Forced Labour-free Workplace 僱傭條件 — 無童工及強迫勞工的工作場所
Customer privacy and data protection 客戶私隱和資料保護	The privacy and data security of our stakeholders hold significant importance to us. We have implemented comprehensive procedures to safeguard their privacy and enhance data protection stewardship. 持份者的私隱及資料安全對我們而言至關重要。我們實施全面程序，以保護持份者的私隱並加強資料保護管理。	Sustainable Operations — Enhancing Customer Expectation 可持續營運 — 提高客戶預期

Key concerns from stakeholders 持份者的主要關注點	Our responses 我們的回應	Section 章節
Occupational health and safety 職業健康與安全	<p>Our objective is to enhance the capacity for controlling and managing health and safety risks. Through effective management and the implementation of proper care procedures, we have successfully maintained a high level of control over workplace health and safety hazards, ensuring the well-being of our workers.</p> <p>我們的目標是提高控制及管理健康與安全風險的能力。通過有效的管理及實施適當的護理程序，我們成功地對工作場所的健康及安全隱患保持較高的控制水平，確保了僱員的福祉。</p>	Employees' Health and Safety 僱員健康及安全
Intellectual property 知識產權	<p>We understand the importance of safeguarding intellectual property ("IP") rights. To address IP and patent-related matters, the Group has established the IP Management Method. It is strictly prohibited to engage in any form of patent infringement, and such actions may result in legal consequences.</p> <p>我們深知保護知識產權(「知識產權」)的重要性。為解決知識產權及專利相關事項，本集團已制定知識產權管理方法。其嚴格禁止任何形式的專利侵權行為，否則將承擔法律後果。</p>	Enhancing Customer Satisfaction — Intellectual Property 提高客戶滿意度 — 知識產權
Customer health and safety 客戶健康及安全	<p>The well-being and safety of end users are directly influenced by the quality of our products. We have implemented robust internal control mechanisms to ensure product quality. We will continuously monitor the effectiveness of our existing quality assurance management system and make necessary updates to incorporate new practices in product design and life-cycle management.</p> <p>我們產品的質量將直接影響終端用戶的福祉及安全。我們將實施嚴格的內部控制機制以確保產品質量。我們將持續監控現有質量保證管理體系的有效性，並作出必要升級，以納入產品設計及生命週期管理的新實踐。</p>	Enhancing Customer Satisfaction 提高客戶滿意度

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

SUSTAINABLE OPERATIONS

Business Ethics

The Group's core values emphasise the importance of "Unity and Mutual Trust". We consistently uphold ethical standards throughout our entire business operations. During the Reporting Period, the Group was not aware of any significant violations of laws and regulations related to bribery, extortion, fraud, or money laundering, such as the "Prevention of Bribery Ordinance" in Hong Kong. Additionally, there were no legal cases concluded against the Group or its employees regarding corrupt practices.

Anti-corruption, Anti-fraud and Anti-money Laundering

The Group consistently adheres to the principles of "Law-abiding, Honesty, Fairness, and Anti-corruption" and strongly opposes bribery and improper business conduct. We maintain a zero-tolerance stance towards any form of bribery or unfair business practices.

To establish anti-corruption standards, we have implemented an Anti-corruption Policy that applies to all employees (both full-time and part-time) of the Group, as well as relevant third parties who engage in business with the Group (such as consultants, contractors, suppliers, agents, and customers). The policy strictly prohibits any acts of corruption, including offering or accepting benefits or advantages, as well as unfair business practices like collusion.

Employees are required to disclose any potential conflicts of interest, and our business partners are required to sign an integrity declaration and a non-disclosure agreement, ensuring that our business relationships are built on integrity. If any business partner is found to violate these requirements, the Group will take decisive action. This includes placing them on a supplier blacklist, permanently suspending the business collaboration, informing relevant stakeholders of their misconduct, and reserving the right to pursue legal action.

可持續營運

商業道德

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

反腐敗、反欺詐及反洗錢

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

為建立反腐敗標準，我們已實施反腐敗政策，其適用於本集團的所有僱員（全職及兼職）以及與本集團有業務往來的相關第三方（例如顧問、承包商、供應商、代理商及客戶）。該政策嚴格禁止任何腐敗行為，包括提供或接受任何利益或益處以及不公正的商業行為（如勾結）。

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, we offered 2,287 hours of anti-corruption training to the Board, management and employees through classroom training and self-learning.

Whistleblowing and Investigation

The Group is dedicated to upholding a high standard of integrity, transparency, honesty, and accountability. To facilitate the reporting of any suspected incidents of bribery, dishonesty, or other CSR issues, we have implemented a Whistleblowing Policy. Employees are encouraged to report such concerns confidentially and anonymously to the Group or the staff committee, either in writing or through a dedicated phone line. All reported cases will be thoroughly investigated in a strict, meticulous, and prompt manner.

Whistleblowers can trust that they will receive fair treatment throughout the process. This includes protection against unfair dismissal, victimization, or unwarranted disciplinary action, even if the concerns raised are ultimately found to be unsubstantiated.

Upon receiving a report, the Audit Committee will evaluate its content and determine if a comprehensive investigation is necessary. If an investigation is warranted, the Audit Committee will review the matter and decide on the appropriate course of action. This may involve disciplinary measures, termination of employment, or preventive actions.

In cases where corruption or other criminal offences are suspected, the Group will promptly report such matters to the Independent Commission Against Corruption (“ICAC”) and other relevant regulators or authorities as required by law. The Group is committed to cooperating fully with these agencies and ensuring that appropriate actions are taken to address any identified wrongdoings.

報告期內，我們通過課堂培訓和自學，為董事會、管理層和僱員提供了2,287小時的反腐敗培訓。

舉報及調查

本集團致力於維持高標準的誠信、透明、正直及問責制。我們已採納舉報政策舉報任何可疑的賄賂及不誠實行為，或其他企業社會責任問題。鼓勵僱員以保密及匿名方式以書面或電話專線向本集團或僱員委員會舉報此類問題。本集團將以嚴格、細緻及及時的方式對所有案件進行深入調查。

舉報人務必相信於整個過程中會被公平對待，包括防止不公平解僱、傷害或無端紀律處分，即使有關疑慮最終無法證實。

審核委員會將評估收到的報告，並決定是否有必要進行全面調查。倘有必要進行調查，審核委員會將審查此事並決定適當的行動方案。可能包括紀律處分、終止僱傭關係或預防措施。

倘涉嫌腐敗或其他刑事犯罪，本集團會及時向廉政公署（「廉政公署」）及其他相關監管機構或法律規定的部門報告。本集團致力於與該等機構全面合作，並確保採取適當行動處理任何已查明的不當行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Supply Chain Management

Our utmost commitment is to optimise value for the Group and its stakeholders through our production process. This involves enhancing the efficiency of our supply chain management while upholding product quality. To achieve this, we have implemented an objective supplier selection system and a well-structured supplier and product quality management system. We foster close collaboration with our suppliers and business partners to ensure the stability of our supply chain.

We consider supply chain management essential to achieve sustainable operations. With this goal, we established a sound supply chain management system to assess the product quality and level of environmental and social impacts and viability of all of our suppliers. During the Reporting Period, we collaborated with 728 suppliers from 4 countries/regions. Details of the supplier distribution are summarised in the table below:

供應鏈管理

我們充分致力於通過我們的生產流程為本集團及其持份者優化價值，包括提高我們供應鏈管理的效率，同時提高產品的質量。為實現這一目標，我們建立了客觀的供應商選擇系統，以及完善的供應商及產品質量管理體系。我們亦與供應商及業務夥伴密切合作，以確保供應鏈的穩定。

我們認為供應鏈管理對實現可持續營運至關重要。為實現這一目標，我們建立了健全的供應鏈管理體系，以評估產品品質、環境水平及社會的影響程度及所有供應商的生存能力。於報告期內，我們與來自4個國家／地區的728家供應商進行了合作。下表概述供應商分佈的詳情：

	2023 二零二三年	2022 二零二二年
Total number of suppliers 供應商總數	728	712
Mainland China 中國內地	689	677
Hong Kong 香港	18	21
United States 美國	8	6
Others 其他	13	8

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Sustainable Supply Chain

In our pursuit of identifying, monitoring, and managing environmental and social risks within our supply chain, we continuously evaluate the societal and environmental impacts throughout the entire supply chain. Our objective is to minimise carbon emissions and waste generation associated with the supply chain while ensuring the health and safety standards and working conditions of our suppliers.

Furthermore, our commitment to securing the supply chain is demonstrated by our ISO 28000:2007 Supply Chain Security Management System certification.

可持續供應鏈

為識別、監控及管理供應鏈內的環境及社會風險，我們持續評估整個供應鏈對社會及環境的影響。我們的目標是盡量減少與供應鏈相關的碳排放及廢物產生，同時維護供應商的健康及安全標準及工作條件。

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



ISO 28000:2007

Ka Yi
(嘉宜)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Selection of Suppliers

We prioritise collaboration with suppliers who uphold social and environmental standards. Before establishing a business relationship with a new supplier, we conduct a comprehensive supplier assessment to evaluate their environmental and social impact.

Our minimum requirement for suppliers is to pass an independent third-party audit of the ISO 9001:2015 quality management system, while we strongly encourage obtaining the IATF 16949:2016 quality system certification. Subcontractors working on-site must comply with our workplace safety, chemical safety, fire safety, and other health and safety requirements.

Green Procurement

Once a supplier is selected, the supplier is required to sign an agreement on environmental, health, and safety with our Group. We also expect our suppliers to provide a supplier environmental declaration stating their compliance with the European Union Restriction on Hazardous Substances Directive ("RoHS") and the Restriction, Evaluation, Authorization and Restriction of Chemicals ("REACH") directives for the materials they supply. These directives address the use and production of chemical substances and their potential impact on human health and the environment. Even if our customers do not have specific environmental protection requirements for the product, our Production and Planning Department mandates compliance with these regulations, and we refrain from purchasing materials that are not environmentally friendly.

選擇供應商

我們優先與堅持社會及環境準則的供應商合作。與新供應商建立合作夥伴關係之前，我們會對供應商進行全面評估，以評估其環境及社會影響。

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

綠色採購

供應商一旦獲選，其必須與本集團訂立一份環境、健康及安全協議。我們亦期望供應商提供一份供應商環保聲明，以聲明彼等所供應的物料符合歐盟的危害性物質限制指令（「RoHS」）及化學品註冊、評估、許可與限制法規（「REACH」）。該等指令能解決化學物質的使用及生產，以及其對人類健康和環境的潛在影響。儘管客戶並未對產品提出此等特定環保要求，本集團的生產規劃部門將強制要求遵守此等法規。我們不會採購不環保的物料。

Evaluation and Engagement with Suppliers

We conduct regular evaluations of our suppliers, including both annual and occasional assessments. Annual evaluations involve on-site inspections and questionnaires, covering aspects such as product safety requirements, legal and regulatory compliance, and the certification level of the supplier's quality management system. Occasional assessments may occur in special circumstances, such as when there is a production capacity shortage or if a customer requests a product return due to supplier-related issues.

In addition to environmental and social standards, our suppliers must meet requirements related to supply scale, quality, and overall performance to align with our production standards and customer expectations. Our professional supplier assessment panel evaluates supplier performance based on criteria such as product quality, delivery time, customer complaints (if any), and environmental and CSR-related aspects. These assessments are conducted on a monthly and annual basis to effectively manage supplier product quality. If necessary, product material suppliers and processing suppliers are required to sign confidentiality and integrity management agreements with our Group's Production and Planning Department.

Underperforming suppliers are expected to promptly make improvements to remain on our approved supplier list. We also place great emphasis on the continuous improvement of our suppliers and have developed plans to encourage them to enhance their quality management systems by establishing ISO 9001:2015 and/or IATF 16949:2016 certifications.

Enhancing Customer Satisfaction

We express our heartfelt appreciation to our valued customers who have placed their trust in us for the past four decades. Our primary objective is to establish and uphold their trust in our products. We are dedicated to delivering the utmost quality in our products, services, and customer support, ensuring their continued satisfaction.

供應商的評估及參與

我們進行供應商定期評估，包括年度及不定期評估。年度評估包括進行實地考察及問卷調查，涵蓋產品安全規定、法律及監管合規以及供應商質量管理系統的認證級別等方面。在特定情況下進行不定期評估，比如，供應商的產能不足或因供應商相關問題導致客戶要求退貨。

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

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

提高客戶滿意度

我們誠摯感謝尊貴的客戶過往40年來的信任。我們的首要目標是建立和維持彼等對我們產品的信任。我們致力於向客戶提供最優質的的產品、服務和客戶支持，確保客戶持續滿意。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Quality Management

Our competence and capability to meet customer expectations even in challenging circumstances are clearly demonstrated by the accreditation of our quality management system in accordance with internationally recognised standards. We have successfully obtained the ISO 9001:2015 and IATF 16949:2016 certifications, which validate our commitment to continuous improvement and our ability to minimise defects, variations, and waste within the supply chain and assembly process of the automotive component industry.

質量管理

我們的品質管理體系通過國際公認標準認證，已證明我們有能力在挑戰中達到客戶預期。我們已成功獲得國際標準ISO 9001:2015及IATF 16949:2016認證，表明我們致力於持續改進，且有能力最大程度減少汽車零部件行業供應鏈及裝配流程中的缺陷、變更及廢物。



IATF 16949:2016
Ka Shui Technology
嘉瑞科技



IATF 16949:2016
Ka Fung
嘉豐



ISO 9001:2015
Ka Shui Technology
嘉瑞科技



ISO 9001:2015
Ka Fung
嘉豐



ISO 9001:2015
Ka Yi
嘉宜

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Quality Control

To consistently meet our high-quality standards and fulfil customer expectations, we have implemented a comprehensive quality control system that encompasses the entire manufacturing process, from raw materials to finished products. We conduct regular quality inspections on raw materials, semi-finished products, and end products. Our dedicated quality control team diligently follows our internal regulations and protocols to ensure compliance with quality requirements. Should any non-conforming products be identified, we will promptly assess the situation and take appropriate remedial actions or initiate a product recall if necessary.

Throughout the Reporting Period, we are pleased to report that no products sold or shipped were subjected to recalls due to safety and health concerns. Furthermore, there were no significant violations of applicable laws and regulations pertaining to health, product safety, advertising, labelling, and privacy matters in relation to the products and services provided by our company.

Customer Satisfaction

We have established a client complaint handling procedure that aligns with the ISO 9000:2015 Quality Management Systems — Fundamentals and Vocabulary. This procedure serves as a comprehensive guide for our staff, enabling them to effectively gather customer feedback and complaints in a systematic manner. Our goal is to address customer concerns and enhance overall satisfaction.

We maintain open lines of communication with our customers to encourage feedback and complaints. We value their input and consider it essential for ensuring that our products meet their expectations. When necessary, we initiate product recalls and conduct thorough investigations into all complaints and feedback to drive future improvements.

品質控制

為一致地滿足高品質標準及達到客戶期望，我們實施全面的質量控制體系，包含從原材料到成品的整個生產週期。我們對原材料、半成品及成品進行定期品質檢查。我們專門的品質控制團隊將嚴格遵守我們確保品質要求的內部規則及方案。倘發現任何不合格產品，我們將立即評估情況並採取適當的補救措施或於必要時著手召回產品。

於整個報告期內，我們欣然報告，概無已售出或已發貨的產品因安全及健康理由而被召回。此外，本公司提供的產品及服務概無嚴重違反有關健康與產品安全、廣告、標籤及私隱事宜的相關適用法律法規。

客戶滿意度

我們已制定客戶投訴處理流程與ISO 9000:2015品質管理體系 — 基礎和術語保持一致。該流程為員工有系統地有效收集客戶反饋和投訴提供全面指導。我們旨在解決客戶顧慮並提升整體滿意度。

我們與客戶保持通暢溝通渠道，以鼓勵彼等進行反饋及投訴。我們重視彼等的意見，並認為該等意見對確保我們的產品能夠滿足客戶的期望至關重要。如有必要，我們亦召回產品並仔細調查所有的投訴及反饋，以便於日後進行改進。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

All customer feedback and complaints are promptly handled by the relevant departments, including management, sales, and quality. We maintain a customer complaint report summary table to record and track all received feedback and complaints. Our personnel conduct statistical analysis and generate reports based on this table, which include monitoring the implementation of improvement measures. These reports are distributed to the appropriate departments and stored in our shared backup drive.

In addition to regular customer satisfaction surveys, we have developed a scorecard to quantify customer satisfaction. This scorecard is compiled monthly, consolidating data from target and related customers. It encompasses various metrics such as information on timely delivery, excess or additional freight, number of customer complaints, and product return rates.

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

Product Safety

Product safety is of utmost importance to our Group. To ensure the safety of our products, we conduct an annual product quality audit. This audit evaluates our products against a wide range of safety criteria to determine if they meet the required safety standards.

所有的客戶反饋及投訴均將由相應的部門(包括管理層、銷售部及品質部)立即進行處理。我們將收到的反饋及投訴記錄同步在客戶投訴報告匯總表中，並進行追蹤。我們的員工根據此表格進行數據分析並編製報告，包括監督實施改進措施。有關報告將發送至相關部門並保存於共享備份磁盤。

除定期的客戶滿意度調查表之外，我們已製作可量化客戶滿意度的記分卡。記分卡按月編製，匯總目標及相關客戶的數據，其內容包括及時交付、超額或增加的運費、客戶投訴數量及產品退貨率等各種指標。

於報告期內，我們概無接到有關產品和服務的投訴，均按照投訴處理程序妥善處理和調查。

產品安全

本集團非常重視產品安全。為確保產品安全，我們每年進行一次產品品質審核，根據各項安全標準評估我們的產品，並確定彼等是否符合規定的安全標準。

If any non-conformities are identified during the audit or at any stage of the process, we take immediate corrective and preventive measures. The relevant departments follow established protocols for identifying and tracing non-conforming materials. We conduct thorough analyses to understand the defects and their impact. Detailed records are maintained for all non-conforming products, including information such as quantity, location, and date, along with other relevant traceability data.

Before implementing any remedial actions, we seek the opinion of our customers. We value their input and consider it crucial in determining the appropriate steps to address any non-conformities and improve product safety.

Intellectual Property

We are deeply committed to protecting our intellectual property rights to enhance our competitiveness in technological innovation. To ensure consistent and effective management of the Group's intellectual property, we have implemented a robust management system and developed the Intellectual Property Protection Management Procedure. This procedure outlines the responsibilities of the relevant departments in safeguarding our intellectual property.

Specifically, the Expansion Centre plays a crucial role in collecting industry and industry participant data from various sources. They stay updated on the latest projects, research, and development activities of the Company, as well as changes in the market environment, thereby contributing to the protection of our intellectual property.

Throughout the Reporting Period, we are pleased to report that the Group did not encounter any instances of non-compliance with applicable laws and regulations pertaining to intellectual property in relation to our products and services.

倘在審核期間或流程的任何階段發現任何不合格品，我們將及時採取糾正及預防措施。相關部門將根據既定流程確認及追溯不合格物料。我們進行徹底分析以了解缺陷及其影響。我們會對所有不合格產品進行詳細記錄，包括數量、位置、日期及其他相關的追溯信息。

在採取任何補救措施之前，我們會徵求客戶意見。我們重視彼等的意見，並認為該等意見對於釐定解決任何不合格產品的正確步驟及提高產品安全性至關重要。

知識產權

為了提高我們在技術創新方面的競爭力，我們致力於保護知識產權。為確保對本集團知識產權進行持續有效的管理，我們實施一個完善的管理系統並制定知識產權保護管理程序，訂明相關部門保護知識產權的責任。

具體而言，擴展中心在從各個渠道收集行業及行業參與者的數據方面發揮至關重要的作用。彼等隨時了解本公司最新項目、研發活動及市場環境的變化，從而為保護我們的知識產權做出貢獻。

於整個報告期內，就我們的產品及服務的知識產權而言，本集團概無遇到任何違反適用法律及法規的情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

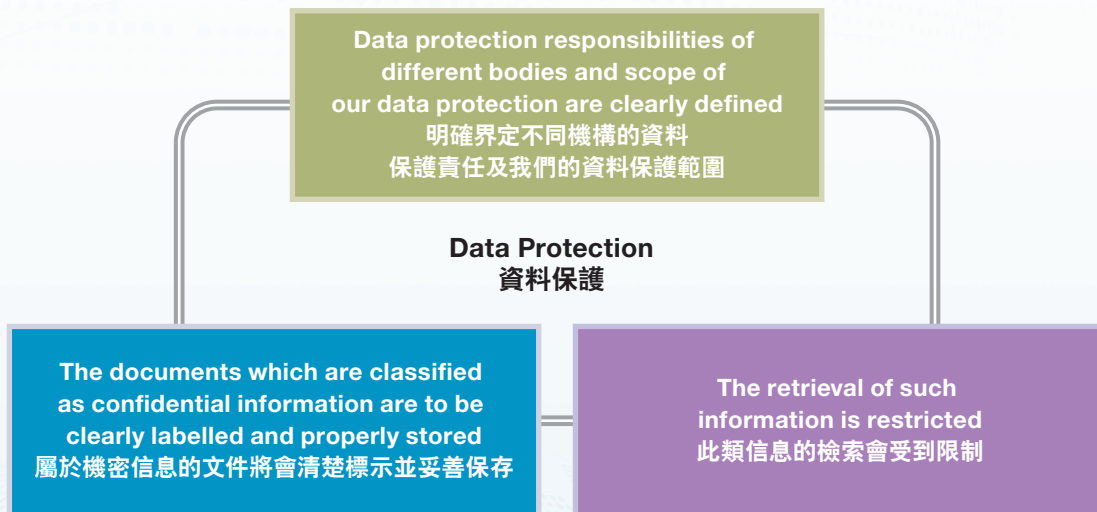
環境、社會及管治報告(續)

Data Protection

The Group acknowledges the significance of privacy for everyone involved, such as our customers, employees, and business partners. In line with our information management policy, we have established a strict set of protocols to safeguard the privacy of these stakeholders.

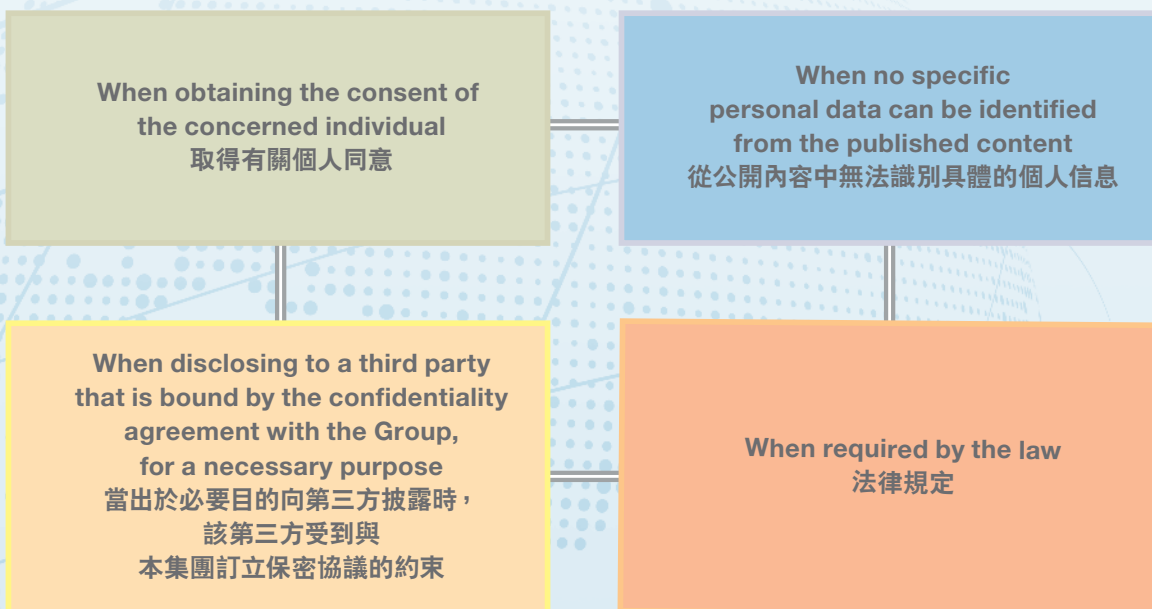
資料保護

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



With the exception of the situations listed below, the personal information of affiliated individuals will not be shared with any external parties:

除以下情況外，相關人員的個人信息將不會向任何外部機構共享：



Employees who violate the confidentiality system regarding private information will be given a warning and promptly removed from their current role. In more severe cases, they may face demotion or termination. We encourage employees to actively oversee compliance with the information management policy among their colleagues. It is the duty of every employee to report any breaches of the policy. Those who report violations of the privacy and confidentiality system may be eligible for rewards after verification.

Innovation and Research

To drive industrial innovation and increase productivity, our primary focus is on developing intelligent manufacturing facilities.

At present, our production sites are equipped with a comprehensive, real-time production management system. This system significantly improves the authentication of production data, reduces manual errors, and enhances both the quality and efficiency of production. Moreover, it enables us to trace the production of any batch of products or individual items. To further enhance production efficiency, the Group plans to expedite the implementation of "Industry 4.0" in its manufacturing facilities in China. This involves leveraging the Industrial Internet of Things ("IIoT") for machine interface and utilising IIoT data for additional analysis, with the goal of continually improving production efficiency.

違反私隱信息保密體系的員工會被警告並立即罷免其現有職位。在更嚴重的情況下，彼等可能會面臨降級或解僱。我們鼓勵員工積極監督同事遵守信息管理政策。每位員工都有責任報告任何違反政策的行為。舉報違反私隱信息保密體系的員工，經核實後可合資格獲得獎勵。

創新與研究

為推動行業創新和增加生產率，我們主要專注於開發智能生產設備。

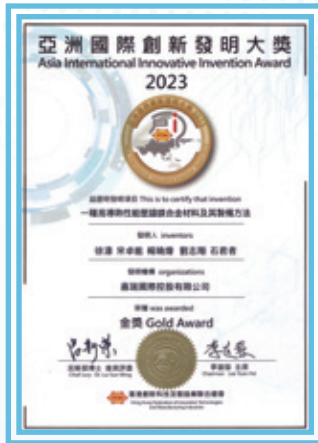
目前，我們的生產基地配備了全面、實時的生產管理系統。該系統顯著改善了生產數據認證，減少了人工錯誤，並提高生產的品質及效率。此外，其使我們能夠跟蹤任何批次產品或單個項目的生產。為進一步提高生產效率，本集團計劃加快在中國生產設施實施「工業4.0」。其包括利用工業物聯網(「IIoT」)進行機器連接，並利用IIoT數據進行額外分析，以不斷改善生產效率。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Ka Shui was also awarded regarding its invention with details as follows:

嘉瑞亦因其發明獲獎，詳情如下：



PROTECTING OUR ENVIRONMENT

In our ongoing commitment to reduce our carbon footprint and address environmental challenges, the Group continually improves and enhances our environmental management practices and manufacturing processes. Consequently, we have implemented an environmental management system that has received certification under the international standard ISO 14001:2015. To ensure strict compliance with relevant environmental laws and regulations, we have engaged external consultants to conduct annual assessments of air emissions, wastewater discharges, and noise levels.

Throughout the Reporting Period, the Group has not been aware of any significant breaches of laws and regulations pertaining to air and GHG emissions, water and land discharges, waste generation, and resource utilization. This includes compliance with laws such as the Environmental Protection Law of the PRC and the Law on the Prevention and Control of Atmospheric Pollution of the PRC. Additionally, the Group did not encounter any issues concerning the sourcing of water suitable for its intended purposes.

保護我們的環境

在減少碳足跡及應對環境挑戰的持續承諾中，本集團不斷提升及加強我們的環境管理實踐及生產流程。因此，我們已實施獲ISO 14001:2015國際標準認證的環境管理體系。為確保嚴格遵守相關環境法律及法規，我們已聘請外部顧問對氣體排放、廢水排放及噪音水平進行年度評估。

於整個報告期內，本集團並不知悉任何嚴重違反下述法律法規的行為：與氣體及溫室氣體排放、水及土地的排污、廢物產生以及資源使用有關的法律及法規，包括遵守《中華人民共和國環境保護法》及《中華人民共和國大氣污染防治法》等法律。此外，本集團就採購適合其預期用途的水並無遭遇任何問題。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

During the Reporting Period, the Group's total GHG emission was 30,189.98 tonnes of carbon dioxide equivalent ("tCO₂e"), with an intensity of 54.59 tCO₂e per million pieces of product.

於報告期內，本集團的溫室氣體總排放為30,189.98公噸二氧化碳當量(「公噸二氧化碳當量」)，密度為每百萬件產品54.59公噸二氧化碳當量。

GHG Emission ¹ 溫室氣體排放 ¹	Unit 單位	2023 二零二三年	2022 二零二二年
Scope 1 – Direct GHG emissions ² 範圍1 – 直接溫室氣體排放 ²	tCO ₂ e 公噸二氧化碳當量	1,463.40	3,045.44
Scope 2 – Energy indirect GHG emissions ³ 範圍2 – 能源間接溫室氣體排放 ³	tCO ₂ e 公噸二氧化碳當量	28,521.70	29,259.23
Scope 3 – Other indirect emissions ⁴ 範圍3 – 其他間接排放 ⁴	tCO ₂ e 公噸二氧化碳當量	204.87	67.78
Total GHG emissions 溫室氣體總排放	tCO ₂ e 公噸二氧化碳當量	30,189.98	32,372.45
GHG Intensity 溫室氣體排放密度	tCO ₂ e/million pieces of product 公噸二氧化碳當量/每百萬件產品	54.59	44.50

¹ The calculation had made reference to GHG Protocol – Emission Factors from Cross-Sector Tools and the published emission factors of the "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX.

² Scope 1 emissions represent direct GHG emissions generated by the use of refrigerant and fuels for stationary and mobile sources.

³ Scope 2 emissions represent energy indirect GHG emissions generated by the use of electricity and town gas.

⁴ Scope 3 emissions cover other indirect emissions associated with the Group's business operation, which include the emissions derived from business travel of our employees. Our 2023 Scope 3 emissions is greater than that in 2022 due to the full resumption of air business travel in the light of the removal of COVID-19-related restrictions and the reopening of borders in China. The figure was estimated based on the mileage information provided by the air carriers. The total travel distance has increased from 328,506km to 1,289,813km.

¹ 此計算已參考溫室氣體協議 – 跨界別排放係數工具及聯交所發佈的「如何編備環境、社會及管治報告附錄二：環境關鍵績效指標匯報指引」中所載之已發佈排放係數。

² 範圍一排放指固定及移動源頭使用製冷劑及燃料所產生的直接溫室氣體排放。

³ 範圍二排放指使用電力及燃氣所產生的能源間接溫室氣體排放。

⁴ 範圍三排放包括與本集團業務運營相關的其他間接排放，其中包括我們員工的商務旅行產生的排放。我們二零二三年的範圍三排放大於二零二二年的排放，原因是鑒於新型冠狀病毒相關限制的取消及中國邊境的重新開放，航空商務旅行全面恢復。該數據由航空公司根據所提供的里程信息進行估計。總里程由328,506公里增加至1,289,813公里。

GHG Emission 溫室氣體排放	Intensity 密度		Progress as of 2023 截至二零二三年的進展
	2019 二零一九年	2023 二零二三年	
Reduce GHG emission intensity by 41% by 2030. (Base year 2019) 於二零三零年前將溫室氣體排放密度降低41%。 (以二零一九年為基準年)	63.25 tCO ₂ e per million pieces of product 63.25公噸二氧化碳當量／每百萬件產品	54.59 tCO ₂ e per million pieces of product 54.59公噸二氧化碳當量／每百萬件產品	

Minimising Environmental Impacts

To ensure sustainability throughout our manufacturing processes, we strive to minimise our environmental footprint. Our focus is on reducing the impacts associated with the production of stationary machinery and motor vehicles, which includes activities like die casting, moulding, and scrapping. The primary environmental concerns in these processes are wastewater and air pollutants. We closely monitor and regulate these emissions, discharges, and noise levels to ensure strict compliance with regulatory standards.

Air Emissions

Our manufacturing facilities strictly comply with the air emission limits set by Guangdong Province, as outlined in the DB44/27-2001 "Emission Limits of Air Pollutants". To ensure compliance, we enlist the services of a third-party organisation to conduct annual air quality inspections. The Group's air emissions primarily result from the exhaust gases produced during the high temperature melting process of injection moulding machines and the dust generated during the crushing process.

盡量減少環境影響

為確保整個生產過程的可持續性，我們努力將環境足跡降至最低。我們主要減少與固定機器及汽車生產相關的影響，其中包括壓鑄、注塑及銷毀等活動。該等過程中的主要環境問題是廢水及氣體污染物。我們密切監測及監管該等排放、排污及噪音水平，以確保嚴格遵守監管標準。

氣體排放

我們的生產工廠嚴格遵守廣東省制定的大氣排放限值，如 DB44/27-2001《大氣污染物排放限值》中所述。為確保合規，我們委聘第三方機構進行年度空氣質量檢查。本集團的氣體排放主要來自注塑機在高溫熔化過程中產生的廢氣及壓碎過程中產生的灰塵。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

To mitigate these environmental impacts, we have implemented new initiatives and technologies, including the installation of emission reduction devices. Prior to emission, the dust and waste gases produced during the injection moulding process undergo treatment through UV photolysis. Additionally, we employ real-time monitoring systems to continuously monitor and track the emission levels.

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

為減輕該等環境影響，我們已實施新的措施及技術，包括安裝減排裝置。在排放之前，注塑過程中產生的灰塵及廢氣通過紫外光催化進行處理。此外，我們採用實時監控系統持續監測和追蹤排放水平。

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

Air Emissions ⁵ 氣體排放 ⁵	Unit 單位	2023 二零二三年	2022 二零二二年
Nitrogen oxides 氮氧化物	Kilograms ("kg") 公斤	1,077.73	877.47
Sulphur oxides 硫氧化物	kg 公斤	2.08	9.31
Particulate matter 顆粒物	kg 公斤	577.47	5,837.02
Benzene 苯	kg 公斤	128.68	59.09
Toluene and xylene 甲苯及二甲苯	kg 公斤	29.15	63.23
Volatile organic compound 揮發性有機化合物	kg 公斤	1,043.29	3,149.10
Sulphur dioxide 二氧化硫	kg 公斤	12.65	156.26
Non-methane hydrocarbons 非甲烷碳氫化合物	kg 公斤	981.27	1,375.14

⁵ The air emission generated by the use of company vehicles is disclosed based on available data record only. We will continue to improve our data collection methodology.

⁵ 使用公司車輛產生的氣體排放僅根據已有的數據記錄披露。我們將繼續改善我們的數據收集方法。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Wastewater Discharge



廢水排放

Our wastewater discharges are a result of production activities and general washing processes. However, we have implemented a robust treatment system to remove organic matter and pollutants from the wastewater before it is discharged. Through this treatment process, we can effectively protect nearby water sources by safely returning the treated wastewater to the environment.

我們的廢水排放為生產活動及一般清洗過程的結果。然而，我們已實施一個強大的處理系統，在廢水排放之前去除其有機物及污染物。通過該處理過程，我們可以使處理後的廢水安全地回到環境，從而有效地保護附近水源。

To ensure the proper functioning of our wastewater treatment facility, we conduct regular inspections and maintenance. We also engage external consultants to conduct thorough examinations of our wastewater at least once a year, following the guidelines set by the “Discharge Standard for Pollutants from Electroplating” (DB1597-2015) and the “Environmental Quality Standards for Surface Water” (GB 3838-2002). These inspections help us assess the levels of organic matter and pollutants in our wastewater, ensuring they are within acceptable limits. The results consistently demonstrate that the key factors affecting water quality, such as suspended solids and pH levels, in our discharged wastewater are either within or below the established limits.

為確保我們的廢水處理設施功能正常，我們定期進行檢查及維護。我們亦聘請外部顧問，根據《電鍍水污染物排放標準》(DB1597-2015)及《地表水環境質量標準》(GB 3838-2002)，每年至少對廢水進行一次徹底檢測。該等檢查有助於我們評估廢水中有機物及污染物的水平，確保其在可接受的範圍內。結果一致表明，我們排放的廢水中的懸浮物及pH值等影響水質的主要因素均在既定限值以內或以下。

During the Reporting Period, the intensities of our water consumption and discharge were 138,352.05 and 7,763.00 cubic metres (“m³”) per million pieces of product respectively.

於報告期內，我們的用水量及排放量密度分別為每百萬件產品138,352.05及7,763.00立方米(「立方米」)。

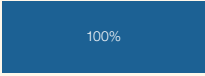

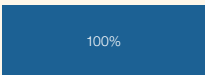
Water 水	Unit 單位	2023 二零二三年	2022 二零二二年
Freshwater 淡水 Intensity 密度	m ³ 立方米 m ³ /million pieces of product 立方米/百萬件產品	138,352.05 250.16	196,368.90 269.96
Wastewater 廢水 Intensity 密度	m ³ 立方米 m ³ /million pieces of product 立方米/百萬件產品	7,763.00 ⁶ 14.04	3,609.00 4.96

⁶ Our 2023 wastewater is greater than that in 2022 due to change in our operation practices.

⁶ 由於我們營運程序的變動，我們於二零二三年的廢水多於二零二二年。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Water 水	Intensity 密度		Progress as of 2023 截至二零二三年的進展
	2019 二零一九年	2023 二零二三年	
Reduce total water consumption by 5% by 2030. 於二零三零年前將總用水量降低5%。	258,744.23 m ³ 258,744.23立方米	138,352.05 m ³ 138,352.05立方米	
Reduce the intensity of water consumption by 34% by 2030. (Base year 2019) 於二零三零年前將用水量密度降低34%。 (以二零一九年為基準年)	401.33 m ³ per million pieces of products 每百萬件產品 401.33立方米	250.16 m ³ per million pieces of products 每百萬件產品 250.16立方米	
Reduce the intensity of wastewater discharge by 50% by 2030. (Base year 2019) 於二零三零年前將用廢水排放量密度降低50%。 (以二零一九年為基準年)	99.74 m ³ per million pieces of products 每百萬件產品 99.74立方米	14.04 m ³ per million pieces of products 每百萬件產品 14.04立方米	

Noise Generation

Our manufacturing facilities are strictly adhered to the noise emission standard outlined in GB12348-2008, also known as the Emission Standard for Industrial Enterprises Noise at Boundary. We prioritise the selection of equipment that produces minimal noise while maintaining high efficiency. Additionally, we have optimised the workshop layout and added solid walls to enhance sound insulation within our facility. These measures help us minimise noise output.

To ensure energy efficiency and reduce equipment usage frequency, we diligently maintain our machinery. We aim to maximise the utilisation of equipment during its operational hours.

噪音產生

我們的生產設施嚴格遵守 GB12348-2008 (亦稱《工業企業廠界環境噪聲排放標準》) 中概述的噪音排放標準。我們優先選擇噪音更低、效率更高的設備。此外，我們亦優化車間佈局及增加實體牆來提高車間的隔音效果。該等措施有助於我們將噪音輸出降至最低。

為確保能源效益並減少設備使用頻率，我們勤於維護我們的機器。我們的目標是在設備運行時最大限度地利用設備。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

To validate our compliance with noise standards, we engaged an independent third-party consultant to conduct noise testing following the guidelines of GB 12348-2008. The testing reports demonstrate that the noise levels produced by our operations were within the acceptable range at all testing points located one metre outside our plants.

為驗證我們是否符合噪音標準，我們聘請獨立第三方顧問，根據GB 12348-2008指引進行噪音測試。測試報告表明，我們工廠外一米處的所有測試點的噪音水平均在可接受的範圍內。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Environmental Performance

To address the challenges of climate change, promoting resource conservation is a sustainable solution. In our commitment to fostering a green workplace culture, we have implemented a set of internal guidelines on resource management. These guidelines aim to install a sense of conservation among our employees and encourage responsible resource usage.

During the Reporting Period, the intensities of energy consumption, raw material consumption and packaging material consumption were 95.39 MWh per million pieces of product, 10.32 tonnes per million pieces of product and 1.21 tonnes per million pieces of product respectively.

環境績效

促進資源保護乃應對氣候變化挑戰的可持續解決方案。在致力培育綠色工作場所文化的過程中，我們已實施一套有關資源管理的內部指引。該等指引旨在樹立員工的保護意識，並鼓勵負責任地資源使用。

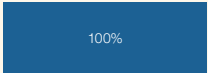

於報告期內，能源消耗、原材料消耗及包裝材料消耗密度分別為每百萬件產品95.39兆瓦小時、每百萬件產品10.32公噸及每百萬件產品1.21公噸。

Resource Consumption 資源消耗	Unit 單位	2023 二零二三年	2022 二零二二年
Total energy consumption 能源消耗總量	MWh 兆瓦小時	52,757.95	59,615.01
Total energy intensity 能源密度總量	MWh/million pieces of product 兆瓦小時/百萬件產品	95.39	81.95
Direct energy consumption 直接能源消耗	MWh 兆瓦小時	7,636.46	13,713.98
– Natural gas 天然氣	MWh 兆瓦小時	6,267.50	7,905.98
– Diesel oil 柴油	MWh 兆瓦小時	712.01	3,868.91
– Unleaded petrol 無鉛汽油	MWh 兆瓦小時	642.19	1,919.21
– Liquefied petroleum gas 液化石油氣	MWh 兆瓦小時	14.76	19.89
Indirect energy consumption 間接能源消耗			
– Purchased electricity 已購買的電力	MWh 兆瓦小時	45,121.49	45,901.03
Raw material consumption 原材料消耗	Tonnes 公噸	5,708.43	6,009.90
– Plastic 塑膠	Tonnes 公噸	1,866.43	2,423.73
– Magnesium alloy 鎂合金	Tonnes 公噸	1,341.36	2,475.66
– Aluminium alloy 鋁合金	Tonnes 公噸	2,365.80	976.13
– Zinc alloy 鋅合金	Tonnes 公噸	134.84	134.39
Total raw material consumption intensity 總原材料消耗密度	Tonnes/million pieces of product 公噸/百萬件產品	10.32	8.26

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Resource Consumption 資源消耗	Unit 單位	2023 二零二三年	2022 二零二二年
Packaging material consumption 包裝物料消耗	Tonnes 公噸	668.67	705.98
— Carton boxes 紙箱	Tonnes 公噸	287.81	550.43
— Plastic bags 塑膠袋	Tonnes 公噸	34.27	46.60
— Stickers 貼紙	Tonnes 公噸	2.64	3.31
— Wood boards 木材	Tonnes 公噸	201.29	105.41
— Wrapping paper 包裝紙	Tonnes 公噸	132.91	—
— Others 其他	Tonnes 公噸	9.76	0.23
Total packaging material consumption intensity 總包裝物料消耗密度	Tonnes/million pieces of product 公噸/百萬件產品	1.21	0.97
Paper Consumption 紙張消耗	Tonnes 公噸	5.07	4.39
Paper Consumption Intensity 紙張消耗密度	Tonnes/million pieces of product 公噸/百萬件產品	0.009	0.006

Environmental Performance 環境績效	Intensity 密度		Progress as of 2023 截至二零二三年的進展
	2019 二零一九年	2023 二零二三年	
Reduce the intensity of total energy consumption by 33% by 2030. (Base year 2019) 於二零三零年前將總能源消耗密度降低33%。 (以二零一九年為基準年)	93.63 MWh per million pieces of product 93.63兆瓦小時每百萬件產品	95.39 MWh per million pieces of product 95.39兆瓦小時每百萬件產品	Need to reduce 35% in order to reach the target (Base year 2023). 為達致目標，需減少35% (以二零二三年為基準年)。
Reduce the intensity of paper consumption by 46% by 2030. (Base year 2019) 於二零三零年前將紙張消耗密度降低46%。 (以二零一九年為基準年)	0.02 tonnes per million pieces of product 0.02公噸	0.009 tonnes per million pieces of product 0.009公噸	
Reduce the intensity of packaging material consumption by 50% by 2030. (Base year 2019) 於二零三零年前將包裝材料消耗密度降低50%。 (以二零一九年為基準年)	1.21 tonnes per million pieces of product 每百萬件產品 1.21公噸	0.97 tonnes per million pieces of product 每百萬件產品 0.97公噸	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Clean Production

Ensuring clean production practices in the metal alloy die casting and plastic injection moulding industries is crucial for environmental protection, cost reduction, and product quality improvement. These industries generate waste such as scrap metal, unused materials, and excess plastic, which can have adverse environmental effects. By adopting clean production techniques, waste generation is minimised, leading to a reduction in pollution and environmental degradation caused by these processes. This not only benefits the environment but also contributes to lower operating costs and improved overall efficiency.

The Hong Kong-Guangdong Cleaner Production Partners Recognition Scheme, initiated by the Environmental Protection Department of the Hong Kong Special Administrative Region, in collaboration with the former Economic and Information Commission of Guangdong Province, aims to commend Hong Kong-owned enterprises actively engaged in cleaner production. Ka Shui, as a manufacturing industry participant, has been recognised as one of the Hong Kong-Guangdong Cleaner Production Partners, highlighting their commitment to cleaner production practices.

清潔生產

確保金屬合金壓鑄及塑膠注塑成型行業的清潔生產實踐對於環境保護、降低成本及提高產品質量至關重要。該等行業產生廢金屬、無用材料及過量塑膠等廢棄物，這對環境產生不利影響。通過採用清潔生產技術，可以最大限度減少廢物的產生，從而降低該等過程造成的污染及環境退化。這不僅有利於環境，亦有助於降低營運成本和提高整體效率。

由香港特別行政區環境保護署與前廣東省經濟和信息化委員會合辦的粵港清潔生產夥伴標誌計劃，旨在表揚積極參與清潔生產的港資企業。嘉瑞作為製造業的參與者，獲認可為粵港清潔生產夥伴之一，彰顯其對清潔生產實踐的承諾。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Supporting a Greener Community

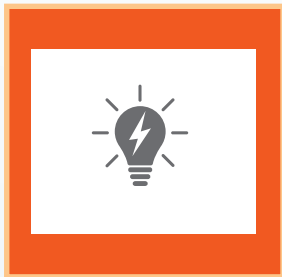
The Group is committed to actively supporting the global shift towards a net-zero economy. In addition to implementing our own green initiatives, we are dedicated to assisting sustainable projects and initiatives within the community through various means. Throughout the Reporting Period, we have made green deposits with multiple banks, and the funds from these deposits were utilised to support sustainable projects in areas such as renewable energy, energy efficiency, green buildings, sustainable water management, and the transition towards an eco-efficient economy.

Below summarises our measures in reducing consumption of resources:

支持綠色社區

本集團致力於積極支持全球向淨零經濟過渡。除實施我們的內部綠色舉措外，我們亦致力於透過不同方式協助社區內的可持續發展項目及舉措。於整個報告期內，我們已向多家銀行存入綠色存款，該等存款資金用於支援可再生能源、能源效率、綠色建築、可持續水資源管理以及向生態高效經濟過渡等領域的可持續項目。

以下是我們減少資源消耗的措施的摘要：



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



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



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



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

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

In our continuous efforts towards sustainable production and reducing our carbon footprint, we have consistently implemented energy-saving projects. These initiatives focus on enhancing the efficiency of our production processes. In addition to retrofitting the water-cooling system, we have also completed the retrofitting of cooling towers and the polishing and dust removal system.

在我們不斷努力實現可持續生產及減少碳足跡的過程中，我們一直實施節能項目。該等舉措主要提高我們生產過程的效率。除水冷卻系統改造外，我們亦完成了冷卻塔及拋光除塵系統的改造。

The upgraded cooling towers now include a new temperature modulation system, allowing us to adjust the cooling temperature to an energy-efficient level. Furthermore, the retrofitted water-cooling system and polishing and dust removal system are equipped with energy-efficient water pumps, further optimising energy consumption throughout these processes.

升級後的冷卻塔現在包括一個新的溫度調節系統，使我們能夠將冷卻溫度調整至節能狀態。此外，改造後的水冷卻系統及拋光除塵系統均配備了節能水泵，進一步優化了整個過程的能源消耗。

During the Reporting Period, we assessed all carbon reduction equipment upgrades and determined that approximately HK\$1,400,000 was saved.

於報告期內，我們評估了所有減碳設備升級，並確定節省了約1,400,000港元。

Waste Management

The Group recognises the importance of waste reduction at its source and takes proactive measures to address this issue. To minimise unnecessary purchases and waste, we have implemented a requirement for all operational units to enhance their ability to accurately determine the necessary number of raw materials. We continuously improve our production techniques to increase productivity, reduce consumption, and minimise product failures.

廢物管理

本集團深知從源頭上減少廢物的重要性，並採取積極措施解決該問題。為盡量減少不必要的採購及浪費，我們已要求所有營運單位提高其準確計算所需原材料數目的能力。我們不斷改進我們的生產技術，以提高生產效率、減少消耗並最大限度地減少產品故障。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

A key strategy in our waste management is to increase waste diversion. We have installed waste sorting systems across all production units to facilitate effective waste diversion. Additionally, training courses are provided to employees to ensure they are well-versed in waste sorting practices.

In line with the National Hazardous Waste Inventory of the PRC, we segregate hazardous waste, such as waste oil residues, paints, sludge, chemicals, and their containers, from non-hazardous waste. We store hazardous waste appropriately and arrange for its collection by licensed collectors in compliance with local laws and regulations. To enhance safety, containers containing hazardous waste are labelled with warning signs and hazard labels to serve as visual cues and precautionary measures. We have also established contingency plans to address situations related to the handling of hazardous waste, including chemical spills, fires, and explosions.

We keep non-hazardous production waste with economic values, such as leftover metals from production for the purpose of resale or smelted for reuse in the production line. The collectors of the Company are required to comply with our environmental and safety protocols to avoid potential harm to the environment and our employees. During the Reporting Period, the intensities of hazardous waste and non-hazardous waste were 855.04 tonnes and 466.78 tonnes per million pieces of product respectively.

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

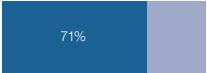
我們根據《中國國家危險廢物名錄》將廢油殘渣、油漆、污泥、化學品及其容器等有害廢物分類，與無害廢物分開。我們正確儲存有害廢物，並安排獲許可的收集人員根據當地法律及法規收集。為提高安全性，盛有有害廢物的容器均標有警告標誌及危險標籤，以作視覺提示及預防措施。我們亦已制定應急計劃，以應對與處理有害廢物相關的情況，包括化學品洩漏、火災及爆炸。

我們保留具有經濟價值的無害生產廢物(如生產中剩餘的金屬)，用於轉售，或經冶煉後再次於生產線上使用。本公司收集人員須遵守我們的環境及安全規定，以避免對環境及僱員造成潛在的傷害。於報告期內，有害廢物及無害廢物密度分別為每百萬件產品855.04公噸及466.78公噸。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Waste Generation 廢物產生	Unit 單位	2023 二零二三年	2022 二零二二年
Hazardous waste 有害廢物 Intensity 密度	tonnes 公噸	855.04	627.84
	tonnes/million pieces of product 公噸/百萬件產品	1.55	0.86
Non-hazardous waste 無害廢物 Intensity 密度	tonnes 公噸	466.78 ⁷	49.32
	tonnes/million pieces of product 公噸/百萬件產品	0.84	0.07

Waste Disposal 廢物處理	Intensity 密度		Progress as of 2023 截至二零二三年的進展
	2019 二零一九年	2023 二零二三年	
<p>Reduce the intensity of hazardous waste disposal by 28% by 2030. (Base year 2019) 於二零三零年前將有害廢物處理密度降低28%。 (以二零一九年為基準年)</p>	0.91 tonne per million pieces of product 每百萬件產品 0.91公噸	1.55 tonnes per million pieces of products 每百萬件產品 1.55公噸	<p>We will continue to closely monitor the disposal of hazardous waste in the future. 我們於日後將持續密切關注有害廢物的處理。</p>
<p>Reduce the intensity of non-hazardous waste (domestic waste) disposal by 42% by 2030. (Base year 2019) 於二零三零年前將無害廢物(生活垃圾)處理密度降低42%。 (以二零一九年為基準年)</p>	0.12 tonne per million pieces of product 每百萬件產品 0.12公噸	0.08 tonne per million pieces of products 每百萬件產品 0.08公噸	

⁷ In 2023, we have enhanced our data collection system to include more categories of non-hazardous waste generated in our manufacturing process.

⁷ 我們於二零二三年加強數據收集系統以涵蓋更多生產過程中產生的無害廢物種類。

MEASURES ON MITIGATING CLIMATE RISK

The occurrence and severity of extreme weather events are on the rise, a significant consequence of global warming. Given the nature of our business, we are particularly susceptible to the risks associated with climate change. To mitigate potential losses and minimise operational disruptions caused by extreme weather events, the Group has developed a comprehensive business contingency plan. The following measures have been implemented to reduce the impact:

減低氣候風險措施

全球變暖最重要的後果之一為極端天氣事件的頻率及強度增加。鑒於我們的業務性質，我們更易於受到氣候變化相關風險的影響。本集團已制定一項綜合業務應急計劃，以盡量減少極端天氣事件對我們的業務造成損失及潛在運營中斷。為了減少影響，我們已採取以下措施：

Risk and Impact 風險和影響	Our Response 我們的回應
<p>Climate Physical Risk (Acute and Chronic) 氣候物理風險(急性和慢性)</p> <p>Considering the conditions of the local environment and the evolving climatic patterns in the regions where the Group's production bases are located, it is anticipated that the Group will face significant consequences arising from extreme weather events, notably storms and flooding.</p> <p>考慮到本集團生產基地所在地區的當地環境條件及不斷變化的氣候模式，本集團預計將面臨極端天氣事件的嚴重影響，特別是風暴和洪水。</p> <p>The impacts of these extreme weather events have the potential to give rise to environmental, health, and safety concerns. Excessive rainfall and flooding may lead to issues such as stormwater runoffs, which can introduce pollutants, including chemicals, into drainage systems. Furthermore, the safety of the workforce and the smooth operation of the supply chain can be adversely affected by these extreme weather events.</p> <p>該等極端天氣事件的潛在影響可能引發環境、健康和 safety 問題。過量降雨及洪水可能會導致雨水徑流等問題，從而將包括化學品在內的污染物帶入排水系統。此外，極端天氣事件亦會對安全生產及供應鏈的順利運營造成不利影響。</p>	<p>To ensure the prevention of drain blockage, we conduct regular inspections of our drainage systems. Immediate repairs are arranged upon identifying any issues that require attention. To mitigate the risk of chemical leakage, we have strengthened our chemical safety management system. Throughout the rainy season, we consistently monitor the drainage system to assess the water quality of the discharged rainfall. In the event of a storm, we actively monitor the situation and stay vigilant for any weather alerts. If necessary, we will evacuate the work area to prioritise the safety of our personnel.</p> <p>為確保防止排水堵塞，我們會定期檢查排水系統。一旦發現任何需要注意的問題，我們將安排維修。為了降低化學品洩漏的風險，我們已加強化學品安全管理體系。我們經常在整個雨季持續監測排水系統，以評估所排放雨水的水質。一旦發生暴雨，我們會積極監控情況，並對任何天氣警報保持警惕。如有必要，我們會撤離工作區，優先保障人員安全。</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Risk and Impact 風險和影響	Our Response 我們的回應
<p>Climate Transition Risk 氣候轉型風險</p> <p>Policy and Legal 政策及法律</p> <p>Governments worldwide have made commitments to limit global warming to below 2°C, and China has also pledged to work towards this goal by announcing that its carbon emissions will peak by 2030 and achieve carbon neutrality by 2060. 全球各國政府已承諾將全球變暖控制在2°C以下，中國亦承諾為實現這一目標而努力，宣佈其碳排放將在二零三零年達到峰值，並將於二零六零年實現碳中和。</p> <p>Market and Reputation 市場及聲譽</p> <p>In response to this global trend, new laws and standards are being implemented, and consumers are increasingly favouring environmentally and socially responsible businesses. Companies that fail to adapt to these changing demands and expectations not only face potential financial losses but also reputational harm. 為應對該全球趨勢，新的法律及標準正在實施，消費者亦更加青睞具備環境及社會負責感的企業。無法適應該等不斷變化的要求及期望的公司不僅會面臨潛在的財務損失，亦會遭到聲譽損害。</p> <p>Technology 技術</p> <p>As the economy transitions to a lower-carbon model, eco-friendly and energy-efficient production methods become essential. In the die-casting industry, allocating more resources to the adoption of environmentally sustainable die-casting technology is necessary to meet these changing requirements. 隨著經濟向低碳模式過渡，環保及節能的生產方式變得至關重要。壓鑄行業將須投入更多資源，採用環境可持續發展的壓鑄技術，以滿足該等不斷變化的要求。</p>	<p>The Group maintains a vigilant approach to ESG matters, with oversight bodies like the Board and the ESG Working Group continuously monitoring the latest developments and regulations. This ensures that the Group's direction, operations, and objectives align with both regulatory requirements and industry standards. 本集團對環境、社會及管治事務保持警惕，董事會及環境、社會及管治工作小組等監督機構持續監察最新發展及規例，以確保本集團的方向、營運及目標與監管規定及行業標準保持一致。</p> <p>Furthermore, we have implemented an environmental management system that is accredited with the internationally recognised ISO 14001:2015 standard. We are committed to maintaining and continually improving this environmental management system to meet our ESG objectives in the short, medium, and long term. 此外，我們已實施獲ISO 14001：2015國際標準認證的環境管理體系。我們致力於維護並不斷改進環境管理體系，以實現我們的短期、中期及長期的環境、社會及管治目標。</p>

By implementing these measures, we aim to enhance our preparedness and resilience in the face of climate-related risks, thereby minimising potential losses and maintaining the continuity of our operations.

通過實施該等措施，我們旨在加強面對氣候相關風險的準備及應變能力，從而最大限度地減少潛在損失，保持營運的連續性。



Impacts 影響

Due to the specific regional environment and shifts in local climate patterns surrounding the Group's production facilities, it is anticipated that the organisation will face significant consequences caused by extreme weather events like storms and flooding. These events have the potential to result in substantial impacts on various aspects, including the environment, health, and safety. The excessive rainfall and subsequent flooding can give rise to environmental concerns.

由於本集團生產設施周圍特定的當地環境及當地氣候模式的變化，本集團預計將面臨風暴及洪水等極端天氣事件造成的嚴重後果。該等事件有可能對環境、健康及安全等各個方面造成重大影響。過量降雨及隨之而來的洪水會引發環境問題。

During floods, stormwater runoffs have the potential to carry pollutants, such as chemicals, into drainage systems, which can pose environmental risks. Moreover, the occurrence of extreme weather events can also have implications for the safety of the workforce and disrupt the smooth operation of the supply chain. It is crucial for the Group to address these potential risks associated with extreme weather events and implement appropriate measures to safeguard the environment, ensure the well-being of employees, and maintain the efficiency of the supply chain.

發生洪災時，雨水徑流可能會將化學品等污染物帶入排水系統，從而對環境造成危害。此外，極端天氣事件的發生亦會對僱員的安全造成影響，並破壞供應鏈的順利營運。本集團必須應對該等與極端天氣事件相關的潛在風險，並採取適當的措施來保護環境，確保僱員的健康，並保持供應鏈的效率。



Counter-measures 對策

To ensure unobstructed drainage, we conduct frequent inspections of our drainage systems, promptly addressing any identified issues through immediate repairs. Our chemical safety management system has been strengthened to reduce the potential risks associated with chemical leaks. During the rainy season, we regularly monitor the drainage system to assess the quality of the discharged rainwater. In the event of a storm, we proactively monitor the situation and stay vigilant for weather alerts. If necessary, we will evacuate the work area to prioritise the safety of our employees.

為確保排水系統暢通無阻，我們經常對排水系統進行檢查，發現問題立即維修，及時處理。我們已加強化學品安全管理體系，以降低化學品洩漏帶來的潛在風險。我們於雨季會定期監測排水系統，以評估所排放雨水的水質。一旦發生暴雨，我們會主動監測情況，並對天氣警報保持警惕。如有必要，我們將撤離工作區，優先考慮僱員的安全。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

CARING FOR OUR PEOPLE

We highly value the well-being of our employees and strive to provide them with a supportive, dynamic, fair, and secure work environment. Our employment practices align with the SA8000 Social Accountability Standard, which encompasses internationally recognised labour standards regarding workplace health and safety, labour rights, and the prevention of child and forced labour. Furthermore, we ensure compliance with applicable local labour laws to maintain a responsible and ethical workplace.

At the end of the Reporting Period, the Group's three major subsidiaries employed 2,607 employees in China and Hong Kong, with a turnover rate of about 77.83%. The employment figures as at the end of the Reporting Period are summarised below:

關愛我們的僱員

我們高度重視員工的健康，努力為彼等提供一個支柱性的、有活力的、公平的及安全的工作場所。我們的僱傭常規符合SA8000社會責任標準，其中包括國際公認的有關工作場所健康及安全、勞工權利以及預防童工及強迫勞動的勞工標準。此外，我們亦確保遵守當地適用的勞動法，以維持一個負責任及符合道德規範的工作場所。

於報告期末，本集團的三間主要附屬公司在中國及香港僱用了2,607名僱員，離職率約為77.83%。於報告期末的僱傭數據概述如下：

		2023 二零二三年	2022 二零二二年
Total number of employees⁸ 僱員總數⁸		2,607	2,501
By gender (%) 按性別劃分(%)	Male 男	59.46%	59.22%
	Female 女	40.54%	40.78%
By age group (%) 按年齡組劃分(%)	Below 30 30歲以下	28.69%	27.99%
	30 to 50 30歲至50歲	60.87%	59.10%
	Over 50 50歲以上	10.43%	12.91%
By employment type (%) 按僱傭類別劃分(%)	Full-time 全職	55.93%	78.41%
	Part-time 兼職	44.07%	21.59%
By geographical region (%) 按地區劃分(%)	Hong Kong 香港	1.30%	1.36%
	China 中國	98.70%	98.64%
Employee turnover rate⁹ 僱員離職率⁹			
Total 總計		77.83%	82.70%
By gender 按性別劃分	Male 男	79.60%	84.09%
	Female 女	74.61%	80.18%
By age group 按年齡組劃分	Below 30 30歲以下	89.27%	91.71%
	30 to 50 30歲至50歲	62.70%	69.99%
	Over 50 50歲以上	49.35%	70.31%
By geographical region 按地區劃分	Hong Kong 香港	8.11%	19.05%
	China 中國	78.05%	82.88%

⁸ The number of employees as at the end of the Reporting Period.

⁹ Given the business nature of the Group, the employee turnover rate is calculated by dividing the number of employees of the respective category who left employment in 2023 by the total workforce size of the respective category. The total workforce size is the aggregate of the number of employees who left employment and the total number of employees at the end of the Reporting Period.

⁸ 報告期末的僱員人數。

⁹ 因應本集團的業務性質，離職率的計算方法為以特定類別的僱員於二零二三年離職人數除以於該特定類別的總僱員人數。總僱員人數為離職僱員人數加上於報告期末的總僱員人數的總和。

Employees' Health and Safety

Ensuring a secure and conducive work environment, while promoting a healthy work-life balance and employee well-being, is a key priority for us. We are dedicated to maintaining a workplace that is clean, safe, and devoid of any hazards that could potentially lead to accidents, incidents, health issues, or safety risks.

Health and Safety Risk Assessment

Led by project management personnel, including the project planner, project supervisor, senior safety engineer, and safety commissioner, the Group has established a comprehensive health and safety risk management system.

Before commencing any project, a thorough assessment of environmental, health, and safety risks will be conducted. This assessment will identify potential hazards and environmental impacts, such as evaluating chemical safety and identifying hazardous gases. Mitigation measures will be developed to address these risks. Additionally, equipment checks will be performed to ensure smooth operation, and the work permits of relevant project staff will be verified to ensure their qualifications to carry out the assigned tasks.

Health and Safety Practices

We have implemented a comprehensive set of health and safety procedures that encompass various aspects of hazard prevention throughout the entire production cycle. These procedures adhere to the highest standards of occupational health and safety.

僱員健康及安全

我們的首要任務是促進工作與生活之間的平衡及僱員的福祉的同時，為僱員提供安全及有利的工作環境。我們努力保持工作場所清潔、安全及避免任何可能導致事故、事件、健康問題或安全風險的危害。

健康及安全風險評估

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

在任何項目開始之前，將對環境、健康及安全風險進行全面評估。該評估將確定潛在的危害及環境影響，如化學品安全評估及危險氣體識別。我們將制定緩解措施來應對該等風險。此外，我們亦將檢查設備以確保順利運作及相關項目人員的工作許可證以確保彼等符合資格執行指定任務。

健康及安全實踐

我們實施了一套全面的健康及安全程序，涵蓋整個生產週期的預防危險的各個方面。該等程序符合職業健康及安全的最高標準。

Health and Safety Management 健康及安全管理

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

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

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

Emergency Preparedness 應急準備

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

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

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

Incident Management 事故管理

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

Chemical Safety 化學品安全

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

Health and Safety Training 健康及安全培訓

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Safety Production Reward and Penalty 安全生產獎懲

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

Protecting Our People 保護我們的僱員

- ✓ Keeping all employees always maintaining personal hygiene.
讓所有僱員無時無刻保持個人衛生。
- ✓ Carrying out daily sanitation of the factories and workshops.
對工廠及車間進行日常衛生清潔。

Protecting the Supply Chain 保護供應鏈

- ✓ Setting up a stringent management system and working procedures for cross-border logistics.
為跨境物流設定嚴格的管理制度及工作程序。
- ✓ Carrying out thorough sanitation after unloading.
卸貨後進行徹底的消毒。
- ✓ Closely communicating with the authorities to obtain permits for vehicles.
與政府機構密切溝通，以獲得跨境車輛許可證。

During the Reporting Period, the Group was not aware of any non-compliance with applicable laws and regulations relating to provision of a safe working environment and protection of employees from occupational hazards, such as Law of the PRC on Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong. The following table illustrates the number of work-related fatalities occurred in the past three years:

於報告期內，本集團並不知悉任何不遵守下述適用法律及法規的行為：有關提供安全工作環境及保護僱員，使彼等免於遭受職業危害的法律及法規，如《中華人民共和國職業病防治法》及香港《職業安全及健康條例》(第509章)。下表顯示過往三年中發生的與工作有關的死亡數目：

Employee health and safety data 僱員健康與安全數據	2023 二零二三年	2022 二零二二年	2021 二零二一年
Number of work-related injury cases 工傷案件的數目	7	6	6
Number of work-related fatalities 因工死亡人數	0	0	0
Number of lost days due to work injury 因工傷損失的工作日數	458	201	125

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Employment Conditions

The Group recognises that its employees are the most valuable and crucial resource, playing a central role in our overall success. Ensuring the well-being of our employees is a top priority for us. Our long-term strategy focuses on providing a dynamic work environment and competitive compensation and benefits to attract and retain talented individuals.

Throughout the Reporting Period, the Group diligently adhered to relevant laws and regulations in China and Hong Kong pertaining to various employment aspects. This includes compliance with laws related to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, as well as other benefits and welfare considerations. Additionally, the Group upheld regulations concerning child and forced labour, such as the Labour Law and Labour Contract Law in the PRC, and the Employment Ordinance (Cap. 57) in Hong Kong. No significant breaches of these regulations were identified during the Reporting Period.

Promotion and employment relations

The Group places great emphasis on fostering strong connections with its employees, recognising their invaluable contributions, and striving to retain everyone. To ensure the protection of employees' rights, as well as their health and safety, we conduct identification checks and medical examinations for all job applicants.

A fair and transparent system for promotions and rewards has been implemented to enhance employee satisfaction and productivity. Annual evaluations are conducted using a set of KPIs to assess employee performance. Exceptional employees may be eligible for promotions, as well as rewards and discretionary bonuses. Additionally, we recognise, and reward teams based on their productivity, improvement, and creativity, aiming to cultivate a sense of teamwork.

僱傭條件

本集團認識到，員工是最寶貴及最關鍵的資源，在我們的整體成功中發揮著核心作用。確保員工的福利乃我們的第一要務。我們的長期戰略重點是為僱員提供一個充滿活力的工作環境及具有競爭力的薪酬及福利，以吸引和留住優秀人才。

於整個報告期內，本集團嚴格遵守中國及香港有關僱傭方面的法律法規。這包括遵守有關薪酬及解聘、招聘及晉升、工作時間、休息時間、同等機會、多元性、反歧視以及其他利益及福利考慮因素的法律。此外，本集團亦遵守有關童工及強迫勞工的法規，例如《中國勞動法》及《中國勞動合同法》，以及《香港僱傭條例》(第57章)。於報告期內未發現嚴重違反該等法規的情況。

晉升和僱傭關係

本集團非常重視與員工建立牢固的聯繫，肯定彼等的寶貴貢獻，並竭力挽留每一位僱員。為確保員工的權利以及健康及安全，我們對每位求職者進行身份核驗及體檢。

為提高員工的滿意度及工作效率，我們實施了公平透明的晉升和獎勵機制。年度評估採用一套關鍵績效指標評估僱員績效。優秀僱員可合資格晉升並獲得獎勵和酌情獎金。此外，我們亦根據團隊的生產率、改進和創新對其進行表彰和獎勵，旨在培養團隊合作意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

We take the employer-employee relationship seriously and approach dismissal actions cautiously. In general, employees are not laid off unless they are unable to perform their duties due to various reasons. When dismissal becomes necessary, it is typically due to violations of the law or our code of conduct. In such cases, employees susceptible to dismissal will be provided with appropriate notice or compensation.

Benefits

Our employees are recognised and rewarded for their valuable contributions through a remuneration package that is highly competitive in the market. Depending on their performance, employees may receive discretionary bonuses as an additional reward. To alleviate the financial burden on our staff, we provide meal and accommodation allowances.

In compliance with local laws and regulations, the Group ensures adherence to the required minimum wage regulations. Furthermore, we actively contribute to the social security system, including the pension fund, medical insurance, industrial injury insurance, unemployment insurance, and maternity insurance, in support of our employees' well-being and welfare.

In addition to the above-mentioned employee benefits, the company also arranges periodic additional benefits for our employees. In October 2023, we collaborated with Huiyang Aier Kangming Eye Hospital to provide free eye examinations for our employees. Apart from the free eye examinations, employees also enjoy discounts on purchasing glasses and other comprehensive eye examinations.

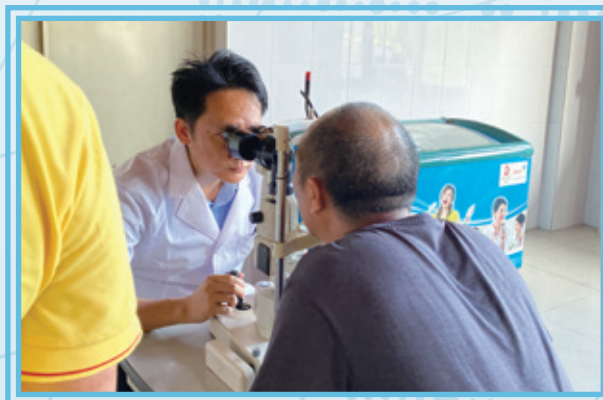
我們認真對待僱傭關係，謹慎對待解僱決定。除非僱員因不同原因無法繼續履行職務，否則我們通常不會解僱任何僱員。在必須解僱僱員時，通常是由於彼等違反了法律或我們的行為守則。在該等情況下，我們會向可能被解僱的僱員提供適當的通知或補償。

福利

我們為僱員提供在市場上極具競爭力的薪酬福利，以表彰及獎勵彼等的寶貴貢獻。根據僱員的表現，彼等亦可獲得酌情花紅作為額外獎勵。為了減輕員工的經濟負擔，我們為彼等提供餐飲及住宿津貼。

根據當地法律法規，本集團確保遵守規定的最低工資標準的要求。此外，我們亦積極繳納養老金、醫療保險、工傷保險、失業保險及生育保險的社會保障制度，以支持僱員的健康及福利。

除上述僱員福利外，本公司還定期為員工安排額外福利。二零二三年十月，我們與惠陽愛爾康明眼科醫院合作，為僱員提供免費眼科檢查。除免費眼科檢查外，僱員還可享受購買眼鏡及其他全面眼科檢查的折扣優惠。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Work-life Balance

We prioritise a healthy work environment that promotes a harmonious work-life balance. Discouraging excessive overtime, we ensure that the working hours of our employees are effectively managed. To minimise the need for overtime work, our management regularly reviews and adjusts work schedules. In cases where overtime work is unavoidable, employees will be appropriately compensated.

Our standard workweek consists of five days. Employees are entitled to additional paid annual leave, sick leave, marital leave, maternity leave, paternity leave, and compassionate leave, in accordance with local laws and regulations, in addition to national statutory holidays.

Diversity, Inclusiveness and Labour Rights

Our employees are highly valued, and we prioritise fairness and compliance with labour laws by adopting a people-centric approach. The Group places great importance on respecting and embracing diversity, acknowledging its inherent worth. We strictly prohibit any form of discrimination, violence, or harassment towards our employees, including those based on race, ethnicity, age, gender, sexual orientation, disability, religious beliefs, political affiliation, or marital status.

To ensure a safe and inclusive work environment, we have established a whistleblowing channel that allows employees to report any violations of our Labour Rights and Diversity Policy. Furthermore, we have implemented policies to protect employees' rights to collective bargaining and freedom of association. These measures are in place to safeguard and uphold the rights of our employees.

工作與生活的平衡

我們優先營造健康的工作環境，促進工作與生活的和諧平衡。我們不鼓勵過度加班，確保僱員的工作時間得到有效管理。為盡量減少加班需求，我們的管理層會定期審查並調整工作安排。在不得不加班的情況下，僱員會得到適當的補償。

我們標準每週工作五天。除國家法定節假日外，僱員根據當地法律及法規享有額外的帶薪年假、病假、婚假、產假、陪產假及陪護假。

多元化、包容性及勞工權利

我們重視我們的僱員，以人為本，優先考慮公平性及遵守勞動法。本集團高度重視尊重並接受多元化，認可其內在價值。我們嚴格禁止基於種族、民族、年齡、性別、性取向、殘疾、宗教信仰、政治立場或婚姻狀況等，對我們的僱員進行任何形式的歧視、暴力或騷擾。

為確保一個安全及包容的工作環境，我們已建立舉報渠道，供僱員舉報違反勞工權利及多元化政策的行為。此外，我們已制定方針保護僱員集體談判及結社自由的權利。制定該等措施乃為保障及維護僱員權利。

Child and Forced Labour-free Workplace

The protection of labour rights includes the crucial aspect of preventing child and forced labour. We have implemented a stringent policy on child and forced labour, aligned with the international SA8000 Social Accountability Standard. The Group proactively takes measures to ensure the absence of forced or child labour in all our operations.

We are committed to avoiding the use of child and forced labour across all our units. To prevent underage employment, all job applicants must meet the legal working age requirements and provide valid identification for verification. Regular inspections are conducted to ensure compliance with our child labour policy.

Our approach to suppliers is one of zero tolerance towards the use of child labour. We not only strictly adhere to our standards in preventing child and forced labour within our employment and operational processes but also maintain frequent communication with our suppliers to ensure their adherence to these standards. In the event of a violation, immediate corrective actions are required, and if necessary, we may terminate our business relationship with the supplier.

If any instance of child labour is identified, swift action is taken to ensure the health and safety of the children involved. Measures such as medical check-ups, providing proper escort services to their homes, and offering appropriate medical and living assistance are implemented.

無童工及強迫勞工的工作場所

保障勞工權利的關鍵因素包括防止童工及強迫勞工。為遵守國際SA8000社會責任標準，我們亦已實施嚴格的童工及強迫勞工相關政策。本集團積極行動，確保整個營運過程中不存在童工或強迫勞工。

我們承諾在所有單位中避免使用童工及強迫勞工。為避免僱用未成年人，所有求職者必須達到法定工作年齡，並提供有效的身份證明以供核實。我們會定期進行檢查，確保遵守童工政策。

我們對供應商使用童工採取零容忍的態度。我們在僱傭及營運過程中不僅嚴格遵守防止童工及強迫勞工的標準，亦與供應商保持密切溝通以確保彼等確遵守該等標準。如發現違反，須及時採取補救措施，否則我們可終止與供應商的業務關係（如必要）。

如發現任何使用童工的事件，應迅速採取行動，確保相關兒童的健康及安全。我們會為童工安排體檢，提供護送到家服務，並為彼等提供適當的醫療及生活援助。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

Throughout the Reporting Period, no cases related to child and forced labour were identified within the Group. There were no significant instances of non-compliance with laws and regulations regarding child and forced labour in China and Hong Kong, including provisions such as the Provisions on Prohibition of Child Labour and the Law on the Protection of Minors in the PRC, and the Employment Ordinance (Cap. 57) in Hong Kong.

Training and Development

We aim to provide employees with suitable training courses that enable them to acquire the necessary skills. Through investing in training and development, we empower our employees to excel in their current roles and thrive in the future.

The Group's Enterprise Academy plays a vital role in managing employee training and development. Each year, we formulate a comprehensive training plan to address the specific needs of our employees. The academy coordinates the hosting of training sessions and ensures that the topics covered align with the training needs and job roles of the employees. These training programs cover a wide range of areas, including quality management, patent development, intellectual property, vocational skills, and management. The training sessions are conducted by experienced and qualified instructors.

During orientation training sessions, new employees are introduced to various topics such as our quality and CSR policies, production processes, and environmental health and safety knowledge.

於整個報告期內，本集團並無發現有關童工及強迫勞工的案件。概無發生嚴重違反與童工及強迫勞工相關的中國及香港法律法規的案例，包括《禁止使用童工規定》及《中國未成年人保護法》以及《香港僱傭條例》(第57章)等規定。

培訓與發展

我們旨在為僱員提供合適的培訓課程，使彼等能夠掌握必要技能。通過投資培訓與發展，我們使僱員能夠勝任當前職位，並在未來茁壯成長。

本集團的企業學院在管理僱員培訓與發展方面發揮關鍵作用。我們每年都會制定全面培訓計劃，以滿足僱員的具體要求。學院協調培訓課程的舉辦，並確保所涵蓋的議題與僱員的培訓需求及工作角色保持一致。該等培訓項目涵蓋議題廣泛，包括質量管理、專利開發、知識產權、職業技能及管理。培訓課程由經驗豐富的合資格講師授課。

於入職培訓課程中，新僱員將接觸各種議題，例如我們的品質及企業社會責任政策、生產流程、環境健康及安全知識等。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

To support our employees in obtaining professional credentials and achieving their career goals, the Enterprise Academy collaborates with external institutions and organisations. This collaboration allows our employees to pursue professional qualifications. The data summarising our training hours are provided below:

為協助我們的僱員取得專業證書並實現彼等的職業目標，企業學院與外部機構及組織展開合作，我們的僱員可藉此獲得專業資格。有關培訓時間的資料載列如下：

	2023 二零二三年	2022 二零二二年
Total number of hours of training received by employees 僱員接受培訓的總時數	7,674	7,431
Average hours of training per employee (% of employees who received training ¹⁰) 每位僱員的平均培訓時間(接受培訓的僱員的百分比 ¹⁰)	2.94 (99.65%)	2.97 (99.12%)
By gender 按性別劃分		
Male 男	3.04 (99.55%)	2.80 (99.32%)
Female 女	2.81 (99.81%)	3.23 (98.82%)
By employment category 按僱傭類別劃分		
Senior Management 高級管理人員	2.87 (89.47%)	3.56 (76.74%)
Middle Management 中級管理人員	5.55 (99.60%)	3.34 (97.83%)
General Staff 普通職工	2.67 (99.83%)	2.92 (99.69%)



We offered specific training like CQI-27 Casting System Assessment Training, topics covering Systematic evaluation of aluminium alloy automotive products in practice, etc.
我們提供如CQI-27鑄造系統評估培訓，涵蓋鋁合金汽車產品在實踐中的系統評價等議題的具體培訓。

¹⁰ It is calculated by dividing the employees received training in the specified category by the number of employees in the specified category at the end of the Reporting Period.

¹⁰ 其計算方法為，於報告期末接受指定類別培訓的僱員除以指定類別的僱員人數。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

SUPPORTING OUR COMMUNITY

The Group demonstrates strong support for the communities in which it operates and prioritises the health and well-being of the local residents. We actively collaborate with non-profit organisations in the region to contribute funds towards initiatives that promote various causes, including local youth development, environmental protection, disaster relief, and poverty alleviation.

支持我們的社區

本集團大力支持其營運所在社區，並優先考慮當地居民的健康與福祉。我們積極與當地非營利性組織合作，為促進當地青年發展、保護環境、救災及扶貧舉措提供資金支持。



The Group has contributed RMB6,000 to the Finance Office of Longjiang Town, Huilai County, to support the planting of 20 trees. This initiative showcases the Group's commitment to environmental conservation and sustainable practices. By investing in tree planting, the Group aims to contribute to the beautification of the local area and the preservation of natural resources.

本集團向惠來縣龍江鎮財政所捐款人民幣6,000元，支持其種植20棵樹。此舉體現了本集團對環境保護及可持續發展實踐的承諾。通過投資植樹，本集團希望為美化當地環境及保護自然資源做出貢獻。

The Group has also organised a volunteer event for a fundraising campaign to support critically ill employees. 18 individuals participated in the event, contributing a total of 21 hours of their time. This display of compassion and solidarity reflects the Group's commitment to supporting its employees in times of need and fostering a caring community within the organisation.

本集團亦組織一次志願者活動，為身患重病的員工籌款。此次活動有18人參與，共貢獻21小時。該惻隱之心及團結的表現體現了本集團在員工需要幫助時提供支持的承諾，並在組織內部培養了一個有愛的社區。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

On 10 June 2023, a memorandum of understanding was signed among Ka Shui Group, Confucius Hall of Hong Kong, and Hong Kong 3D Printing Association. As per the memorandum, our objective is to assist Confucius Hall Secondary School in restoring the Confucius statue using eco-sand 3D printing technology. We aim to produce a 2-metre-tall Confucius statue through this process, which will be donated to Confucius Hall. This initiative serves as a charitable endeavour to restore an important artifact for Confucius Hall, a Grade I historic building. It also demonstrates our commitment to social responsibility and contributing to society by creating value.

Furthermore, we plan to collaborate with Confucius Hall to create limited edition Confucius statues using both eco-sand 3D printing and metal 3D printing. The eco-sand 3D printing technology we employ is environmentally friendly, highly efficient, and cost-effective. It is particularly suitable to produce cultural industry products, artifact restoration, and preservation. Through this endeavour, we aim to promote and preserve the cultural industry in a sustainable manner.



During the Reporting Period, we donated a 3D printed eco-sand dragon to Tai Hang Fire Dragon Culture Museum. They have placed the 2-metre-tall eco-sand dragon figurine prominently at the entrance. They are highly satisfied with the dragon figurine and have promised to actively promote eco-sand 3D printing on our behalf. They also expressed interest in collaborating on the development of merchandise featuring the dragon's intellectual property, using eco-sand or metal 3D printing, which can be sold within the museum. Additionally, they will introduce our company's eco-sand printing technology alongside the dragon figurine.

於二零二三年六月十日，嘉瑞集團、香港孔聖堂及香港三維打印協會簽署諒解備忘錄。根據備忘錄，我們的目標是協助孔聖堂中學使用環保砂三維打印技術修復孔子像，並打印一座高達2米的孔子像捐贈予孔聖講堂。此次為孔聖堂這座一級歷史建築古跡所提供公益的文物修復活動，體現我們履行社會責任，創造價值以及回饋社會的承諾。

此外，我們計劃與孔聖堂合作，使用環保砂三維打印及金屬三維打印製作限量版孔子像。我們所採用的環保砂三維打印技術是一種既環保、高效率又具有成本效益的技術，十分適合文化產業產品製作、文物修復及保育。通過這一努力，我們旨在以可持續的方式促進及保護文化產業。



於報告期內，我們向大坑火龍文化館捐贈一條三維打印的環保砂龍。工作人員將2米高的環保砂龍擺放在入口顯眼處。彼等對這座龍雕像十分滿意，並承諾會代表我們積極推廣環保砂三維打印。彼等還表示有興趣以龍的知識產權為特色，使用環保砂或金屬三維打印，合作開發相關商品，該等商品可於館內出售。此外，彼等還在龍雕像上介紹我們公司的生態砂打印技術。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



During the Reporting Period we also collaborated with SMT on the navigation devices project. The main objective of this collaboration is to provide advanced navigation devices that assist visually impaired individuals in better integrating into society. SMT, being an expert in electronic and software design, concentrates on developing high-quality, reliable, and user-friendly navigation device technology. Simultaneously, Ka Shui, specialising in materials and production, strives to enhance production efficiency and quality to facilitate the prompt introduction of navigation devices to the market.

This collaboration reflects the mutual efforts of both parties to fulfil social responsibility and drive innovation. By leveraging SMT's technical expertise and Ka Shui's production capabilities, our aim is to offer navigation devices with exceptional performance and value, ultimately improving the quality of life for visually impaired individuals. We firmly believe that this partnership will have a positive impact on the market for people with visual impairment and contribute to a more inclusive and accessible society.

於報告期內，我們亦與SMT合作導航設備項目。此次合作的主要目標是提供先進的導航設備，幫助視障人士更好地融入社會。SMT是電子及軟件設計方面的專家，致力於開發高質量、可靠且人性化的導航設備技術。同時，嘉瑞專注於材料及生產，致力於提高生產效率及質量，以促進導航設備加快進入市場。

此次合作體現了雙方在履行社會責任及推動創新方面的共同努力。憑藉SMT的技術專長及嘉瑞的生產能力，我們的目標是提供具有卓越性能及價值的導航設備，最終改善視障人士的生活質量。我們堅信，這一合作關係將對視障人士市場產生積極影響，有助於建立一個更加包容且無障礙的社會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)



We have been working with higher institutions to organise academic activities and other knowledge-exchange events. This year we received three groups of interns and students, which are Jockey Club Ti-I College, Hong Kong Productivity Council and Tung Chung Catholic School. Take them on a tour of our new energy vehicle showroom, industry cultural center, lightweight alloy center, and automated CNC workshop. Engage in knowledge exchange to spark the interest of young people in our industry.

我們一直與高等院校合作，舉辦學術活動及其他知識交流活動。今年我們接待了來自賽馬會體藝中學、香港生產力促進局及東涌天主教學校的三組實習生及學生。帶領彼等參觀我們的新能源汽車展廳、工業文化中心、輕合金中心及自動化電腦數控車間。開展知識交流，激發年輕人對我們行業的興趣。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEX ESG REPORTING GUIDE INDEX

聯交所環境、社會及管治報告指引對照索引

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標	Explanation/ Reference Section 解釋／參考章節
<p>Aspect A: Environment</p> <p>層面A：環境</p> <p>A1 Emissions A1 排放物</p> <p>Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無 害廢棄物的產生等的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 遵守對發行人有重大影響的相關法律及規例的資料。</p> <p>Note: 附註： Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. 廢氣排放包括氮氧化物、硫氧化物及其他受國家法律及規例規管的污染物。</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. 溫室氣體包括二氧化碳、甲烷、氧化亞氮、氫氟碳化合物、 全氟化碳及六氟化硫。</p> <p>Hazardous wastes are those defined by national regulations. 有害廢棄物指國家規例所界定者。</p> <p>KPI A1.1 關鍵績效指標A1.1</p> <p>The types of emissions and respective emissions data. 排放物種類及相關排放數據。</p>	<p>PROTECTING OUR ENVIRONMENT 保護環境</p> <p>PROTECTING OUR ENVIRONMENT – Air Emissions 保護環境 – 氣體排放</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
KPI A1.2 關鍵績效指標A1.2	<p>Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>直接(範圍1)及能源間接(範圍2)溫室氣體排放(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	PROTECTING OUR ENVIRONMENT 保護環境
KPI A1.3 關鍵績效指標A1.3	<p>Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	PROTECTING OUR ENVIRONMENT – Waste Management 保護環境 – 廢物管理
KPI A1.4 關鍵績效指標A1.4	<p>Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).</p> <p>所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。</p>	PROTECTING OUR ENVIRONMENT – Waste Management 保護環境 – 廢物管理
KPI A1.5 關鍵績效指標A1.5	<p>Description of emission target(s) set and steps taken to achieve them.</p> <p>描述所訂立的排放目標及為達到這些目標所採取的步驟。</p>	PROTECTING OUR ENVIRONMENT 保護環境
KPI A1.6 關鍵績效指標A1.6	<p>Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p> <p>描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。</p>	PROTECTING OUR ENVIRONMENT – Waste Management 保護環境 – 廢物管理

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
A2 Use of Resources A2資源使用	<p>Policies on efficient use of resources including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。</p> <p>Note: 附註: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. 資源可用於生產、儲存、運輸、樓宇、電子設備等。</p>	PROTECTING OUR ENVIRONMENT 保護環境
KPI A2.1 關鍵績效指標A2.1	<p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。</p>	PROTECTING OUR ENVIRONMENT – Environmental Performance 保護環境 – 環境績效
KPI A2.2 關鍵績效指標A2.2	<p>Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。</p>	PROTECTING OUR ENVIRONMENT – Wastewater Discharge 保護環境 – 廢水排放
KPI A2.3 關鍵績效指標A2.3	<p>Description of energy use efficiency target(s) set and steps taken to achieve them. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。</p>	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響
KPI A2.4 關鍵績效指標A2.4	<p>Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。</p>	PROTECTING OUR ENVIRONMENT – Minimising Environmental Impacts 保護環境 – 盡量減少環境影響
KPI A2.5 關鍵績效指標A2.5	<p>Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。</p>	PROTECTING OUR ENVIRONMENT – Environmental Performance 保護環境 – 環境績效

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋/參考章節
A3 The Environment and Natural Resources A3環境及天然資源	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	PROTECTING OUR ENVIRONMENT — Minimising Environmental Impacts 保護環境 — 盡量減少環境影響
KPI A3.1 關鍵績效指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	PROTECTING OUR ENVIRONMENT — Minimising Environmental Impacts 保護環境 — 盡量減少環境影響
A4 Climate Change A4氣候變化	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	MEASURES ON MITIGATING CLIMATE RISK 減低氣候風險措施
KPI A4.1 關鍵績效指標A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	MEASURES ON MITIGATING CLIMATE RISK 減低氣候風險措施

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
Aspect B: Social		
層面B：社會		
B1 Employment B1 僱傭	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 遵守對發行人有重大影響的相關法律及規例的資料。	CARING FOR OUR PEOPLE — Employment Conditions 關愛我們的僱員 — 僱傭條件
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. 按性別、僱傭類型(如全職或兼職)、年齡組別及地區劃分的僱員總數。	CARING FOR OUR PEOPLE — Employment Conditions 關愛我們的僱員 — 僱傭條件
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	CARING FOR OUR PEOPLE — Employment Conditions 關愛我們的僱員 — 僱傭條件
B2 Health and Safety B2 健康與安全	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 遵守對發行人有重大影響的相關法律及規例的資料。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛我們的僱員 — 僱員健康及安全
KPI B2.1 關鍵績效指標B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. 過去三年(包括匯報年度)每年因工亡故的人數及比率。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛我們的僱員 — 僱員健康及安全

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
KPI B2.2 關鍵績效指標B2.2	Lost days due to work injury. 因工傷損失工作日數。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛我們的僱員 — 僱員健康及安全
KPI B2.3 關鍵績效指標B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	CARING FOR OUR PEOPLE — Employees' Health and Safety 關愛我們的僱員 — 僱員健康及安全
B3 Development and Training B3發展及培訓	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 Note: Training refers to vocational training. It may include internal and external courses paid by the employer. 附註：培訓指職業培訓，可包括由僱主付費的內外部課程。	CARING FOR OUR PEOPLE — Training and Development 關愛我們的僱員 — 培訓與發展
KPI B3.1 關鍵績效指標B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層)劃分的受訓僱員百分比。	CARING FOR OUR PEOPLE — Training and Development 關愛我們的僱員 — 培訓與發展
KPI B3.2 關鍵績效指標B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	CARING FOR OUR PEOPLE — Training and Development 關愛我們的僱員 — 培訓與發展

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
B4 Labour Standards B4勞工準則	Information on: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 遵守對發行人有重大影響的相關法律及規例的資料。	CARING FOR OUR PEOPLE — Employment Conditions 關愛我們的僱員 — 僱傭 條件
KPI B4.1 關鍵績效指標B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	CARING FOR OUR PEOPLE — Employment Conditions 關愛我們的僱員 — 僱傭 條件
KPI B4.2 關鍵績效指標B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	CARING FOR OUR PEOPLE — Employment Conditions 關愛我們的僱員 — 僱傭 條件
B5 Supply Chain Management B5供應鏈管理	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管 理
KPI B5.1 關鍵績效指標B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管 理
KPI B5.2 關鍵績效指標B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管 理
KPI B5.3 關鍵績效指標B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管 理

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KPI B5.4 關鍵績效指標B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理
B6 Product Responsibility B6產品責任	Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 遵守對發行人有重大影響的相關法律及規例的資料。	SUSTAINABLE OPERATIONS — Supply Chain Management 可持續營運 — 供應鏈管理
KPI B6.1 關鍵績效指標B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
KPI B6.2 關鍵績效指標B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度
KPI B6.3 關鍵績效指標B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	SUSTAINABLE OPERATIONS — Enhancing Customer Satisfaction 可持續營運 — 提高客戶滿意度

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

HKEx ESG Reporting Guide General Disclosures & KPIs 聯交所環境、社會及管治報告指引一般披露及關鍵績效指標		Explanation/ Reference Section 解釋／參考章節
KPI B6.4 關鍵績效指標B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction 可持續營運 – 提高客戶滿意度
KPI B6.5 關鍵績效指標B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS – Enhancing Customer Satisfaction 可持續營運 – 提高客戶滿意度
B7 Anti-corruption B7反貪污	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 遵守對發行人有重大影響的相關法律及規例的資料。	SUSTAINABLE OPERATIONS – Business Ethics 可持續營運 – 商業道德
KPI B7.1 關鍵績效指標B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	SUSTAINABLE OPERATIONS – Business Ethics 可持續營運 – 商業道德
KPI B7.2 關鍵績效指標B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	SUSTAINABLE OPERATIONS – Business Ethics 可持續營運 – 商業道德
KPI B7.3 關鍵績效指標B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	SUSTAINABLE OPERATIONS – Business Ethics 可持續營運 – 商業道德

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

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B8 Community Investment B8社區投資	<p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p> <p>有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p>	SUPPORTING OUR COMMUNITY 支持我們的社區
KPI B8.1 關鍵績效指標B8.1	<p>Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p> <p>專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。</p>	SUPPORTING OUR COMMUNITY 支持我們的社區
KPI B8.2 關鍵績效指標B8.2	<p>Resources contributed (e.g. money or time) to the focus area.</p> <p>在專注範疇所動用資源(如金錢或時間)。</p>	SUPPORTING OUR COMMUNITY 支持我們的社區

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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TO THE SHAREHOLDERS OF KA SHUI INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ka Shui International Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 157 to 327, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

致嘉瑞國際控股有限公司 全體股東

(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第157頁至327頁嘉瑞國際控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二三年十二月三十一日之綜合財務狀況表，與截至該日止年度的綜合損益表及綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括重大會計政策資料)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於二零二三年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照《公司條例》的披露規定妥善編製。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

1. Fair value measurement of lands
2. Allowance for inventories

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們就該等準則承擔的責任將在本報告「核數師就審核綜合財務報表承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審核憑證能充分及適當地為我們的審核意見提供基礎。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期間綜合財務報表的審核最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時進行處理的，而我們不會對這些事項提供單獨的意見。我們識別出的關鍵審核事項包括：

1. 土地公平值的計量
2. 存貨撥備

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式
<p>1. Fair value measurement of lands 土地公平值的計量</p> <p>Refer to notes 5(e), 7 and 20 to the consolidated financial statements. 參閱綜合財務報告附註5(e)、7及20。</p> <p>The Group measures its lands at fair value using a market approach. The valuation is a level 3 fair value measurement as it involves adjustments to market comparables to reflect the particular characteristics of the land, including location and plot sizes, which are based on unobservable inputs that are subjective. The value of land is sensitive to these inputs. In order to determine an appropriate fair value of the land, the Group appointed an independent professional valuer to perform the assessment. 貴集團使用市場法，按公平值計量其土地。估值為第三層公平值計量，因為當中涉及就市場可資比較資料進行調整，以反映土地的具體特性，包括地方及地段大小，乃以主觀不可觀察的參數為基礎。土地之價值對該等參數敏感。為釐定該土地的恰當公平值，貴集團委任獨立專業估值師進行評估。</p>	<p>Our procedures in relation to the fair value measurement of lands included: 我們就土地公平值的計量進行的程序包括：</p> <ul style="list-style-type: none"> — Understanding and evaluating the key controls over the management's process in determining the fair value of lands and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes, susceptibility to management bias of fraud; 通過考慮估計的不確定程度及其他固有風險因素水平(如複雜性、主觀性、變化、管理層偏頗舞弊之可能性)，了解及評價管理層對釐定土地公平值和評估重大錯誤陳述的固有風險的主要控制措施； — Evaluating the independent external valuer's competence, capabilities and objectivity and obtaining an understanding of the independent external valuer's scope of work and terms of engagement; 評估獨立外部估值師的資格、能力及客觀性，以及了解獨立外部估值師的工作範圍及聘用條款； — With the assist of independent third-party specialists, assessing the valuation methodologies used and the appropriateness of the key assumptions and comparables, checking the accuracy of the observable inputs, reviewing the appropriateness of those adjustments which were based on unobservable inputs; and 在獨立第三方專家的協助下，評估所用估值方法以及主要假設及可資比較資料是否恰當、檢查可觀察參數是否準確、檢討按不可觀察參數所作調整是否恰當；及 — Assessing the adequacy of the disclosures in respect of the fair value of lands. 評估就土地公平值所作披露是否足夠。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式
<p>2. Allowance for inventories 存貨撥備</p> <p>Refer to notes 5(a) and 28 to the consolidated financial statements. 參閱綜合財務報表附註5(a)及28。</p> <p>At the end of the reporting period, the Group identifies obsolete and slow-moving inventories items that are not probable for use in future production or to be sold out. It also identifies any other inventories with net realisable value below cost. The identification is based on forecasts of customers' future orders and future market conditions, and involves subjective estimation. The allowance has impact on the carrying amount of inventories and the profit or loss for the year. 於報告期末，貴集團識別不可能用作未來生產或售出的過時及滯銷存貨項目。彼亦識別可變現淨值低於成本的任何其他存貨。該識別是以預測客戶未來訂單及未來市場狀況為基礎，並涉及主觀估計。有關撥備對年內存貨賬面值及損益有影響。</p>	<p>Our procedures in relation to the allowance for inventories included: 我們就存貨撥備進行的程序包括：</p> <ul style="list-style-type: none"> — Understanding and evaluating the key controls over the management's assessment of allowance for inventories and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes, susceptibility to management bias of fraud; 通過考慮估計的不確定程度及其他固有風險因素水平(如複雜性、主觀性、變化、管理層偏頗舞弊之可能性)，了解及評價管理層對存貨撥備的估值和評估重大錯誤陳述的固有風險的主要控制措施； — Evaluating the outcome of prior period assessment of allowance for inventories to assess the effectiveness of management's estimation process; 評價前期存貨撥備評估的結果，以評估管理層估計值過程的有效性； — Reviewing inventory ageing analysis to identify obsolete or slow-moving inventories; 審閱存貨賬齡分析，識別過時或滯銷存貨； — Testing the accuracy of inventory ageing list by reviewing the date of purchase; 通過審閱購買日期、測試存貨賬齡列表的準確性；

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中對關鍵審核事項的處理方式
	<p data-bbox="799 685 1385 782">Our procedures in relation to the allowance for inventories included: (Continued) 我們就存貨撥備進行的程序包括：(續)</p> <ul data-bbox="799 825 1385 1515" style="list-style-type: none"><li data-bbox="799 825 1385 1095">— Testing whether the net realisable value of major items of inventories exceeded cost by reviewing sales after the reporting date and considering the costs of completion and sales, if applicable; 審閱報告日期後的銷售，測試主要存貨項目的可變現淨值是否低於成本並考慮完工成本和銷售成本，如適用；<li data-bbox="799 1138 1385 1300">— Reviewing the appropriateness of the allowance for inventories by reference to information about subsequent sales or usage; and 參考有關其後銷售或使用的資料，審閱存貨撥備是否恰當；及<li data-bbox="799 1343 1385 1515">— Checking the historical accuracy of inventory provisioning and the level of inventories write-off during the year. 檢查過去存貨撥備的準確性及年內存貨撇銷的水平。

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他資料

董事需對其他資料負責。其他資料包括年報所載列的全部資料(不包括綜合財務報表及我們就此發出的核數師報告)。

我們對綜合財務報表的意見並不涵蓋其他資料及我們亦不對其他資料發表任何形式的保證結論。

在我們審核綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事和審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及《公司條例》的披露規定擬備真實而公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行監督 貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按《香港審計準則》進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者所作出的經濟決定，則可被視作重大錯誤陳述。

在根據《香港審計準則》進行審核的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部控制，以設計適當審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師就審核綜合財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提醒使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則修改我們的意見。我們的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。我們負責指導、監督和執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們與審核委員會溝通了(其中包括)審核計劃範圍及時間安排以及重大審核發現，包括我們在審核期間識別出內部控制的任何重大缺失。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Liu Fung Yi.

RSM Hong Kong

Certified Public Accountants

26 March 2024

核數師就審核綜合財務報表承擔的責任(續)

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及消除威脅及實施防範措施(如適用)。

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審核項目合夥人是廖鳳儀女士。

羅申美會計師事務所

執業會計師

二零二四年三月二十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Note 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收入	8	1,282,495	1,504,439
Cost of sales	銷售成本		(1,044,100)	(1,169,105)
Gross profit	毛利		238,395	335,334
Other income	其他收入	9	21,129	31,220
Impairment losses for trade receivables	貿易應收款項減值虧損		(1,449)	(52)
Selling and distribution expenses	銷售及分銷開支		(35,539)	(33,568)
General and administrative expenses	一般及行政開支		(230,457)	(246,690)
Other operating expenses and income	其他營運開支及收入	11	(15,513)	(7,068)
(Loss)/profit from operations	經營(虧損)/溢利		(23,434)	79,176
Finance costs	融資成本	12	(5,332)	(4,165)
Share of losses of associates	攤分聯營公司損失	25	(3,643)	(1,058)
(Loss)/profit before tax	除稅前(虧損)/溢利		(32,409)	73,953
Income tax credit/(expense)	所得稅抵免/(開支)	13	3,001	(5,095)
(Loss)/profit for the year	年內(虧損)/溢利	14	(29,408)	68,858
Attributable to:	以下人士應佔權益:			
Owners of the Company	本公司權益持有人		(28,435)	74,844
Non-controlling interests	非控股權益		(973)	(5,986)
			(29,408)	68,858
			HK Cents	HK Cents
			港仙	港仙
(Loss)/earnings per share	每股(虧損)/盈利	18		
Basic	基本		(3.18)	8.37
Diluted	攤薄		N/A	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/profit for the year	年內(虧損)/溢利	(29,408)	68,858
Other comprehensive income	其他全面收益		
<i>Items that will not be reclassified to profit or loss</i>	<i>將不會重新分類至損益之項目</i>		
Fair value changes of equity investment at fair value through other comprehensive income ("FVTOCI")	按公平值透過其他全面收益(FVTOCI)列賬的股份投資的公平值變動	34,402	—
(Loss)/surplus on revaluation of leasehold lands	租賃土地價值重估之(虧損)/盈餘	(6,730)	30,669
Income tax on items that will not be reclassified to profit or loss	不會重新分類至損益之項目之所得稅	1,042	(4,573)
		28,714	26,096
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益之項目</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(20,022)	(70,286)
Other comprehensive income for the year, net of tax	年內除稅後其他全面收益	8,692	(44,190)
Total comprehensive income for the year	年內全面收益總額	(20,716)	24,668
Attributable to:	以下人士應佔權益：		
Owners of the Company	本公司權益持有人	(19,324)	32,182
Non-controlling interests	非控股權益	(1,392)	(7,514)
		(20,716)	24,668

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2023 於二零二三年十二月三十一日

		Note	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	19	505,610	492,350
Right-of-use assets	使用權資產	20	266,597	270,990
Goodwill	商譽	21	2,654	2,654
Other intangible assets	其他無形資產	22	30,531	3,382
Club membership	會所會籍	23	718	718
Investments in associates	於聯營公司之投資	25	13,845	9,845
Equity investment at FVTOCI	按公平值透過其他全面 收益列賬的股份投資 (FVTOCI)	26	45,272	—
Non-current deposits	非流動按金		13,834	20,186
Deferred tax assets	遞延稅項資產	36	4,255	4,364
			883,316	804,489
Current assets	流動資產			
Inventories	存貨	28	159,822	192,525
Right of return assets	退回資產之權利		54	54
Trade and bills receivables	貿易及票據應收款項	29	417,912	405,432
Contract assets	合約資產	30	12,631	11,420
Prepayments, deposits and other receivables	預付款項、按金及其他應 收款項		42,023	43,764
Due from an associate	應收聯營公司款項	25	354	702
Current tax assets	即期稅項資產		8,060	6,261
Restricted bank balances	有限制銀行存款	31	1,855	1,860
Bank and cash balances	銀行及現金結餘	31	194,464	244,153
			837,175	906,171
Current liabilities	流動負債			
Trade payables	貿易應付款項	32	214,513	184,897
Contract liabilities	合約負債	30	8,015	8,611
Refund liabilities	退款負債		242	241
Other payables and accruals	其他應付款項及應計費用	32	97,420	92,863
Due to an associate	應付聯營公司款項	25	—	78
Derivative financial liabilities	衍生金融負債	27	—	935
Bank borrowings	銀行借款	33	63,333	68,835
Lease liabilities	租賃負債	35	14,398	11,807
Current tax liabilities	即期稅項負債		950	4,475
			398,871	372,742

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At 31 December 2023 於二零二三年十二月三十一日

		Note 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Net current assets	流動資產淨值		438,304	533,429
Total assets less current liabilities	資產總值減流動負債		1,321,620	1,337,918
Non-current liabilities	非流動負債			
Loan from non-controlling interest	非控股權益貸款	33	1,185	971
Lease liabilities	租賃負債	35	26,042	12,662
Deferred tax liabilities	遞延稅項負債	36	39,796	34,009
			67,023	47,642
NET ASSETS	資產淨值		1,254,597	1,290,276
Capital and reserves	資本及儲備			
Share capital	股本	37	89,376	89,376
Reserves	儲備	39	1,154,956	1,194,091
Equity attributable to owners of the Company	本公司權益持有人應佔權益		1,244,332	1,283,467
Non-controlling interests	非控股權益		10,265	6,809
TOTAL EQUITY	權益總額		1,254,597	1,290,276

Approved by the Board of Directors on 26 March 2024 and are signed on its behalf by:

經董事會於二零二四年三月二十六日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Wing Chuen
黃永銓
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Attributable to owners of the Company 本公司權益持有人應佔權益												
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Statutory reserve	Land revaluation reserve	Share-based payments reserve	FVTOCI reserve	Non-controlling interests	Total	Total equity
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	法定儲備	重估儲備	以股份支付之款項儲備	按公平值透過其他全面收益儲備	總數	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2022	於二零二二年一月一日	89,376	204,650	774,695	2,115	(9,931)	14,670	25,118	179,386	—	—	1,280,079	14,323	1,294,402
Total comprehensive income for the year	年內全面收益總額	—	—	74,844	—	—	(68,758)	—	26,096	—	—	32,182	(7,514)	24,668
Share-based payments	以股份支付之款項	—	—	—	—	—	—	—	—	700	—	700	—	700
Transfer to statutory reserve	轉至法定儲備	—	—	(3,188)	—	—	—	3,188	—	—	—	—	—	—
Dividends paid (note 17)	已付股息(附註17)	—	—	(29,494)	—	—	—	—	—	—	—	(29,494)	—	(29,494)
Changes in equity for the year	年內權益變動	—	—	42,162	—	—	(68,758)	3,188	26,096	700	—	3,388	(7,514)	(4,126)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	89,376	204,650	816,857	2,115	(9,931)	(54,088)	28,306	205,482	700	—	1,283,467	6,809	1,290,276
Total comprehensive income for the year	年內全面收益總額	—	—	(28,435)	—	—	(19,603)	—	(5,688)	—	34,402	(19,324)	(1,392)	(20,716)
Share-based payments	以股份支付之款項	—	—	—	—	—	—	—	—	3,717	—	3,717	—	3,717
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	—	—	—	1,720	1,720
Acquisitions of equity interests in subsidiaries from non-controlling interests	由非控股權益收購附屬公司權益	—	—	(5,653)	—	—	—	—	—	—	—	(5,653)	5,302	(351)
Capital reduction of a non-wholly owned subsidiary	非全資附屬公司的股本削減	—	—	—	—	—	—	—	—	—	—	—	(2,174)	(2,174)
Dividends paid (note 17)	已付股息(附註17)	—	—	(17,875)	—	—	—	—	—	—	—	(17,875)	—	(17,875)
Changes in equity for the year	年內權益變動	—	—	(51,963)	—	—	(19,603)	—	(5,688)	3,717	34,402	(39,135)	3,456	(35,679)
At 31 December 2023	於二零二三年十二月三十一日	89,376	204,650	764,894	2,115	(9,931)	(73,691)	28,306	199,794	4,417	34,402	1,244,332	10,265	1,254,597

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

	Note	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
NET CASH GENERATED FROM OPERATING ACTIVITIES			
經營業務所得現金淨額	41(a)	108,453	164,930
CASH FLOWS FROM INVESTING ACTIVITIES			
投資活動之現金流量			
Interest received		4,006	952
Proceeds from disposals of property, plant and equipment		719	1,620
Payments for purchases of property, plant and equipment		(87,417)	(89,406)
Acquisition of subsidiaries	41(b)	(13,577)	—
Acquisitions of equity interests in subsidiaries from non-controlling interests		(351)	—
Investments in associates		(9,677)	(2,676)
Investment in FVTOCI		(11,076)	—
Purchase of right-of-use assets		—	(6,828)
Net cash used in investing activities		(117,373)	(96,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
融資活動之現金流量			
Dividends paid		(17,875)	(29,494)
Short-term bank loans raised	41(d)	55,000	10,000
Short-term bank loans repaid	41(d)	—	(20,000)
Repayment of long-term bank loans	41(d)	(60,438)	(62,074)
Capital reduction of a non-wholly owned subsidiary		(2,174)	—
Principal elements of lease payments	41(d)	(13,747)	(13,249)
Net cash used in financing activities		(39,234)	(114,817)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
	Note 附註			
NET DECREASE IN CASH AND CASH EQUIVALENTS		現金及等同現金項目 減少淨額	(48,154)	(46,225)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		於一月一日的現金及等同 現金項目	244,153	280,683
Effect of foreign exchange rate changes		匯率變動之影響	(1,535)	9,695
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		於十二月三十一日的現金 及等同現金項目	194,464	244,153
ANALYSIS OF CASH AND CASH EQUIVALENTS		現金及等同現金項目分析		
Bank and cash balances		銀行及現金結餘	194,464	244,153

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

1. GENERAL INFORMATION

Ka Shui International Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is Room A, 29/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 24 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2023, Precisefull Limited, a company incorporated in the British Virgin Islands (“BVI”), is the ultimate parent and Mr. LEE Yuen Fat (“Mr. Lee”) is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the disclosure requirements of the Companies Ordinance (Cap. 622).

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

1. 公司資料

嘉瑞國際控股有限公司(「本公司」)根據開曼群島公司法於開曼群島註冊成立為受豁免有限公司。其註冊辦事處地點為 Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands。其主要營業地點為香港九龍九龍灣宏光道一號億京中心B座29樓A室。本公司股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司，其附屬公司之主要業務載列於綜合財務報表附註24。

本公司董事認為，於二零二三年十二月三十一日，Precisefull Limited(一間於英屬處女群島註冊成立之公司)為最終母公司，李遠發先生(「李先生」)為本公司之最終控股方。

2. 編製基準

此等綜合財務報表乃根據適用之由香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋。此等綜合財務報表也遵從適用之聯交所證券上市規則(「上市規則」)之披露守則及公司條例(第622章)之披露要求。

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。在該等綜合財務報表中反映之因初次應用該等與本集團有關的頒佈而引致之本年度或過往會計期間會計政策之任何變動詳述於綜合財務報表附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Application of revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

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 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. 採納經修訂香港財務報告準則

(a) 應用經修訂香港財務報告準則

本集團於編製綜合財務報表時已首次應用以下由香港會計師公會頒佈的香港財務報告準則修訂本，有關修訂自二零二三年一月一日或之後開始的年度期間強制生效：

香港會計準則第8號之修訂本	會計估計的定義
香港會計準則第12號之修訂本	與單一交易產生的資產及負債相關的遞延稅項
香港會計準則第1號及香港財務報告準則實務公告第2號之修訂本	會計政策的披露

除下文所述，於本年度應用香港財務報告準則修訂本對本集團於本年度及過往年度之財務狀況及表現及／或對該綜合財務報表所載之披露事宜並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of revised HKFRSs (Continued)

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has adopted Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

3. 採納經修訂香港財務報告準則(續)

(a) 應用經修訂香港財務報告準則(續)

應用香港會計準則第1號及香港財務報告準則實務公告第2號之修訂本「會計政策披露」之影響

本集團於本年度首次採納香港會計準則第1號及香港財務報告準則實務公告第2號之修訂本「會計政策披露」。香港會計準則第1號的修訂「財務報表的呈列」為以「重大會計政策資料」取代「主要會計政策」一詞下的所有情況。倘會計政策資料與實體財務報表所載之其他資料一併考慮時，可能合理預期影響一般用途財務報表的主要使用者基於該等財務報表所作出的決定，則該等資料屬重大。

該等修訂亦釐清，儘管有關款項並不重大，但由於相關交易、其他事項或狀況的性質，故會計政策資料可能屬重大。然而，並非所有與重大交易、其他事項或狀況有關的會計政策資料本身屬重大。倘一間實體選擇披露非重大會計政策資料，則有關資料不得掩蓋重大會計政策資料。

香港財務報告準則實務公告第2號作出重要性判斷(「實務公告」)亦經修訂，以說明實體如何將「四步關鍵性程序」應用於會計政策披露及可判斷有關會計政策的資料對其財務報表而言是否屬重大。實務公告已附加指引及實例。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of revised HKFRSs (Continued)

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” (Continued)

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 4 to the consolidated financial statements.

Impact on application of Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has adopted Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” for the first time in the current year. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences — e.g. leases.

Prior to the adoption of Amendments to HKAS 12, the Group applied the initial recognition exemption under paragraphs 15 and 24 of HKAS 12 for leasing transactions that give rise to equal and offsetting temporary differences, and therefore no deferred tax has been recognised for temporary differences relating to right-of-use assets and lease liabilities at initial recognition, and also over the lease terms under paragraph 22(c) of HKAS 12.

3. 採納經修訂香港財務報告準則(續)

(a) 應用經修訂香港財務報告準則(續)

應用香港會計準則第1號及香港財務報告準則實務公告第2號之修訂本「會計政策披露」之影響(續)

應用該等修訂對本集團財務狀況及表現並無重大影響，但影響綜合財務報表附註4中本集團會計政策的披露。

應用香港會計準則第12號之修訂本「與單一交易產生的資產及負債有關的遞延稅項」之影響

本集團於本年度首次採納香港會計準則第12號之修訂本「與單一交易產生的資產及負債有關的遞延稅項」。該等修訂收窄初始確認豁免的範圍，以剔除產生等值且可抵銷暫時差異的交易—例如租賃。

於採納香港會計準則第12號之修訂本前，本集團已根據香港會計準則第12號第15及24段對會產生等值且可抵銷暫時差異的租賃交易應用初始確認豁免，因此，於初始確認時及根據香港會計準則第12號第22(C)段於租賃期內並無就有關使用權資產及租賃負債的暫時差異確認遞延稅項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of revised HKFRSs (Continued)

Impact on application of Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Continued)

The Group has applied the transitional provisions under paragraphs 98K and 98L of Amendments to HKAS 12 to leasing transactions that occur on or after the beginning of the earliest comparative period presented and also, at the beginning of the earliest comparative period presented by:

- (i) Recognising a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, and a deferred tax liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities; and
- (ii) Recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

Based on the management's assessment, there was immaterial impact on the consolidated statement of financial position as at 1 January 2022, 31 December 2022 and 31 December 2023, because the deferred tax assets and the deferred tax liabilities recognised as a result of the adoption of Amendments to HKAS 12 qualify for offset under paragraph 74 of HKAS 12. The change primarily impacts disclosures of components of deferred tax assets and liabilities in note 36, but does not impact the overall deferred tax balances presented on the consolidated statement of financial position as the related deferred tax balances qualify for offset under HKAS 12.

3. 採納經修訂香港財務報告準則(續)

(a) 應用經修訂香港財務報告準則(續)

應用香港會計準則第12號之修訂本「與單一交易產生的資產及負債有關的遞延稅項」之影響(續)

本集團已透過以下方式將香港會計準則第12號修訂本第98K及98L段項下的過渡條文應用於在所呈列最早比較期間開始時或之後以及在所呈列最早比較期間開始時發生的租賃交易：

- (i) 在可能獲得可抵扣暫時差異用於應課稅利潤的情況下確認遞延稅項資產，並就所有與使用權資產及租賃負債有關的可抵扣及應課稅暫時差異確認遞延稅項負債；及
- (ii) 確認初始應用該等修訂的累計影響以作為對當日保留盈利(或權益的其他組成部分，如適用)期初結餘的調整。

根據管理層的評估，由於因採納香港會計準則第12號修訂本而確認之遞延稅項資產及遞延稅項負債符合香港會計準則第12號第74段項下的抵銷資格，故對二零二二年一月一日、二零二二年十二月三十一日及二零二三年十二月三十一日的綜合財務狀況表並無重大影響。該等變動主要影響附註36中遞延稅項資產及負債組成部分的披露，但並不影響綜合財務狀況表所呈列的整體遞延稅項結餘，原因是相關遞延稅項結餘符合香港會計準則第12號的抵銷條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of revised HKFRSs (Continued)

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the “Abolition”). The Abolition will officially take effect on 1 May 2025 (the “Transition Date”). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

3. 採納經修訂香港財務報告準則(續)

(a) 應用經修訂香港財務報告準則(續)

應用香港會計師公會就《香港取消強制性公積金(「強積金」)與長期服務金(「長服金」)對沖機制的會計影響》發出之指引而導致會計政策的變動

本集團的若干附屬公司於香港營運，於特定情況下有義務向員工支付長服金。與此同時，本集團向受託人作出強制性強積金供款，該受託人管理專為每名個別員工的退休權益而設的信託資產。僱主可根據僱傭條例(第57章)使用強制性供款所產生的僱員累算退休權益來對沖長服金。於二零二二年六月，香港特區政府就《二零二二年僱傭及退休計劃法案(抵銷安排)(修訂)條例》(「修訂條例」)刊憲，取消僱主使用強制性強積金供款所產生的累算權益來對沖遣散費和長服金的做法(「該廢除」)。該廢除將於二零二五年五月一日正式生效(「過渡日期」)。此外，根據修訂條例，用於計算過渡日期前受僱期間長服金部分為緊接過渡日期(而非解僱日期)前的最後一個月的月薪。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of revised HKFRSs (Continued)

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong (Continued)

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee’s LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

3. 採納經修訂香港財務報告準則(續)

(a) 應用經修訂香港財務報告準則(續)

應用香港會計師公會就《香港取消強制性公積金(「強積金」)與長期服務金(「長服金」)對沖機制的會計影響》發出之指引而導致會計政策的變動(續)

於二零二三年七月，香港會計師公會發佈《香港取消強積金與長服金對沖機制的會計影響》，為對沖機制的會計處理及香港取消強積金與長服金對沖機制所產生的影響提供指引。有鑒於此，本集團已追溯實施香港會計師公會就長服金義務發佈的指引，以就對沖機制及該廢除提供更可靠及更多相關資料。

本集團將已歸屬於僱員的僱主強積金供款所產生的累算權益視為僱員對長服金的實際貢獻，該權益可用於抵銷僱員的長服金權益。從歷史上看，本集團一直根據香港會計準則第19號第93(B)段的實際簡化程序來處理視作僱員供款，將其視為相關服務期間服務成本的減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of revised HKFRSs (Continued)

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong (Continued)

Based on the HKICPA’s guidance, as a result of the Abolition, these contributions are no longer considered “linked solely to the employee’s service in that period” since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as “independent of the number of years of service” and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Based on the management’s assessment, there was immaterial difference between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition at the enactment date (16 June 2022), 31 December 2022 and 31 December 2023.

Since the amount of the cumulative catch-up profit or loss adjustment for the year ended 31 December 2022 was immaterial, the Group did not restate the comparative figures for the financial statements. Accordingly, the Group has recognised the cumulative catch-up adjustment in profit or loss for the year ended 31 December 2023, with corresponding adjustment to the LSP obligation. The application of the amendments has had no material impact on the Group’s financial positions and performance.

3. 採納經修訂香港財務報告準則(續)

(a) 應用經修訂香港財務報告準則(續)

應用香港會計師公會就《香港取消強制性公積金(「強積金」)與長期服務金(「長服金」)對沖機制的會計影響》發出之指引而導致會計政策的變動(續)

根據香港會計師公會的指引，由於該廢除，該等供款不再被視為「僅與僱員在該期間的服務相關」，因為過渡日期後的僱主強積金供款仍可用於抵銷過渡前的長服金義務。因此，供款將視為「與服務年限無關」，而香港會計準則第19號第93(B)段的實際簡化程序不再適用。相反，應按照香港會計準則第19號第93(A)段的規定將該等視作僱員供款歸屬於服務期間。根據管理層的評估，根據香港會計準則第19號第93(B)段計算的長服金義務於該廢除前的賬面值與根據香港會計準則第19號第93(A)段計算的長服金義務於該廢除後於頒佈日期(二零二二年六月十六日)、二零二二年十二月三十一日及二零二三年十二月三十一日的賬面值並無重大差異。

由於截至二零二二年十二月三十一日止年度的損益累計相應調整的數目並不重大，所以本集團沒有重新分類財務報表中的比較數字。因此，本集團已確認截至二零二三年十二月三十一日止年度的損益累計相應調整，並對長服金義務進行相應調整。應用該等修訂並無對本集團的財務狀況及表現產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) Revised HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to standards and interpretation that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 – Lease Liability in a Sales and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ("HK Int 5 (Revised)")	1 January 2024

3. 採納經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的經修訂準則及詮釋：

	於下列日期或 之後開始的會 計期間起生效
香港會計準則第1號 之修訂本 – 將負 債分類為流動或非 流動	二零二四年 一月一日
香港會計準則第1號 之修訂本 – 附帶 契約的非流動負債	二零二四年 一月一日
香港財務報告準則第 16號之修訂本 – 售後租回的租 賃負債	二零二四年 一月一日
香港詮釋第5號 (經修訂)「財務 報表之呈列： 借款人對包含按 要求償還之定期 貸款之分類」 (「香港詮釋 第5號(經修訂)」)	二零二四年 一月一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

3. ADOPTION OF REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) Revised HKFRSs in issue but not yet effective (Continued)

	Effective for accounting periods beginning on or after
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. 採納經修訂香港財務報告準則(續)

(b) 已頒佈但尚未生效之經修訂香港財務報告準則(續)

	於下列日期或 之後開始的會 計期間起生效
香港會計準則第7號及香港財務報告準則第7號之修訂本 – 供應商融資安排	二零二四年 一月一日
香港會計準則第21號之修訂本 – 缺乏可交換性	二零二五年 一月一日
香港財務報告準則第10號及香港會計準則第28號之修訂本 – 投資者與其聯營公司或合營企業之間的資產出售或投入	由香港會計師公會決定

本集團正在評估該等經修訂準則及詮釋預期於首次應用期間的影響。截至目前，本集團已經確定了採納該等修訂及新訂準則不太可能對綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. leasehold land and certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

4. 重大會計政策資料

除按下列會計政策外(例如以公平值計量之租賃土地及若干金融工具),此等綜合財務報表乃按歷史成本作為編製基準。

編製符合香港財務報告準則的綜合財務報表須使用若干重要會計估計,亦需要管理層於應用於本集團會計政策的過程中作出判斷。對此等綜合財務報表涉及高度之判斷及具複雜性及屬重大的假設及估計的範疇於綜合財務報表附註5中披露。

編製此等綜合財務報表所採用的重大會計政策載列如下:

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司為本集團擁有控制權的實體。當本集團透過從參予該實體之運作而得到或有權利得到可變動之回報,並有能力影響該實體之回報,則視為本集團對該實體擁有控制權。當本集團現有權利令其目前有能力主導相關活動(即對實體回報構成重大影響的活動),則本集團對該實體擁有權力。

在評估本集團是否擁有控制權時,本集團會考慮其潛在表決權以及其他各方所持潛在表決權。潛在表決權僅於持有人擁有實質能力可行使該項權利時方予考慮。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

4. 重大會計政策資料(續)

(a) 綜合賬目(續)

附屬公司於控制權轉移至本集團當日全面綜合計算，並於控制權終止當日不再作綜合處理。

集團間的交易、結餘及未變現溢利會予以對銷。未變現虧損亦會予以對銷，除非交易有證據顯示所轉讓資產出現減值則除外。附屬公司的會計政策已於有需要時作出變動，以確保與本集團所採納的政策貫徹一致。

非控股權益指並非本公司直接或間接應佔之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內呈列。非控股權益於綜合損益表及綜合損益及其他全面收益表呈列為本公司非控股股東與擁有人應佔溢利或虧損及年內全面收益總額之分配。

即使會導致非控股權益出現赤字結餘，損益及其他全面收益各部份仍歸屬於本公司擁有人及非控股股東。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(a) Consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4. 重大會計政策資料(續)

(a) 綜合賬目(續)

本公司於不會導致失去控制權之附屬公司之擁有權權益變動計入權益交易(即以擁有人身分與擁有人進行之交易)。控股權益及非控股權益之賬面值已經調整,以反映其於附屬公司之相關權益變動。非控股權益之調整金額與已付或已收代價之公平值兩者間之任何差額直接於權益確認,並由本公司擁有人分佔。

於本公司之財務狀況表內,於附屬公司之投資按成本扣除減值虧損列賬,除非該投資被分類為持作銷售(或包括在被分類為持作銷售之出售組別)。

成本包括投資直接應佔成本。本公司按已收及應收股息基準將附屬公司業績入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面收益總額或倘該投資於單獨財務報表內的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表內的賬面值,則於收到該等股息時須對該等投資進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are, with limited exceptions, measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

4. 重大會計政策資料(續)

(b) 業務合併及商譽

於業務合併中收購附屬公司乃按收購會計法處理。於業務合併中轉移之代價按收購日所交付資產、所發行股本工具、所產生或承擔之負債及或然代價之公平值計算。與收購有關之成本於產生成本及獲得服務之期間確認為開支。所收購附屬公司之可識別資產及負債按收購日之公平值計算，除了少數例外情況外。

轉移之代價總和超出本集團攤分附屬公司可識別資產及負債之公平淨值之差額將以商譽列賬。任何本集團攤分可識別資產及負債之公平淨值高於轉移之代價總和之差額將於綜合損益表內確認為本集團應佔之議價收購收益。

分階段進行業務合併時，過往持有之附屬公司股本權益按其收購日期之公平值重新計算，據此產生之損益則於綜合損益確認。公平值將計入於業務合併中轉移之代價總和，以計算商譽。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Business combination and goodwill (Continued)

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. 重大會計政策資料(續)

(b) 業務合併及商譽(續)

附屬公司之非控股權益初步以非控股股東於收購日在附屬公司中可識別資產及負債之公平淨值之股權比例計量。

經初步計量後，商譽以成本減累計減值虧損計量。就減值測試目的而言，於業務合併中收購的商譽將分配各個預期將自該業務合併所產生之協同效應獲益的現金產生單位。各個或各組獲分配商譽相當於本集團內最低層，其商譽就內部管理目的而受監察。商譽減值檢討每年進行一次，倘發生任何事件或情況有變顯示潛在減值風險，檢討將更為頻密。載有商譽之現金產生單位的賬面值將與其可收回金額(即其使用價值或其公平值減出售成本之較高者)比較。任何減值將即時確認為開支並不可於其後撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. 重大會計政策資料(續)

(c) 聯營公司

聯營公司為本集團對其有重大影響之實體。重大影響乃於有關實體之財務及營運政策之決策擁有參與權而非控制或共同控制權。包括其他實體持有之潛在投票權在內的現時可行使或可兌換之潛在投票權，其存在及影響將於評估本集團有否重大影響力時予以考慮。在評估潛在投票權有否重大影響時，持有人行使或兌換該權力之意圖及財務能力不會考慮在內。

於聯營公司之投資乃採用權益會計法於綜合財務報表列賬，並按成本作出初步確認。所收購聯營公司之可識別資產及負債乃按其於收購當日之公平值計量。倘投資成本超出本集團應佔聯營公司之可識別資產及負債之公平淨值，則差額將以商譽列賬，並列入投資之賬面值內。倘本集團應佔可識別資產及負債之公平淨值高於收購成本，則有關差額將於綜合損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4. 重大會計政策資料(續)

(c) 聯營公司(續)

本集團評估是否有客觀證據顯示在聯營公司的權益可能出現減值。當存在任何客觀證據時，投資的全數賬面值(包括商譽)將作為單一資產根據香港會計準則第36號進行減值測試，方法是將其可收回金額(即使用價值與公平值減出售成本之較高者)與其賬面值進行比較。任何已確認的減值虧損不會分配至構成投資賬面值一部份的任何資產(包括商譽)。該減值虧損之任何撥回乃根據香港會計準則第36號按投資之可收回金額其後增加確認。

本集團應佔聯營公司之收購後損益及其他全面收益於綜合收益及其他全面收益表內確認。倘本集團應佔聯營公司虧損相等於或超逾其於聯營公司之權益(包括實際上構成本集團於該聯營公司投資淨值一部份之任何長期權益)，則本集團不會進一步確認虧損，除非本集團已代聯營公司承擔負債或支付款項。倘聯營公司其後報收溢利，則本集團僅於其應佔溢利等於其應佔未確認之虧損後恢復確認其應佔之該等溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Associates (Continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

4. 重大會計政策資料(續)

(c) 聯營公司(續)

因出售聯營公司而導致其失去重大影響之損益為(i)出售代價之公平值加任何保留於該聯營公司之投資之公平值及(ii)本集團應佔該聯營公司全部賬面值(包括商譽)及任何有關累計匯兌儲備兩者間之差額。倘於聯營公司之投資成為於合營企業投資,本集團繼續採用權益法而不重新計量保留權益。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限。未變現虧損亦會對銷,除非該交易有證據顯示所轉讓資產出現減值則作別論。聯營公司之會計政策已按需要變更,以確保與本集團所採納政策貫徹一致。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所納入的項目乃按實體經營業務所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以港元(「港元」)呈列,而港元為本公司的功能及呈列貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Foreign currency translation (Continued)

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

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

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

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 重大會計政策資料(續)

(d) 外幣換算(續)

(ii) 各實體財務報表內的交易及結餘

外幣交易在初始確認時以交易日期適用的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按每個報告期間完結時的匯率換算。該換算政策所產生的收益及虧損於損益內確認。

按外幣歷史成本計算的非貨幣資產及負債以交易日期的現行匯率換算。交易日期指本公司初始確認該非貨幣資產或負債的日期。按外幣公平值計算的非貨幣項目以決定公平值當天之匯率換算。

當非貨幣項目的收益或虧損於其他全面收益中確認，任何該收益或虧損之匯兌部份於其他全面收益中確認。當非貨幣項目的收益或虧損於損益中確認，任何該收益或虧損之匯兌部份於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rate for the period (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

4. 重大會計政策資料(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算

本集團內所有功能貨幣與本公司呈列貨幣有別的海外業務(其中並無任何業務具有通脹嚴重的經濟體系的貨幣),其業績及財務狀況乃按下列方式換算為本公司的呈列貨幣:

- 各財務狀況表所呈列的資產及負債均按財務狀況表之日期之收市匯率換算;
- 期內的收入及開支按平均匯率換算(除非該平均匯率並非為交易日期的適用匯率累計影響的合理約數,在該情況下,收入及開支按交易日期的匯率換算);及
- 所產生的全部匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

4. 重大會計政策資料(續)

(d) 外幣換算(續)

(iii) 綜合賬目時的換算(續)

綜合賬目時，換算海外實體投資淨額所產生的現金項目匯兌差額於其他全面收益內確認及於外幣匯兌儲備內累計。當海外業務被出售，該匯兌差額於綜合損益中重新分類至出售溢利或虧損的一部份。

收購海外實體所產生的商譽及公平值調整被視作海外實體的資產及負債，並按收市匯率換算。

(e) 物業、機器及設備

物業、機器及設備持有作生產用途或供應貨品或服務或行政目的(不包括下述之在建物業)。物業、機器及設備乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Property, plant and equipment (Continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

4. 重大會計政策資料(續)

(e) 物業、機器及設備(續)

當本集團就物業所有權權益(包括租賃土地及樓宇部分)付款時，全部代價按初始確認時的相對公平值比例在租賃土地與樓宇部分之間分配。在有關款項可進行可靠分配的情況下，租賃土地權益於綜合財務狀況報表內呈列為「使用權資產」。倘代價無法在相關租賃土地的非租賃樓宇部分與未分割權益之間可靠分配，所有物業將分類為物業、機器及設備。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產之賬面值或確認為獨立資產項目(如適用)。所有其他維護及保養費用均需於產生時於該財務期間之損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(e) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	5 to 20 years or over the unexpired term of lease
Leasehold improvements	2 to 5 years or over the unexpired term of lease
Plant and machinery	5 to 10 years
Computer equipment	3 to 5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. 重大會計政策資料(續)

(e) 物業、機器及設備(續)

物業、機器及設備之折舊乃於估計可使用年期內，以直線法按適當比率計算以撇銷其成本或重估金額減其剩餘價值。主要可用年期如下：

樓宇	5至20年或尚餘租賃年期
租賃物業裝修	2至5年或尚餘租賃年期
機器及設備	5至10年
電腦設備	3至5年
傢俬、固定裝置及辦公室設備	3至5年
汽車	3至5年

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)，任何估計變更的影響均按預期基準列賬。

在建工程指建設中的樓宇及待安裝的機器及設備，按成本減減值虧損列賬。當有關資產可供使用時，折舊即開始。

出售物業、機器及設備的收益或虧損指出售所得款項淨額與有關資產賬面值兩者間的差額，並於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases

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

(i) The Group as a lessee

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

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

4. 重大會計政策資料(續)

(f) 租賃

於訂立合約時，本集團評估合約是否為租賃或包含租賃。倘合約給予於一段時間內控制已識別資產使用的權利以換取代價，則合約為租賃或包含租賃。倘客戶同時有權指示已識別資產的用途及從該用途獲得絕大部份經濟利益，則表示擁有控制權。

(i) 本集團作為承租人

倘合約包含租賃部份及非租賃部份，則本集團選擇不區分非租賃部份，並就所有租賃將各租賃部份及任何相關的非租賃部份入賬列為單一租賃部份。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租賃期為12個月或以下的短期租賃及低價值資產租賃除外，就本集團而言，低價值資產主要為筆記本電腦及辦公室傢俬。倘本集團就低價值資產訂立租賃，則本集團決定是否按個別租賃基準將有關租賃撥充資本。與該等並無撥充資本的租賃相關的租賃付款於租賃期內按系統基準確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

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

4. 重大會計政策資料(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

倘有關租賃撥充資本，則有關租賃負債於租賃期內按應付租賃付款的現值初步確認，並使用租賃內含利率或(如該利率無法輕易釐定)使用相關增量借款利率貼現。在合理確定的延期選項下作出的租賃付款亦計入租賃負債的計量中。初步確認後，租賃負債按攤銷成本計量，利息開支則使用實際利息法計算。

計量租賃負債時並不計及不會依賴指數或利率的可變租賃付款，故有關付款在產生的會計期間於損益中扣除。

租賃撥充資本時確認的使用權資產初步按成本計量，其中包括租賃負債的初步金額加於開始日期或之前作出的任何租賃付款及任何已產生初步直接成本。倘適用，使用權資產成本亦包括就拆除並移除相關資產或修復相關資產或其所在地盤產生的估計成本，並將其貼現至現值(扣除任何已收租賃獎勵)。使用權資產其後按成本減累計折舊及減值虧損列賬，惟與租賃土地相關而本集團為有關租賃權益的註冊擁有人的使用權資產按公平值列賬則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets related to leasehold land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

4. 重大會計政策資料(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

為釐定增量借款利率，本集團：

- 在可能的情況下，使用個別承租人最近獲得的第三方融資作為出發點，並作出調整以反映自獲得第三方融資以來融資條件的變動，
- 使用累加法，先就信貸風險調整無風險利率，及
- 對租賃作出特定調整，如年期、國家、貨幣及擔保國家。

就生產用途或供應貨品或服務或行政目的持有之租賃土地相關之使用權資產乃按彼等的重估金額(即於重估日期之公平值減任何其後累計折舊及其後累計減值虧損)於綜合財務狀況表入賬。重估每隔若干適當時間進行，以確保賬面值與於各報告期末以公平值釐定的數值不會出現重大偏差。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in land revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the land revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued land is recognised in profit or loss over the remaining lease term of 19 to 41 years. On the subsequent sale or retirement of a revalued land, the attributable revaluation surplus remaining in the land revaluation reserve is transferred directly to retained earnings.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the unexpired term of lease.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

4. 重大會計政策資料(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

任何重估有關土地產生之重估增值會於其他全面收益內確認，並累計列入土地重估儲備，除非其撥回之前於損益確認之相同資產之重估減值，在此情況下則有關增值會以之前支出之減額為限計入損益。重估有關土地產生之賬面減值會於損益內確認，至其超過與該資產過往重估有關之土地重估儲備內之結餘(如有)為止。

經重估土地的折舊在剩餘租賃期間(19至41年)內於損益確認。已重估土地其後出售或報廢時，留存於土地重估儲備的應佔重估盈餘乃直接轉撥至保留盈利。

本集團於租賃期結束時合理確定獲取相關租賃資產所有權的使用權資產自開始日期起至可使用年期結束期間折舊。在其他情況下，使用權資產以直線法於其估計可使用年期及未屆滿的租賃期(以較短者為準)內折舊。

已付的可退回租賃按金乃根據香港財務報告準則第9號列賬，並初步按公平值計量。初步確認公平值的調整被視為額外租賃款項，並計入使用權資產的成本內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases (Continued)

(i) The Group as a lessee (Continued)

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

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

4. 重大會計政策資料(續)

(f) 租賃(續)

(i) 本集團作為承租人(續)

當指數或利率變動引致未來租賃付款變動，或本集團根據剩餘價值擔保預期應付款項之估計有變，或當重新評估本集團是否將合理確定行使購買、延期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，就使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值減至零，則記錄於損益。

當租賃範圍或租賃合約原先並無規定的租賃代價(「租賃修改」)發生變化，且未作為單獨租賃入賬時，則租賃負債亦重新計量。在此情況，租賃負債根據經修訂的租賃付款及租賃期，使用經修訂折現率在修改生效日期重新計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(f) Leases (Continued)

(ii) The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(g) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(h) Other intangible assets Technology knowhow

Know-how is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

Customer relationships

Customer relationships are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

Licences

Licences are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives.

4. 重大會計政策資料(續)

(f) 租賃(續)

(ii) 本集團作為出租人

當本集團作為出租人，其於訂立租賃時釐定各項租賃是否融資租賃或經營租賃。倘租賃轉移相關資產所有權附帶的絕大部份風險及回報至承租人，則分類為融資租賃。倘情況並非如此，則租賃分類為經營租賃。

(g) 研究及開發支出

研究活動的支出於產生的期間作為開支確認。

(h) 其他無形資產 技術訣竅

訣竅按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

客戶關係

客戶關係按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

許可證權

許可證權按成本減累計攤銷及減值虧損列賬。攤銷於彼等的估計可使用年內以直線法計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Other contract costs

Other contract costs are the incremental costs of obtaining a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the costs are expensed when incurred. Other costs of obtaining a contract are expensed when incurred.

4. 重大會計政策資料(續)

(i) 存貨

存貨按成本與可變現淨值兩者中的較低者入賬。成本乃按加權平均基準計量。製成品及在製品的成本包括原材料、直接勞工及所有生產經常性開支及分包開支(如適用)。外購存貨的成本於扣除回扣及折扣後釐定。可變現淨值按一般業務過程中的估計銷售價格減去估計完成成本及估計銷售所需費用計算。

(j) 其他合約成本

其他合約成本為取得客戶合約的增量成本。

取得合約的增量成本為本集團取得客戶合約所產生的該等成本，若沒有取得合約，便不會產生有關成本。若預期將收回取得合約的增量成本，則該等成本在產生時便會撥充資本，惟預期攤銷期間是自初始確認資產日期起一年或以下則除外，在該情況下成本在產生時列作開支。取得合約的其他成本在產生時列作開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(l) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (“ECLs”) in accordance with the policy set out in note 4(z) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

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

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

4. 重大會計政策資料(續)

(k) 會所會籍

具無限可使用年期的會所會籍按成本減任何減值虧損列賬。會所會籍每年及當有跡象顯示出現減值虧損時，將進行減值檢討。

(l) 合約資產及合約負債

當本集團在無條件地有權享有合約載列的付款條款下的代價前確認收入，便會確認合約資產。合約資產根據附註4(z)載列的政策評估預期信貸虧損，並在代價的權利成為無條件時重新分類為應收款項。

當客戶在本集團確認相關收入前支付代價，本集團便會確認合約負債。若本集團在確認相關收入前具有無條件權利收取代價，則本集團亦會確認合約負債。在該等情況下，亦會確認相關應收款項。

就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多項的合約而言，不相關合約的合約資產及合約負債並非按淨額基準呈列。

當合同包含重大融資成分時，合同餘額包括根據實際利率法的應計利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Recognition and derecognition of financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. 重大會計政策資料(續)

(m) 確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文的訂約方時，將於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)直接應佔的交易成本乃於初始確認時計入金融資產或金融負債的公平值，或從相關公平值中扣除(如適用)。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本則隨即在損益中確認。

本集團僅於資產現金流量的合約權利屆滿，或其轉讓金融資產及絕大部份資產擁有權的風險及回報予另一實體時，才會終止確認金融資產。倘本集團未有轉讓或保留絕大部份擁有權的所有風險及回報，並繼續控制已轉讓的資產，本集團便確認其於該項資產的保留權益及其可能須要支付的金額的相關負債。倘本集團保留已轉讓金融資產所有權絕大部份的風險及回報，本集團便繼續確認該項金融資產，亦就收取的所得款項確認有抵押借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Recognition and derecognition of financial instruments (Continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Debt instruments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the instrument is calculated using the effective interest method. Typically, trade and bills receivables, other receivables, cash and bank balances are classified in this category.

4. 重大會計政策資料(續)

(m) 確認及終止確認金融工具(續)

本集團僅在義務已解除、取消或屆滿時才終止確認金融負債。終止確認的金融負債賬面值金額與已付及應付的代價(包括任何已轉讓的非現金資產或承擔的負債)的差額，則於損益中確認。

(n) 金融資產

所有以慣常方式作出的金融資產買賣均按交易日期確認及終止確認。慣常方式買賣為須在市場規例或慣例建立的時限內交付資產的金融資產買賣。所有已確認的金融資產其後則全部按攤銷成本或公平值計量，視乎金融資產的分類而定。

債務投資

本集團持有的債務投資乃分類為下列其中一項計量類別：

- 倘投資是持有作收集合約現流量，而該等現金流量僅為本金及利息款項，則為攤銷成本。投資的利息收入乃使用實際利率法計算。貿易及票據應收款項、其他應收款項、現金及銀行結餘一般均歸類於此類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(n) Financial assets (Continued) Debt instruments (Continued)

- FVTPL if the instrument does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the instrument (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings but not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

4. 重大會計政策資料(續)

(n) 金融資產(續) 債務投資(續)

- 倘投資不符合按攤銷成本或按公平值計入其他全面收益(重新歸入)計量的標準,則為按公平值計入損益。投資公平值的變動(包括利息)則於損益賬認。

股權投資

除非股權證券投資並非持作交易用途,且在初始確認投資時本集團選擇指定投資按公平值計入其他全面收益(不得重新歸入),致使其後公平值的變動在其他全面收益確認,否則股權證券投資分類為按公平值計入損益。該等選擇乃在個別工具的基礎上作出,但僅可在從發行人角度而言投資符合股權的定義才可作出。倘作出了該項選擇,則在其他全面收益累計的金額仍然留在公平值儲備(不得重新歸入),直至出售投資為止。於出售時,在公平值儲備(不得重新歸入)累計的金額則轉移至保留盈利,而並非透過損益重新歸入。來自股權證券投資的股息,不論分類為按公平值計入損益或按公平值計入其他全面收益,均會於損益中確認為其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Trade and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(p) Cash and cash equivalents

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

4. 重大會計政策資料(續)

(o) 貿易及其他應收款項

應收款項於本集團有無條件權利收取代價時確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘收入於本集團有無條件權利收取代價前已確認，則該金額按合約資產呈列。

貿易應收款項可按無條件獲得的代價金額進行初始確認，但當其包含重大融資成分時，按公平值進行初始確認。本集團持有貿易應收款項的目的為收取合約現金流量，因此後續使用實際利率法按攤銷成本減信貸虧損撥備對其進行計量。

(p) 現金及等同現金項目

現金及等同現金項目包括銀行及手頭現金、銀行及其他金融機構的活期存款，以及可隨時轉換為已知金額現金的短期高變現能力，且價值改變風險不大及於收購後三個月內到期的投資。就編製綜合現金流量表而言，現金及等同現金項目包括按要求償還及構成本集團現金管理組成部份的銀行透支。現金及等同現金項目乃就預期信貸虧損作評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(q) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4. 重大會計政策資料(續)

(q) 金融負債及股本工具

金融負債及股本工具乃根據所訂立的合約安排性質及根據香港財務報告準則對金融負債及股本工具的定義而分類。股本工具為證明於本集團經扣除其所有負債後的資產中所剩餘權益的任何合約。就特定金融負債及股本工具而採納的會計政策載於下文。

(i) 借貸

借貸初步按公平值扣除所產生的交易成本確認，其後則以實際利率法按攤銷成本值計量。所得款項(扣除交易成本)與贖回金額之間的任何差額於借貸期間按實際利率法於損益確認。

除非本集團擁有無條件權利，可將負債的償還日期遞延至報告期間完結後至少十二個月，否則借貸被分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(q) Financial liabilities and equity instruments (Continued)

(ii) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

4. 重大會計政策資料(續)

(q) 金融負債及股本工具(續)

(ii) 財務擔保合約負債

在擔保簽訂的同時，財務擔保合約確認為一項金融負債。該項負債按公平值初步計量，其後則按以下兩者中較高者計量：

- 按香港財務報告準則第9號的預期信貸虧損模式確定的金額；及
- 初步確認的金額減去(如適用)按香港財務報告準則第15號確認的累計收入。

財務擔保的公平值由基於債務工具下規定的合約支付金額，與毋須保證的支付金額或與作為承擔義務付給第三方的估計金額之間的現金流量差額的現值決定。

當與聯營公司的借款或其他應付聯營公司的款項不提供補償時，公平值便作為投入列賬且確認為投資成本的一部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(q) Financial liabilities and equity instruments (Continued)

(iii) Trade and other payables

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

(iv) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(r) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

4. 重大會計政策資料(續)

(q) 金融負債及股本工具(續)

(iii) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後則以實際利率法按攤銷成本值計量，貼現影響微少則作別論，在該情況下，則按成本值列賬。

(iv) 股本工具

股本工具指能證明於實體扣除其所有負債後的資產中存在剩餘權益的任何合約。本公司發行的股本工具按已收取的所得款項減去直接發行成本而列賬。

(r) 衍生金融工具

衍生工具於訂立衍生合約之日按公平值進行初步確認，其後於各報告期末按公平值進行重新計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(s) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

For OEM Products that have no alternative use to the Group and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue from the sales of such OEM Products as the performance obligation is satisfied over time in accordance with the input method, by reference to the costs incurred to date over the total expected costs. Otherwise, sales are recognised when control of the products has been transferred, being when the products are delivered to the customers. Delivery occurs when the products have been delivered to the designated location prescribed by the customer. Payment for goods is not due from the customer until the OEM Products are delivered to the customer and therefore a contract asset is recognised over the period in which the goods are produced, representing the entity's right to consideration for the services performed to date.

4. 重大會計政策資料(續)

(s) 收入及其他收入

當產品或服務的控制權按本集團預期有權獲取的承諾代價數額(不包括代表第三方收取的金額)轉移至客戶時,便會確認收入。收入不包括增值稅或其他銷售稅,並經扣除任何貿易折扣。

原設備製造產品對本集團並無替代用途,且當本集團擁有收取客戶迄今為止已完成履約的款項之可強制執行權利時,本集團根據輸入數據法,並參考迄今為止已產生費用佔預期費用總額之比例,將按原設備製造產品銷售收入已達成之履約責任的進度確認。否則,當產品控制權已轉移時(即產品已交付至客戶時)確認銷售。交付在產品已運送至客戶的特定地點時發生。客戶毋須支付貨品款項,直至原設備製造產品運送至客戶為止,因此合約資產是在於貨品已生產一段時間,代表實體對迄今履行服務的代價所享有的權利的期間內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(s) Revenue and other income (Continued)

Revenue from the sales of non-OEM Products is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. A refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

Revenue from sales of moulds is recognised when the quality of moulds are accepted by the customers, and the customers have the legal title to the moulds and can direct the Group to use them for production.

4. 重大會計政策資料(續)

(s) 收入及其他收入(續)

由非原設備製造產品銷售所產生的收入在貨品的控制權已轉讓，即貨品已運送至客戶的指定地點(交付)時確認。在交付後，客戶對銷售貨品的分銷方式及價格擁有完全酌情權，在銷售貨品時具有主要責任，並承擔貨品滯銷及損失的風險。當貨品交付予客戶，本集團便會確認應收款項，原因是此乃對代價的權利僅因到期付款前需要時間流逝方成為無條件的時點。對於預期將要退回的產品，退款負債和作出相應的調整並於收入確認。同時，當客戶行使退貨權時，本集團有權收回產品，並因此確認退貨資產的權利以及對銷售成本作相應調整。本集團利用其積累的歷史經驗，使用期望值方法估計投資組合水平的收益數量。考慮到往年的收益水平穩定，很可能不會發生已確認累計收入的重大回撥。

銷售模具的收入於模具質量獲客戶接納及客戶擁有模具的合法所有權，並指示本集團使用該等模具作生產時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(s) Revenue and other income (Continued)

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(t) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 重大會計政策資料(續)

(s) 收入及其他收入(續)

利息收入於產生時按實際利率法確認。就按攤銷成本或按公平值計入其他全面收益(重新歸入)計量且並無出現信貸減值的金融資產而言,實際利率便適用於資產的賬面總值。就出現信貸減值的金融資產而言,實際利率則適用於資產的攤銷成本(即扣除虧損撥備的賬面總值)。

經營租賃項下的應收租金收入在租賃期涵蓋期間內平均分期於損益確認,除非替代基準更能代表使用租賃資產所產生的收益模式。授予的租賃獎勵措施在損益中確認為應收租賃淨付款總額的組成部份。不依賴於指數或利率的可變租賃付款在其產生的會計期間內確認為收入。

(t) 僱員福利

(i) 僱員享有的假期

僱員年假及長期服務假於僱員享有時確認,並已就僱員因截至報告期間完結時止所提供服務享有的年假及長期服務假的估計負債作出撥備。

僱員病假及產假於放假時始確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(t) Employee benefits (Continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Termination benefits

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

4. 重大會計政策資料(續)

(t) 僱員福利(續)

(ii) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金的百分比計算。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

就長服金義務而言，根據香港會計準則第19號第93(a)段，本集團將預期抵銷的僱主強積金供款視為對長服金義務的僱員供款，並按淨額計量。未來福利的估計金額乃經扣除本集團已歸屬於僱員的強積金供款所產生的累算權益的負服務成本後釐定，有關供款被視為來自有關僱員的供款。

(iii) 離職福利

離職福利於本集團不再撤回該等福利邀約與本集團確認重組成本及涉及支付離職福利當日(以較早者為準)確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(u) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4. 重大會計政策資料(續)

(u) 以股份支付之款項

本集團向若干董事、僱員及顧問發行以股權結算以股份支付的款項。

對董事及員工的以股權結算以股份支付的款項乃於授出當日按股本工具的公平值(不包括非市場歸屬條件的影響)計量。於按股權結算以股份支付的款項授出當日釐定的公平值，根據本集團所估計最終就非市場歸屬條件歸屬及調整的股份，按歸屬期以直線法支銷。

向顧問作出之以股權結算以股份支付的款項按所提供服務的公平值計量，或倘無法可靠地計量所提供服務的公平值，則按所授出股本工具的公平值計量。公平值於本集團獲得服務當日計量，並確認為開支。

(v) 借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本，會撥充該等資產成本部份，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，會於合資格資本化的借貸成本中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(v) Borrowing costs (Continued)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

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

(w) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. 重大會計政策資料(續)

(v) 借貸成本(續)

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款(用於獲取一項合資格的資產的借貸除外)的借貸成本的加權平均值。在相關資產準備可用於其預期用途或出售後仍尚未償還的任何特定借款均計入一般借款池，以計算一段借款的資本化率。

所有其他借貸成本乃於其產生期間在損益中確認。

(w) 政府補助金

如有合理保證本集團將遵守附帶條件及將收取政府補助金，則確認政府補助金。

與收入有關之政府補助金就其與擬補償成本配對之所需期間於損益遞延及確認。

作為開支或已承受的虧損的補償或為本集團提供即時財務資助而可收取(並無日後相關成本)的政府補助金，乃於其成為可收取的期間於損益確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(x) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 重大會計政策資料(續)

(x) 稅項

所得稅為即期稅項與遞延稅項的總和。

即期稅項乃按本年度應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債乃按報告期間完結前已頒佈或實質頒佈的稅率計算。

遞延稅項乃就綜合財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差異確認。遞延稅項資產一般就所有可扣減暫時差額確認，惟以可能出現應課稅溢利以抵銷可動用的可扣減暫時差額時予以確認為限。於一項交易中，倘因商譽或其他資產及負債之初步確認(業務合併除外)而產生的暫時差異且不影響應課稅溢利及會計溢利且於交易時並不產生相等的應課稅及可扣減暫時差額時，則該等資產及負債不會予以確認。

遞延稅項負債乃就投資於附屬公司及聯營公司而產生的應課稅暫時差異予以確認，惟倘本集團能控制撥回暫時差異以及暫時差異在可見將來不會被撥回則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(x) Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. 重大會計政策資料(續)

(x) 稅項(續)

遞延稅項資產的賬面值於各報告期間完結時均會作出檢討，並在預期不再有足夠應課稅溢利可令全部或部份資產變現時作出相應減值。

遞延稅項乃以預期於償還負債或變現資產即期應用的稅率並基於報告期間完結前頒佈或實質頒佈的稅率計算。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收益中或直接於權益中確認的相關聯者則除外，在此情況下，遞延稅項亦會於其他全面收益中或直接於權益中確認。

遞延稅項資產及負債之計量反映本集團於報告期間結束時預計收回或結算其資產及負債賬面值之方式而引致之稅務後果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(x) Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

4. 重大會計政策資料(續)

(x) 稅項(續)

就計量本集團確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團將香港會計準則第12號之規定分別應用於使用權資產及租賃負債。本集團確認與租賃負債相關的遞延稅項資產，惟以可能有應課稅溢利可用以抵銷可扣減暫時差額為限，並就所有應課稅暫時差額確認遞延稅項負債。

倘有法定可行使權利可以即期稅項資產抵銷即期稅項負債，以及彼等為關乎同一稅務機構徵收之所得稅，而且本集團擬按淨額基準結算其即期稅項資產及負債或同時變現資產及結算負債時，則遞延稅項資產及負債會予以抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(y) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 重大會計政策資料(續)

(y) 非金融資產減值

非金融資產之賬面值於各報告日期檢討有無減值跡象，倘資產已減值，則透過綜合損益表以開支撇減至其估計可收回金額，惟倘有關資產乃按重估金額列賬，則減值虧損按重估減少處理。可收回金額乃就個別資產釐定，惟倘資產並無產生大部份獨立於其他資產或資產組合之現金流入。如屬此情況，則可收回金額就資產所屬之現金產生單位釐定。可收回金額為個別資產或現金產生單位之使用價值與其公平值減出售成本兩者中之較高者。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間值及資產／現金產生單位(已計量減值)之特有風險之稅前貼現率計算。

現金產生單位之減值虧損首先用於抵銷單位商譽，然後於現金產生單位的其他資產之間按比例分配。隨後估計變動導致的可收回金額增長計入損益，直至撥回減值。惟倘有關資產乃按重估金額列賬，則減值虧損的撥回按重估增加處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECLs on trade and bills receivables, contract assets, deposits and other receivables, due from an associate, bank balances as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and bills receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值

本集團就按攤銷成本或按公平值計入貿易及票據應收款項、合約資產、應收聯營公司的按金及其他應收款項、銀行存款，以及財務擔保合約確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各個報告日期更新，以反映自各項金融工具初始確認以來信貸風險的變動。

本集團一直就貿易及票據應收款項、合約資產及租賃應收款項確認全期預期信貸虧損。該等金融資產的預期信貸虧損乃使用以本集團過往信貸虧損經驗為基礎的撥備矩陣估算，並就債務人特定因素、整體經濟環境及報告日期當前情況及預測動向的評估(在適當時包括貨幣的時間價值)作出調整。

對於所有其他金融工具，本集團在信貸風險自初始確認以來顯著上升時確認全期預期信貸虧損。然而，若金融工具的信貸風險自初始確認以來並未顯著上升，則本集團便按12個月預期信貸虧損的相同金額計量該金融工具的虧損撥備。

全期預期信貸虧損指於金融工具預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指金融工具於報告日期後12個月內可能發生的違約事件預計產生的該部份全期預期信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升

評估金融工具的信貸風險自首次確認以來有否顯著增加時，本集團會就金融工具於報告日期發生違約的風險與金融工具於初始確認當日發生違約的風險進行比較。在進行有關評估時，本集團會考慮合理且可靠的定量和定性資料，包括過往經驗及毋須付出不必要的成本或努力即可獲得的前瞻性資料。所考慮的前瞻性資料包括獲取自經濟專家報告、金融分析師、政府機構、相關智庫及其他類似組織的本集團債務人經營所在行業的未來前景，以及與本集團核心業務相關的各種外在來源的實際及預測經濟資料。

具體而言，評估信貸風險自初始確認以來是否顯著上升時會考慮以下資料：

- 金融工具對外(如有)或內部信貸評級的實際或預期顯著惡化；
- 特定金融工具信貸風險的對外市場指標顯著惡化；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還其債務的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 同一債務人其他金融工具的信貸風險顯著上升；及
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還其債務的能力顯著下降。

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，金融資產的信貸風險已自初始確認以來顯著增加，除非本集團有合理及可作為依據的資料顯示並非如此則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

儘管存在上文所述，本集團假設倘金融工具釐定為於報告日期具有低信貸風險，則金融工具的信貸風險自初始確認以來並無顯著增加。金融工具釐定為具有低信貸風險，假若：

- (i) 金融工具具有低違約風險；
- (ii) 債務人於短期內具備雄厚實力履行其合約現金流量責任；及
- (iii) 長期經濟及業務狀況的不利變動可能(但不一定)減低借款人履行其合約現金流量責任的能力。

當金融資產根據環球理解的定義擁有「投資級別」的外圍信貸評級，或倘未有外圍評級，則資產具有「良好」的內部評級，本集團便會認為該項資產具有低信貸風險。良好的意思為對手方具有強勁的財務狀況，以及無逾期款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued) Significant increase in credit risk (Continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

信貸風險顯著上升(續)

就財務擔保合約而言，在本集團不可撤回地成為該項承擔的相關方當日，該日即被視為評估財務工具減值的初始確認日。在評估信貸風險在初始確認財務擔保合約後是否大幅攀升，本集團會考慮個別債務人的違約風險變動。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回。

- 交易對手違反財務契諾；或
- 內部產生或獲取自對外來源的資料表明，債務人不大可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Definition of default (Continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

違約的定義(續)

不論上述分析結果如何，本集團認為當金融資產付款逾期超過90日時，便已出現違約，除非本集團有合理及可作為依據的資料顯示並更寬鬆的違約標準更為合適則作別論。

信貸減值的金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗事件時，該金融資產即出現信貸減值。金融資產出現信貸減值的證據包括與下列事件相關的可觀察數據：

- 發行人或交易對手陷入嚴重財困；
- 違反合約，如違約或逾期事件；
- 交易對手的貸款人出於與交易對手財困相關的經濟或合約原因，而向交易對手授予貸款人原本不會考慮的優惠；
- 交易對手可能將進入破產程序或進行其他財務重組；或
- 因財務困難而導致該項金融資產失去活躍市場。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and bills receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

撇銷政策

本集團在有資料顯示債務人陷入嚴重財務困難，且無實際收回資產可能之時(包括債務人遭受清盤或已進入破產程序，或在貿易及票據應收款項的情況下，則有關金額逾期超過兩年(以較早發生者為準)，便會撇銷金融資產。在考慮法律意見(如適當)後，已撇銷金融資產仍可根據本集團的收回程序實施強制執行活動。任何收回資產於損益中確認。

計量及確認預期信貸虧損

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險承擔的函數。評估違約概率及違約損失率的依據是過往數據，並按上文所述的前瞻性資料調整。違約風險承擔方面，金融資產則由資產於報告日期的賬面總值代表。

就金融資產而言，預期信貸虧損按根據合約應付予本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額估計，並按原本的實際利率貼現。就租賃應收款項而言，根據香港財務報告準則第16號用作釐定預期信貸虧損的現金流量與用作計量租賃應收款項的現金流量一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(z) Impairment of financial assets and contract assets (Continued) Measurement and recognition of ECL (Continued)

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

4. 重大會計政策資料(續)

(z) 金融資產及合約資產減值(續)

計量及確認預期信貸虧損(續)

倘本集團於上個報告期間以相等於全期預期信貸虧損的金額計量一項金融工具的虧損撥備，但於本報告日期釐定該全期預期信貸虧損的條件不再符合，則本集團於本報告日期便會按相等於12個月預期信貸虧損的金額計量虧損撥備，惟使用了簡化方式的資產則除外。

本集團於損益確認所有金融工具的減值收益或虧損，對透過虧損撥備賬對其賬面值作出相應調整，惟按公平值計入其他全面收益計量的債務工具投資除外，其虧損撥備於其他全面收益確認，並於投資重估儲備累計，且並無削減金融資產於財務狀況表的賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(aa) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 重大會計政策資料(續)

(aa) 撥備及或然負債

倘本集團因過往事件承擔現有法定或推定責任而可能需要經濟利益流出以履行有關責任並可作出可靠估計，便會就無確定時間或金額的負債確認撥備。倘款項的時間價值重大，撥備會以履行責任預期所需開支的現值列報。用於確定現值的折現率為除稅前利率，反映了當前市場對貨幣時間價值的評估及負債的特定風險。隨著時間的推移，撥備的增加被確認為利息支出。

倘不大可能需要經濟利益流出，或有關款額不能可靠估量，有關責任則按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。可能承擔的責任(其存在與否僅藉一項或多項未來事件的發生與否而確定)亦按或然負債披露，除非導致經濟利益流出的可能性極低，則作別論。

(ab) 報告期間完結後事項

報告期間完結後事項提供本集團於報告期間完結時狀況的額外資料，此等為調整事項並反映於綜合財務報表。如屬非調整事項的報告期間完結後事項，倘屬重大時，則於綜合財務報表附註內披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5. 關鍵判斷及主要估計

應用附註4所述本集團之會計政策時，董事須作出對所確認金額有重大影響之判斷(涉及估計者除外)及作出有關無法即時自其他來源獲得之資產及負債賬面值之估計及假設。有關估計及假設乃基於過往經驗及被視為相關之其他因素。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘對會計估計之修訂僅影響修訂有關估計之期間，則於該期間確認；或倘該修訂影響本期間及未來期間，則於修訂及未來期間確認。

應用會計政策時的關鍵判斷

於應用會計政策的過程中，董事已作出以下對綜合財務報表所確認金額產生最重大影響的判斷(除涉及估計者於下文處理外)。

信貸風險顯著增加

第1階段資產的預期信貸虧損按相等於12個月預期信貸虧損的撥備計量，而第2階段或第3階段資產則按全期預期信貸虧損計量。當信貸風險自首次確認後顯著增加時，資產將移至第2階段。香港財務報告準則第9號並無界定甚麼構成信貸風險顯著增加。於評估資產的信貸風險是否已顯著增加時，本集團會考慮定性及定量的合理而有據可依的前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Allowance for inventories

The directors identify obsolete and slow-moving inventory items that are no longer probable for use in production or to be sold out at the end of each reporting period. The directors estimate the net realisable value for such inventories based primarily on the latest selling prices and costs of completion and selling expenses estimated at current operation conditions. The directors carry out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete items.

Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimates have been changed.

The allowance on inventories as at 31 December 2023 was approximately HK\$73,525,000 (2022: HK\$67,720,000).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源

下文討論有關未來的主要假設及於報告期間完結時的其他主要估計不明朗因素來源，而該等假設及估計不明朗因素來源具有導致下一個財政年度的資產及負債賬面值須作出重大調整的重大風險。

(a) 存貨撥備

董事於各報告期間完結時識別一些不再適合生產的過時及滯銷存貨項目。董事主要根據最新售價及現時經營狀況下的銷售開支及預計完成成本估計該等存貨的可變現淨值。董事於每個報告期間完結時對存貨逐一進行檢查，並對過時項目作出撥備。

倘日後實際結果與原定估計有差異，則該等差異將影響存貨賬面值及該估計變更期間的撥備/撥回值。

於二零二三年十二月三十一日，存貨撥備為約73,525,000港元(二零二二年：67,720,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

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

Property, plant and equipment and right-of-use assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2023 were approximately HK\$505,610,000 (2022: HK\$492,350,000) and HK\$266,597,000 (2022: HK\$270,990,000) respectively.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(b) 物業、機器及設備以及使用權資產折舊

物業、機器及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否發生減值時，本集團須進行判斷並作出估計，特別是於評估(1)是否發生可能影響資產價值的事件或出現任何有關跡象；(2)資產賬面值是否能以可收回金額作支持，若為使用價值，則為根據持續使用資產估計得出的未來現金流量的淨現值；及(3)估計可收回金額所用的合適主要假設(包括現金流量預測及合適的折現率)。倘無法估計個別資產(包括使用權資產)的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。更改假設及估計(包括現金流量預測中的折現率或增長率)可對可收回金額產生重大影響。

於二零二三年十二月三十一日，物業、機器及設備以及使用權資產賬面值為分別約505,610,000港元(二零二二年：492,350,000港元)及266,597,000港元(二零二二年：270,990,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of trade and bills receivables and contract assets

The Group uses practical expedient in estimating ECL on trade receivables and contract assets using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in note 6(b).

As at 31 December 2023, the carrying amounts of trade and bills receivables and contract assets are approximately HK\$417,912,000 (2022: HK\$405,432,000) (net of allowance for doubtful debts of approximately HK\$1,829,000 (2022: HK\$385,000)), and HK\$12,631,000 (2022: HK\$11,420,000) respectively.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(c) 貿易及票據應收款項及合約資產的減值

本集團採用實際權宜方法，利用撥備矩陣估計貿易應收款項及合約資產的預期信貸虧損。撥備率以各項債項分組的賬齡為基準，並計及本集團的歷史違約率以及毋須付出不必要成本或努力即可獲得的合理可靠前瞻性資料。於各報告日期，歷史可觀察違約率將予重新評估，而前瞻性資料變動亦會納入考慮。

預期信貸虧損撥備極受估計變動所影響。有關預期信貸虧損及本集團貿易應收款項及合約資產的資料於附註6(b)披露。

於二零二三年十二月三十一日，貿易及票據應收款項及合約資產的賬面值分別為約417,912,000港元(二零二二年：405,432,000港元)(扣除約1,829,000港元(二零二二年：385,000港元)呆賬撥備)及12,631,000港元(二零二二年：11,420,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. During the year, income tax credit of HK\$3,001,000 (2022: income tax expense of HK\$5,095,000) was (credited)/charged to profit or loss based on the estimated (loss)/profit from operations.

Recognition of deferred tax assets, which principally relates to deductible temporary differences and tax losses, depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which deferred tax assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place. The directors considered that, based on the profit forecast of the group companies with tax losses, it is probable that the tax losses can be utilised in the foreseeable future. The profit forecast required the use of judgement and estimates.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(d) 所得稅

本集團須在多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重要估計。在日常業務過程中有多項交易及計算方式，均會導致不能確定最終稅項。倘若該等事情最終所得之稅項與最初錄得之款額有所差異，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。於本年度，根據經營業務的估計(虧損)/溢利(入賬)/支賬損益的所得稅抵免為3,001,000港元(二零二二年：所得稅開支為5,095,000港元)。

確認遞延稅項資產主要與可扣減暫時差異及稅項虧損有關，視乎是否很可能獲得可利用遞延稅項資產來抵扣之未來應課稅溢利或應課稅暫時差異而定。倘所產生之未來實際應課稅溢利或應課稅暫時差異少於預期數額，則該遞延稅項資產可能予以撥回，並會於有關撥回發生期間之損益內確認。董事認為，根據錄得稅項虧損之集團公司之溢利預測，稅項虧損很可能在可見將來動用。溢利預測需要運用判斷及估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(d) Income taxes (Continued)

The carrying amount of deferred tax assets with respect to tax losses as at 31 December 2023 was approximately HK\$4,167,000 (2022: HK\$4,323,000).

(e) Fair value of leasehold lands

The Group appointed an independent professional valuer to assess the fair value of the leasehold lands. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of leasehold lands as at 31 December 2023 was approximately HK\$228,213,000 (2022: HK\$247,468,000).

(f) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than the expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(d) 所得稅(續)

於二零二三年十二月三十一日，有關稅項虧損之遞延稅項資產之賬面值為約4,167,000港元(二零二二年：4,323,000港元)。

(e) 租賃土地的公平值

本集團委任獨立專業估值師評估租賃土地的公平值。於釐定公平值時，估值師利用的估值方法涉及若干估計。董事已行使判斷，並信納估值方法及使用的參數反映現行市況。

於二零二三年十二月三十一日，租賃土地的賬面值為約228,213,000港元(二零二二年：247,468,000港元)。

(f) 商譽減值

釐定商譽是否減值時須估計商譽所獲分配的現金產生單位的使用價值。計算使用價值要求本集團須就預期源自該現金產生單位的日後現金流量及合適的折現率作出估計，以計算現值。若實際未來現金流量低於預期，或由於事實及情況有變導致未來現金流量下調或貼現率上調，則可能會產生重大減值虧損或進一步減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(f) Impairment of goodwill (Continued)

The carrying amount of goodwill at the end of the reporting period was HK\$2,654,000 (2022: HK\$2,654,000) (net of accumulated impairment losses of approximately HK\$Nil (2022: HK\$Nil)).

(g) Impairment of other intangible assets

Determining whether other intangible assets are impaired requires an estimation of the value in use of the CGUs to which other intangible assets have been allocated. The value in use calculations requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value.

The carrying amount of other intangible assets as at 31 December 2023 was approximately HK\$27,531,000 (2022: HK\$3,382,000) (net of accumulated impairment losses of approximately HK\$Nil (2022: HK\$Nil)).

(h) Fair value measurement of investment in unlisted equity securities

In the absence of quoted market prices in an active market, the Group appointed independent professional valuer to assess the fair value of the unlisted equity securities. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates made by the Group.

As at 31 December 2023, the carrying amount of the unlisted equity investment was approximately HK\$45,272,000 (2022: Nil).

5. 關鍵判斷及主要估計(續)

估計不明朗因素的主要來源(續)

(f) 商譽減值(續)

商譽於報告期末的賬面值為2,654,000港元(二零二二年: 2,654,000港元)(扣除約零港元(二零二二年: 零港元)的累計減值虧損)。

(g) 其他無形資產減值

釐定其他無形資產是否減值時須估計其他無形資產所獲分配的現金產生單位的使用價值。計算使用價值要求本集團須就預期源自該現金產生單位的日後現金流量及合適的折現率作出估計，以計算現值。

其他無形資產於二零二三年十二月三十一日的賬面值為約27,531,000港元(二零二二年: 3,382,000港元)(扣除累計減值虧損約零港元(二零二二年: 零港元))。

(h) 非上市股權證券投資之公平值計量

由於缺乏活躍市場報價，本集團委任獨立專業估值師評估非上市股本證券的公平值。在釐定公平值時，估值師採用估值方法，當中涉及本集團作出之若干估計。

於二零二三年十二月三十一日，非上市股權投資的賬面值約為45,272,000港元(二零二二年: 零港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Company's functional currency is the HKD and the functional currencies of majority of the subsidiaries are the HKD, Renminbi ("RMB"), United States dollars ("USD") and Mexican Peso ("MXN"). The Group's transactions, trade receivables and trade payables are mainly denominated in these currencies. As the exchange rate of the USD and HKD is pegged, management considers the foreign exchange risk in this respect is not significant.

The Group periodically reviews monetary assets and liabilities held in currencies other than the USD and HKD in particular RMB to ensure that net exposure is kept at an acceptable level, and will consider hedging significant foreign currency exposure should the need arise. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's (loss)/profit after tax due to changes in the fair value of monetary assets and liabilities.

6. 財務風險管理

本集團因經營業務而承受多項財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃集中在金融市場的不可預測性，故務求降低本集團財務表現所受到的潛在負面影響。

(a) 外匯風險

本公司的功能貨幣為港元，且絕大多數附屬公司的功能貨幣均為港元、人民幣（「人民幣」）、美元（「美元」）及墨西哥披索（「墨西哥披索」）。本集團的交易、貿易應收款項及貿易應付款項主要以該等貨幣計值。由於美元兌港元匯率掛鈎，管理層認為就此而言的外匯風險並不重大。

本集團定期審閱美元及港元，尤其是人民幣以外貨幣所持有的貨幣資產及負債，以確保敞口淨額維持在可接受水平，並於需要時將考慮對沖重大外幣敞口。下表列示截至報告期末在所有其他可變因素維持不變之情況下，貨幣資產及負債公平值變動導致本集團稅後（虧損）／溢利對人民幣匯率合理可能變動之敏感度。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

	2023 二零二三年	2022 二零二二年
Increase/ (decrease) in foreign currency rate 外匯匯率 上升/(下降) %	Increase/ (decrease) in loss after tax 稅後虧損 增加/(減少) HK\$'000 千港元	Increase/ (decrease) in profit after tax 稅後溢利 增加/(減少) HK\$'000 千港元
If HKD strengthens against RMB 倘港元兌人民幣轉強	5	(4,745)
If HKD weakens against RMB 倘港元兌人民幣轉弱	(5)	4,745

(b) Credit risk

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

6. 財務風險管理(續)

(a) 外匯風險(續)

(b) 信貸風險

信貸風險為交易對手方不履行金融工具或客戶合約的責任，導致財務損失的風險。本集團面對其經營活動(主要為貿易及票據應收款項及合約資產)及其融資活動(包括銀行及金融機構存款、外匯交易及其他金融工具)的信貸風險。本集團面對因現金及等同現金項目而產生的信貸風險有限，因為交易對手方為由國際信貸評級機構評定擁有高信貸評級的銀行及金融機構，本集團認為其信貸風險較低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and bills receivables are due within 30 to 120 days from the date of billing. Generally, debtors with balances that are more than 30 days past due or exceeding the credit limit granted are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group has concentration of credit risk as 18% (2022: 19%) and 52% (2022: 59%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產

客戶信貸風險由各業務單位管理，惟須按照本集團與客戶信貸風險管理有關的既定政策、程序及控制執行。個別信貸評估會對所有需要超過若干金額的信貸的客戶進行。該等評估側重於客戶過往的到期付款記錄及當前的支付能力，並考慮客戶特定及與客戶經營所處經濟環境有關的資料。貿易及票據應收款項於發票日期起30至120日內到期。一般而言，餘額逾期超過30日或超逾信貸限額的債務人會被要求在獲授任何進一步信貸前結清所有未結餘額。正常來說，本集團不會從客戶獲取抵押品。

本集團有18% (二零二二年：19%) 及52% (二零二二年：59%) 貿易應收款項總額的集中信貸風險，分別來自本集團最大客戶及五大客戶。為將信貸風險減至最低，本集團管理層已委派團隊負責釐定信貸限額及信貸審批。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

The Group measures loss allowances for trade and bills receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023:

		2023 二零二三年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
		百分比	千港元	千港元
Current (not past due)	現時(未逾期)	0.02%	368,805	74
1-30 days past due	逾期1至30日	0.13%	30,252	39
31-90 days past due	逾期31至90日	0.51%	3,891	20
91-180 days past due	逾期91至180日	13.75%	4,538	624
More than 180 days past due	逾期超過180日	42.14%	2,544	1,072
			410,030	1,829

6. 財務風險管理(續)

(b) 信貸風險(續)

貿易及票據應收款項及合約資產(續)

本集團按相等於全期預期信貸虧損的金額計量貿易及票據應收款項及合約資產的虧損撥備，並使用撥備矩陣計算。由於本集團的過往信貸虧損經驗並無顯示不同客戶組別的虧損模式存在顯著差異，故基於逾期狀態的虧損撥備並無在本集團的不同客戶群之間進一步劃分。

下表提供有關本集團貿易應收款項於二零二三年十二月三十一日的信貸風險及預期信貸虧損的資料：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

		2022 二零二二年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
		百分比	千港元	千港元
Current (not past due)	現時(未逾期)	0.02%	333,791	67
1-30 days past due	逾期1至30日	0.14%	50,516	70
31-90 days past due	逾期31至90日	0.54%	12,065	65
91-180 days past due	逾期91至180日	3.77%	1,804	68
More than 180 days past due	逾期超過180日	13.29%	865	115
			399,041	385

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期虧損率乃基於過去3年的實際虧損經驗。該等比率會作調整以反映收集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期的經濟狀況的看法之間的差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Trade and bills receivables and contract assets (Continued)

Movement in the loss allowance account in respect of trade and bills receivables during the year is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 1 January	於一月一日	385	353
Impairment losses recognised for the year	年內確認的減值虧損	1,449	52
Exchange difference	匯兌差額	(5)	(20)
At 31 December	於十二月三十一日	1,829	385

Other financial assets at amortised cost

The Group's other financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses.

按攤銷成本計算的其他金融資產

本集團按攤銷成本計算的其他金融資產均被視為擁有低信貸風險，因此於期內確認的虧損撥備僅限於12個月預期虧損。

(c) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(c) 流動資金風險

本集團之政策為定期監察其流動資金需要、其遵守借款契約及其與銀行之關係，以確保其維持足以應付短期及較長遠之融資需要之現金儲備及可隨時變現有價證券以及由主要財務機構已承諾之足夠額度。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

6. 財務風險管理(續)

(c) 流動資金風險(續)

按本集團非衍生金融負債的合約未折現現金流量的到期日分析如下：

		On demand or within 1 year 按要求或 一年內 HK\$'000 千港元	More than 1 year but less than 2 years 一年以上 但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 兩年以上 但少於五年 HK\$'000 千港元	More than 5 years 五年以上 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 31 December 2023	於二零二三年 十二月三十一日					
Trade payables	貿易應付款項	214,513	—	—	—	214,513
Refund liabilities	退款負債	242	—	—	—	242
Other payables and accruals	其他應付款項及 應計費用	58,994	—	—	—	58,994
Bank borrowings	銀行借款	63,333	—	—	—	63,333
Loan from non-controlling interest	非控股權益貸款	—	1,500	—	—	1,500
Lease liabilities	租賃負債	16,509	9,946	19,234	—	45,689
		353,591	11,446	19,234	—	384,271
At 31 December 2022	於二零二二年 十二月三十一日					
Trade payables	貿易應付款項	184,897	—	—	—	184,897
Refund liabilities	退款負債	241	—	—	—	241
Other payables and accruals	其他應付款項及 應計費用	56,998	—	—	—	56,998
Bank borrowings	銀行借款	69,047	—	—	—	69,047
Loan from non-controlling interest	非控股權益貸款	—	—	1,500	—	1,500
Due to an associate	應付聯營公司款項	78	—	—	—	78
Lease liabilities	租賃負債	13,708	9,797	3,203	—	26,708
		324,969	9,797	4,703	—	339,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

Bank loans with a repayment on demand clause are included in the “on demand or less than 1 year” time band in the above maturity analysis. As at 31 December 2023 and 31 December 2022, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$63,333,000 and HK\$58,335,000 respectively. Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within one year (2022: two years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$63,867,000 (2022: HK\$59,488,000).

6. 財務風險管理(續)

(c) 流動資金風險(續)

在以上到期分析中，附帶按要求償還條款的銀行貸款列入「按要求或少於1年」時間類別。於二零二三年十二月三十一日及二零二二年十二月三十一日，該等銀行貸款的未折現本金總額分別為63,333,000港元及58,335,000港元。鑒於本集團的財務狀況，董事認為銀行不太可能行使其酌情權要求即時還款。董事相信有關銀行貸款將按貸款協議所載的協定還款日期於報告期末後一年(二零二二年：兩年)內償還。屆時，本金連利息現金流出的總額將為63,867,000港元(二零二二年：59,488,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

The liquidity analysis for the Group's derivative financial instruments are prepared on agreed scheduled settlements set out in the agreements as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrative by the yield curves at the end of the reporting period.

6. 財務風險管理(續)

(c) 流動資金風險(續)

本集團衍生金融工具的流動性分析乃根據協議所載經協定的預定結算編製，原因為本集團管理層認為結算日期對理解衍生工具現金流量的時間至關重要。有關列表乃根據按淨額基準結算的衍生工具的未折現合約淨現金流入及流出而編製。倘應付或應收金額並非固定，披露金額乃參考報告期間完結時收益率曲線所示的預測利率而釐定。

		Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 2 years 一年至 兩年之間 HK\$'000 千港元	Between 2 and 5 years 兩年至 五年之間 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2023	於二零二三年 十二月三十一日					
Derivative — net outflow	衍生工具 — 淨流出					
Cross currency interest rate swaps	交叉貨幣利率掉期	—	—	—	—	—
At 31 December 2022	於二零二二年 十二月三十一日					
Derivative — net outflow	衍生工具 — 淨流出					
Cross currency interest rate swaps	交叉貨幣利率掉期	(1,099)	—	—	—	(1,099)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's loan from non-controlling interest bears interests at fixed interest rate and therefore is subject to fair value interest rate risks.

The Group's exposure to cash flow interest rate risk arises from its bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

The Group used interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows.

At 31 December 2023, if interest rates at that date had been 100 basis points (2022: 100 basis points) higher/lower with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$1,104,000 lower/higher (2022: consolidated profit after tax for the year would have been approximately HK\$1,555,000 higher/lower).

6. 財務風險管理(續)

(d) 利率風險

本集團來自非控股權益的貸款乃按固定利率計息，因此面臨公平值利率風險。

本集團的現金流利率風險來自其銀行存款及銀行借款。該等存款及借款跟隨當時市場狀況而變動的不同利率計息。

本集團利用利率掉期以減低其有關利息現金流浮動的風險。

於二零二三年十二月三十一日，倘利率上升/下跌100個基點(二零二二年：100個基點)，而其他所有變數維持不變，則年內除稅後綜合虧損將減少/增加約1,104,000港元(二零二二年：年內除稅後綜合溢利將增加/減少約為1,555,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

6. FINANCIAL RISK MANAGEMENT (Continued)

6. 財務風險管理(續)

(e) Categories of financial instruments at 31 December

(e) 於十二月三十一日金融工具之分類

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial assets:	金融資產：		
Financial assets measured at amortised cost	按攤銷成本計算的金融資產	639,745	685,425
Financial assets measured at FVTOCI – equity instrument	按公平值透過其他全面收益(FVTOCI)列賬計算的金融資產 – 股本工具	45,272	—
Financial liabilities:	金融負債：		
Financial liabilities at FVTPL	按公平值計入損益的金融負債		
– Derivative financial instruments	– 衍生金融工具	—	935
– Loan from non-controlling interest	– 非控股權益貸款	1,185	971
Financial liabilities at amortised cost	按攤銷成本計算的金融負債	337,082	311,049
Lease liabilities	租賃負債	40,440	24,469

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. 公平值計量

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層參數：本集團可於計量日期獲得之相同資產或負債於活躍市場之報價(未經調整)。

第2層參數：第一層所包括於報價以外，資產或負債直接或間接觀察得出之參數。

第3層參數：資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy:

7. 公平值計量(續)

(a) 公平值等級架構披露：

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元
Recurring fair value measurements:	經常性公平值計量：				
Non-financial assets	非金融資產				
Leasehold lands:	租賃土地：				
Commercial — Hong Kong	商業 — 香港	—	—	40,900	40,900
Commercial — the PRC	商業 — 中國	—	—	187,313	187,313
Financial assets	金融資產				
Unlisted equity securities	非上市股本證券	—	—	45,272	45,272
Total	合計	—	—	273,485	273,485
Financial liabilities	金融負債				
Loan from non-controlling interest	非控股權益貸款	—	—	1,185	1,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(a) Disclosures of level in fair value hierarchy: (Continued)

(a) 公平值等級架構披露：(續)

Description	項目	Fair value measurement using: 公平值計量利用：			Total 總數 2022 二零二二年 HK\$'000 千港元
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	
Recurring fair value measurements:					
Non-financial assets					
Leasehold lands:					
Commercial — Hong Kong	商業 — 香港	—	—	45,140	45,140
Commercial — the PRC	商業 — 中國	—	—	202,328	202,328
Total	合計	—	—	247,468	247,468
Financial liabilities					
Loan from non-controlling interest	非控股權益貸款	—	—	971	971
Cross currency interest rate swap contracts	交叉貨幣利率掉期合約	—	935	—	935
Total	合計	—	935	971	1,906

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets/(liability) measured at fair value based on level 3:

7. 公平值計量(續)

(b) 根據第三層公平值計量的資產/ (負債)對賬:

		Properties held for own use — Leasehold lands 持作自用物業 — 租賃土地 HK\$'000 千港元	Unlisted equity securities 非上市股本 證券 HK\$'000 千港元	Loan from non- controlling interest 非控股權益 貸款 HK\$'000 千港元
2023	二零二三年			
At beginning of year	年初	247,468	—	(971)
Additions	添置	—	11,076	—
Recognised in profit or loss:	於損益中確認:			
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及 一般及行政開支 中確認之折舊 開支	(7,470)	—	—
Loss on revaluation of leasehold lands	租賃土地價值重估 之虧損	(570)	—	—
Fair value loss	公平值虧損	—	—	(214)
Recognised in other comprehensive income:	於其他全面收益中 確認:			
Exchange differences on translating foreign operations	換算海外業務產生 之匯兌差額	(4,485)	(206)	—
Loss on revaluation of leasehold lands	租賃土地價值重估 之虧損	(6,730)	—	—
Fair value change	公平值變更	—	34,402	—
At end of year	年末	228,213	45,272	(1,185)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

7. 公平值計量(續)

(b) Reconciliation of assets/(liability) measured at fair value based on level 3: (Continued)

(b) 根據第三層公平值計量的資產/ (負債)對賬:(續)

		Properties held for own use — Leasehold lands 持作自用物業 — 租賃土地 HK\$'000 千港元	Loan from non-controlling interest 非控股權益 貸款 HK\$'000 千港元
2022	二零二二年		
At beginning of year	年初	231,080	(803)
Additions	添置	6,828	—
Recognised in profit or loss:	於損益中確認:		
Depreciation charge for the year recognised in cost of sales and general and administrative expenses	年內於銷售成本及一般 及行政開支中確認之 折舊開支	(6,828)	—
Loss on revaluation of leasehold lands	租賃土地價值重估之 虧損	(10)	—
Fair value loss	公平值虧損	—	(168)
Recognised in other comprehensive income:	於其他全面收益中確認:		
Exchange differences on translating foreign operations	換算海外業務產生之 匯兌差額	(14,271)	—
Surplus on revaluation of leasehold lands	租賃土地價值重估之 盈餘	30,669	—
At end of year	年末	247,468	(971)

The total gains or loss recognised in other comprehensive income are presented in fair value changes of equity investment at FVTOCI, (loss)/surplus on revaluation of leasehold lands and exchange differences on translating foreign operations in the consolidated statement of profit or loss and other comprehensive income.

於其他全面收益中確認之總收益或虧損乃於綜合損益及其他全面收益表中按公平值透過其他全面收益列賬的股份投資的公平值變動、租賃土地價值重估之(虧損)/盈餘及換算海外業務產生之匯兌差額呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets/(liability) measured at fair value based on level 3: (Continued)

The total gains or loss recognised in profit or loss are presented in cost of sales, general and administrative expenses and other operating expenses and income in the consolidated statement of profit or loss.

All the gains or loss recognised in profit or loss for the year were attributable to the unrealised loss of the leasehold lands and fair value losses of loan from non-controlling interest held at the end of the reporting period. The amounts are presented in other operating expenses and income.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 2 and Level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

7. 公平值計量(續)

(b) 根據第三層公平值計量的資產/(負債)對賬:(續)

於損益內確認之總收益或虧損乃於綜合損益表中之銷售成本、一般及行政開支及其他營運開支及收益呈列。

所有於年內損益內確認的收益或虧損均由於報告期末所持之租賃土地之未實現虧損及非控股權益貸款之公平值虧損所致。這些金額列在其他營業開支和收入內。

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:

本集團的財務總監負責就財務報告進行所需的資產及負債的公平值計量(包括第2及第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023: (Continued)

Level 2 fair value measurements:

7. 公平值計量(續)

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第二層公平值計量：

Description 項目	Valuation technique 估值方法	Inputs 參數	Liabilities 負債	
			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial liabilities 金融負債				
Cross currency interest rate swap contracts 交叉貨幣利率掉期合約	Discounted cash flows 折現現金流	Interest rate Discount rate 折現利率	—	935

For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

就第三層公平值計量而言，本集團一般委聘具備認可專業資格且有近期估值經驗的外聘估值專家。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023: (Continued)

Level 3 fair value measurements:

7. 公平值計量(續)

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第三層公平值計量:

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial assets 金融資產						
Unlisted equity securities classified as equity investment at FVTOCI 被歸納為按公平值透過其他全面收益列賬的股份投資非上市股本證券	Comparable transaction approach 可比交易法	Recent transaction prices 最近交易價	RMB29.06/RMB1 contributed capital (31 December 2022: Nil) 每人民幣1元投入資本為人民幣29.06元(二零二二年十二月三十一日:無)	Increase 增加	45,272	—
Non-financial assets 非金融資產						
Land use rights in Egongling Village, Pinghu Town, Shenzhen City, the PRC 中國深圳市平湖鎮公嶺村的土地使用權	Direct comparison approach 直接比較法	Adjusted accommodation value per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整樓面價格	RMB583/square metre – RMB1,129/square metre (2022: RMB578/square metre – RMB843/square metre) 每平方米人民幣583元至每平方米人民幣1,129元(二零二二年:每平方米人民幣578元至每平方米人民幣843元)	Increase 增加	9,700	12,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023: (Continued) Level 3 fair value measurements: (Continued)

7. 公平值計量(續)

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量：(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Land use rights in Western District of Daya Bay, Huizhou City, the PRC 中國惠州市大亞灣西區的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格	RMB850/square metre – RMB964/square metre (2022: RMB600/square metre – RMB1,041/square metre) 每平方米人民幣850元至每平方米人民幣964元(二零二二年：每平方米人民幣600元至每平方米人民幣1,041元)	Increase 增加	161,800	173,800
Land use rights in Wuhu City, Anhui Province, the PRC 中國安徽省蕪湖市的土地的使用權	Direct comparison approach 直接比較法	Adjusted price per square metre taking into account the differences from the comparables with respect to location, size, tenure and yield rate 經考慮可比較土地之地點、面積、使用年期及收益率差異的每平方米經調整價格	RMB267/square metre – RMB487/square metre (2022: RMB267/square metre) 每平方米人民幣267元至每平方米人民幣487元(二零二二年：每平方米人民幣267元)	Increase 增加	9,400	9,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023: (Continued)
Level 3 fair value measurements: (Continued)

7. 公平值計量(續)

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量：(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Land use rights in Baoan District, Shenzhen City, the PRC 中國深圳市寶安區的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square metre taking into account the differences from the comparables with respect to location and size 經可比較土地之地點及面積差異的每平方米經調整價格	RMB33,000/square metre (2022: RMB34,000/square metre) 每平方米人民幣33,000元 (二零二二年：每平方米人民幣34,000元)	Increase 增加	6,413	6,828
Land use rights in Billion Centre, Kowloon Bay, Hong Kong 香港九龍灣億京中心的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square feet taking into account the differences from the comparables with respect to location and size 經可比較土地之地點及面積差異的每平方呎經調整價格	HK\$10,067/square feet — HK\$11,678/square feet (2022: HK\$10,067/square feet — HK\$11,678/square feet) 每平方呎10,067港元至每平方呎11,678港元 (二零二二年：每平方呎10,067港元至每平方呎11,678港元)	Increase 增加	30,500	33,860

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023:
(Continued)
Level 3 fair value measurements:
(Continued)

7. 公平值計量(續)

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

第三層公平值計量：(續)

Description 項目	Valuation technique 估值方法	Unobservable inputs 不可觀察的參數	Range of comparables 可比較範圍	Effect on fair value for increase of inputs 參數增加對公平值的影響	Fair value 公平值	
					2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Land use rights in Kinetic Industrial Centre, Kowloon Bay, Hong Kong 香港九龍灣興力工業中心的土地使用權	Direct comparison approach 直接比較法	Adjusted price per square feet taking into account the differences from the comparables with respect to location and size 經可比較土地之地點及面積差異的每平方呎經調整價格	HK\$4,862/square feet – HK\$4,974/square feet (2022: HK\$4,831/square feet – HK\$4,974/square feet) 每平方呎4,862港元至每平方呎4,974港元(二零二二年：每平方呎4,831港元至每平方呎4,974港元)	Increase 增加	10,400	11,280
Financial liability 金融負債						
Loan from non-controlling interest 非控股權益貸款	Discounted cash flows method 折現現金流量法	Discount rate 折現率	22% (2022: 24%) 22% (二零二二年：24%)	Decrease 減少	1,185	971
		Probability of meeting profit target 達到利潤目標的概率	0% (2022: 0%) 0% (二零二二年：0%)	Increase 增加		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2023: (Continued)

Level 3 fair value measurements: (Continued)

The fair value of leasehold lands held for own use located in the PRC and Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable leasehold lands on an accommodation value per metre or price per square metre/square feet basis, adjusted for a premium or a discount specific to the quality of the Group's leasehold lands compared to the recent sales. Higher premium for higher quality land will result in a higher fair value measurement.

During the two years, there were no changes in the valuation techniques used.

7. 公平值計量(續)

(c) 於二零二三年十二月三十一日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露:(續)

第三層公平值計量:(續)

位於中國及香港持有作自用的租賃土地的公平值乃使用直接比較法釐定，當中已參考可比較租賃土地近期銷售的每平方米樓面價格或每平方米/平方呎價格，並按本集團租賃土地的質量與最近銷售比較所引致的溢價或折讓作出調整。高質量土地可享有較高溢價，並可產生較高的公平值計量數值。

於兩個年度，所使用的估值方法並無變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

8. REVENUE

(a) Disaggregation of revenue

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicle power systems and production of smart home and other products.

Disaggregation of revenue derived from the transfer of goods and services over time and at a point in time is as follows:

Timing of revenue recognition	收入確認時間	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Products transferred at a point in time	於某一時點轉移產品	1,104,070	1,325,777
Products transferred over time	於一段時間轉移產品	178,425	178,662
		1,282,495	1,504,439

Disaggregation of revenue from major products are as follows:

Types of products	產品種類	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Die casting products	壓鑄產品	620,965	663,082
Plastic products	塑膠產品	511,427	678,378
Moulds	模具	98,574	106,130
Others	其他	51,529	56,849
		1,282,495	1,504,439

8. 收入

(a) 收入分拆

本集團主要從事生產及銷售鋅、鎂及鋁合金產品、塑膠產品和零部件、照明產品貿易、提供汽車維修服務、銷售特別種類車輛、提供新能源汽車動力系統及生產智能家居及其他產品。

本集團從於一段時間及於某一時點轉移貨品及服務產生收入分拆如下：

來自主要產品之收入分拆如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

8. REVENUE (Continued)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and the expected timing of recognising revenue as follows:

8. 收入(續)

(b) 分配至客戶合約的剩餘履約責任的交易價格

於二零二三年十二月三十一日分配至剩餘履約責任(未履行或部份未履行)的交易價格及確認收入的預期時間如下:

		Sales of goods 銷售貨品	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within one year	一年內	4,073	3,458

9. OTHER INCOME

Interest income on bank deposits	銀行存款利息收入	4,006	952
Rental income	租金收入	689	838
Reimbursement from customers	客戶報銷收回	3,537	4,875
Compensation from suppliers	供應商補償	—	253
Sales of scrap materials	廢料銷售	4,937	4,578
Government grants (note)	政府補助金(附註)	5,351	14,775
Others	其他	2,609	4,949

Note:

Government grants recognised during the year are mainly related to unconditional support for subsidising the Group's research and development (2022: mainly related to various employment support schemes from PRC and Hong Kong governments). The Group has complied with all attached conditions before 31 December 2023.

9. 其他收入

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		21,129	31,220

附註:

年內確認的政府補助主要與無條件支持資助本集團研發有關(二零二二年:主要與中港兩地政府的各項就業支持計劃有關)。本集團已於二零二三年十二月三十一日前符合所有附帶條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

10. SEGMENT INFORMATION

For management purposes, the Group's operation is currently categorised into nine (2022: nine) operating divisions — zinc, magnesium, aluminium alloy, plastic products and components, trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicles power systems and production of smart home and other products. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement. During the year, the segment results of trading of lighting products and motor vehicle power systems (including provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicles power systems) meet the quantitative thresholds for determining reportable segments. Accordingly, total reportable segments of the Group increased to six (2022: four) and segment data for prior period has been represented for comparative purposes.

Operating divisions including provision of motor vehicle repairing services, sales of special purpose vehicles and provision of new energy vehicles power systems are aggregated into motor vehicle power systems segment as they have similar economic characteristics including sharing similar type of customers for their products and services.

The Group's other operating segments include production of smart home and other products. None of these segments meets any of the quantitative thresholds for determining reportable segments. The information of these other operating segments is included in the 'Others' column.

10. 分部資料

為方便管理，本集團現時業務分為九個(二零二二年：九個)營運部門 — 鋅、鎂及鋁合金產品、塑膠產品和零部件、照明產品貿易、提供汽車維修服務、銷售特別種類車輛、提供新能源汽車動力系統及生產智能家居及其他產品。本集團之呈報分部為提供不同產品之策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。照明產品貿易及汽車動力系統(包括提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統)分部於年內的業績已達到決定可呈報分部的量化門檻。因此，本集團的可呈報分部總數增加至六個(二零二二年：四個)，為便於比較，已採用上一期間的分部數據。

營運部門包括提供汽車維修服務、銷售特別種類車輛及提供新能源汽車動力系統，由於其產品及服務具有類似的經濟特徵，包括共享相似類型的客戶，故合併為汽車動力系統分部。

本集團的其他經營分部包括生產智能家居及其他產品。此等分部均未達到決定可呈報分部的任何量化門檻。其他經營分部的資料載於「其他」一欄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

10. SEGMENT INFORMATION (Continued)

Segment profits or losses do not include interest income, government grants, net fair value gains on derivative financial instruments, share of losses of associates, impairment losses for investment in an associate, finance costs, corporate expenses and income tax (credit)/expense.

Segment assets and liabilities are not reported or used by the chief operating decision maker.

Information about reportable segment profit or loss:

10. 分部資料(續)

分部溢利或虧損不包括利息收入、政府補助金、衍生金融工具的公平值淨收益、攤分聯營公司損失、對聯營公司的投資減值虧損、融資成本、企業開支及所得稅(抵免)/開支。

主要經營決策者不報告或使用分部資產和負債。

呈報分部溢利或虧損之資料：

Year ended 31 December 2023	截至二零二三年 十二月三十一日 止年度	Zinc alloy	Magnesium alloy	Aluminium alloy	Plastic	Lighting products	Motor vehicle power systems 汽車動力系統	Others	Total
		鋅合金 HK\$'000 千港元	鎂合金 HK\$'000 千港元	鋁合金 HK\$'000 千港元	塑膠 HK\$'000 千港元	照明產品 HK\$'000 千港元	其他 HK\$'000 千港元	總數 HK\$'000 千港元	
Revenue from external customers	來自外來客戶的收入	78,355	345,052	228,366	579,277	42,074	8,462	909	1,282,495
Segment profit/(loss)	分部溢利/(虧損)	116	1,075	327	(4,789)	2,827	(11,540)	195	(11,789)
Depreciation and amortisation	折舊及攤銷	3,030	26,295	12,290	39,674	2,957	1,769	1	86,016
Impairment for allowance for inventories/(reversal of allowance for inventories)	存貨撥備減值虧損/(存貨撥備回撥)	—	8,521	(3,594)	3,290	(2,572)	1,866	(440)	7,071
Year ended 31 December 2022	截至二零二二年 十二月三十一日 止年度								
Revenue from external customers	來自外來客戶的收入	99,327	451,100	190,367	706,584	48,239	7,291	1,531	1,504,439
Segment profit/(loss)	分部溢利/(虧損)	1,130	25,770	4,355	54,620	4,648	(7,532)	(2,551)	80,440
Depreciation and amortisation	折舊及攤銷	4,507	47,457	8,513	34,062	1,862	1,962	6	98,369
(Reversal of allowance for inventories)/impairment for allowance for inventories	(存貨撥備回撥)/存貨撥備減值虧損	(90)	1,325	6,942	(4,503)	—	—	1,460	5,134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

10. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收入		
Total revenue of reportable segments	呈報分部之總收入	1,282,495	1,504,439
Unallocated amounts	不分類數目	—	—
Consolidated revenue	綜合收入	1,282,495	1,504,439

10. 分部資料(續)

呈報分部收入、溢利或虧損之對賬：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Profit or loss	溢利或虧損		
Total (loss)/profit of reportable segments	呈報分部總(虧損)/溢利	(11,789)	80,440
Unallocated amounts:	不分類數目：		
Interest income	利息收入	4,006	952
Government grants	政府補助金	5,351	14,775
Net fair value gains on derivative financial instruments	衍生金融工具的公平值淨收益	929	2,355
Share of losses of associates	攤分聯營公司損失	(3,643)	(1,058)
Impairment losses for investment in an associate	對聯營公司的投資減值虧損	(1,891)	—
Finance costs	融資成本	(5,332)	(4,165)
Corporate expenses	企業開支	(20,040)	(19,346)
Income tax credit/(expense)	所得稅抵免/(開支)	3,001	(5,095)
Consolidated (loss)/profit for the year	年內綜合(虧損)/溢利	(29,408)	68,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

10. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenue, profit or loss: (Continued)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Other material items – depreciation and amortisation	其他重大項目 – 折舊及攤銷		
Total depreciation and amortisation of reportable segments	呈報分部總折舊及攤銷	86,016	98,369
Unallocated amounts:	不分類數目：		
Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets for corporate use	企業用物業、機器及設備、使用權資產及無形資產攤銷折舊	7,311	7,280
Consolidated depreciation and amortisation	綜合折舊及攤銷	93,327	105,649

10. 分部資料(續)

呈報分部收入、溢利或虧損之對賬： (續)

Geographical information:

地區資料：

		Revenue 收入	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Hong Kong	香港	54,438	72,843
The PRC except Hong Kong	中國(香港除外)	654,566	734,190
USA	美國	458,985	556,930
Others	其他	114,506	140,476
Consolidated total	綜合總數	1,282,495	1,504,439

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

10. SEGMENT INFORMATION (Continued)

Geographical information: (Continued)

In presenting the geographical information, revenue is based on the locations of the customers.

The Group's non-current assets by geographical areas are not presented as the aggregate amount of the geographical segments other than the PRC is less than 12% (2022: less than 10%) of the aggregate amount of all segments.

Revenue from major customers:

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follow:

10. 分部資料(續)

地區資料：(續)

呈列地區資料時，收入是以客戶的地區為基準。

因為除中國外之地區分部之非流動資產總金額佔所有分部之總額少於12% (二零二二年：少於10%)，所以本集團沒有按地區呈列。

來自主要客戶之收入：

單獨佔本集團總收入10%以上的主要客戶收入披露如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Plastic segment	塑膠分部		
Customer a	客戶a	337,902	476,584
Magnesium alloy segment	鎂合金分部		
Customer b (note)	客戶b(附註)	N/A	219,556

Note: Revenue from customer b represented less than 10% of the Group's revenue for the year ended 31 December 2023.

附註：來自客戶b的收入佔本集團截至二零二三年十二月三十一日止年度收入的比例低於10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

11. OTHER OPERATING EXPENSES AND INCOME

11. 其他經營開支及收入

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Allowance for inventories, net	存貨撥備淨值	7,071	5,134
Bad debts written off	壞賬撇銷	326	177
Net loss on disposal of property, plant and equipment	出售物業、機器及設備淨虧損	42	3,392
Property, plant and equipment written off	物業、機器及設備撇銷	908	666
Impairment losses for other receivables	其他應收款項減值虧損	2,612	—
Impairment losses for investment in an associate	對聯營公司的投資減值虧損	1,891	—
Impairment losses for property, plant and equipment	物業、機器及設備減值虧損	1,912	—
Impairment losses for right-of-use assets	使用權資產減值虧損	896	—
Fair value losses of loan from non-controlling interests	非控股權益的貸款的公平值虧損	214	168
Loss on revaluation of land	土地價值重估虧損	570	10
Gain on early termination of leases	提前終止租賃收益	—	(124)
Net fair value gains on derivative financial instruments	衍生金融工具的公平值淨收益	(929)	(2,355)
		15,513	7,068

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

12. FINANCE COSTS

12. 融資成本

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interest expenses on lease liabilities (note 20)	租賃負債利息開支 (附註20)	1,718	1,059
Interest expenses on bank borrowings	銀行借款利息開支	3,614	2,941
Other interest expenses	其他利息開支	—	165
		5,332	4,165

13. INCOME TAX (CREDIT)/EXPENSE

13. 所得稅(抵免)/開支

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current tax — Hong Kong Profits Tax	即期稅項 — 香港利得稅		
Provision for the year	本年度撥備	3,796	12,536
Over-provision in prior years	過往年度超額撥備	(7,025)	(5,049)
Current tax — Income tax outside Hong Kong	即期稅項 — 香港以外所得稅		
Provision for the year	本年度撥備	1,491	1,720
Over-provision in prior years	過往年度超額撥備	(183)	(449)
Current tax — PRC dividend withholding tax for the year	即期稅項 — 本年度中國股息預提稅	—	815
Deferred tax (note 36)	遞延稅項(附註36)	(1,080)	(4,478)
Income tax (credit)/expense	所得稅(抵免)/開支	(3,001)	5,095

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25% (2022: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2022: 16.5%). The profits of the group entities not qualifying for the two-tiered Profits Tax regime will continue to be taxed at a rate of 16.5%.

在兩級制利得稅制度下，在香港成立的合資格集團實體的首200萬港元溢利按8.25%（二零二二年：8.25%）的稅率徵稅，而超出該金額的溢利將按16.5%（二零二二年：16.5%）的稅率徵稅。不符合兩級制利得稅制度的集團實體的溢利將繼續按16.5%的稅率徵稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

13. INCOME TAX (CREDIT)/EXPENSE (Continued)

Under the PRC Enterprise Income Tax (the “EIT”) Law, the statutory tax rate for the Group’s subsidiaries established and operating in Mainland China is 25% (2022: 25%).

Three (2022: Three) of the Group’s subsidiaries registered in the PRC are recognised as High and New Technology Enterprises which have been granted tax concessions by local tax bureau and are entitled to PRC EIT at concessionary rate of 15% during the reporting period.

Income tax on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the overseas countries in which the Group operates.

According to the PRC EIT Law, withholding tax at a rate of 10% would be imposed on dividend payment relating to profits earned from year 2008 onwards to foreign investors for the companies established in the PRC. Such tax rate may be further reduced by applicable tax treaties or arrangements. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% (2022: 5%) if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise.

13. 所得稅(抵免)/開支(續)

根據中國企業所得稅法，本集團於中國大陸成立及營運之附屬公司之法定稅率為25% (二零二二年：25%)。

集團在中國註冊的三間(二零二二年：三間)附屬公司被認定為高新科技企業，獲當地稅務局給予稅務優惠，在報告期內中國企業所得稅享有15%的稅率優惠。

海外溢利之所得稅根據年內估計應課稅溢利以本集團有營運之海外國家之現行稅率計算。

根據中國企業所得稅法，外國投資者由二零零八年起自於中國成立之公司賺取利潤相關之股息支付將被施加10%預提稅。該稅率有可能按適用稅務條例或安排進一步降低。根據《內地與香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》，如果香港居民企業持有中國居民企業至少25%的股權，中國居民企業向香港居民企業支付股息之預扣稅率則進一步降至5% (二零二二年：5%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

13. INCOME TAX (CREDIT)/EXPENSE (Continued)

The reconciliation between the income tax (credit)/expense and the product of (loss)/profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

13. 所得稅(抵免)/開支(續)

所得稅(抵免)/開支與除稅前(虧損)/溢利乘以香港利得稅稅率計算所得結果的對賬如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	(32,409)	73,953
Tax at Hong Kong Profits Tax rate at 16.5% (2022: 16.5%)	按香港利得稅稅率16.5% (二零二二年：16.5%) 計算的稅項	(5,347)	12,202
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	3,500	6,450
Tax effect of income that is not taxable	毋須課稅收入的稅務影響	(1,220)	(1,862)
Tax effect of temporary differences not recognised	未確認暫時差異的稅務影響	100	(1,519)
Tax effect of share of losses of associates	攤分聯營公司虧損的稅務影響	527	159
Tax effect of recognition of tax losses not previously recognised	確認早前未確認之稅務虧損的稅務影響	—	(2,715)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	19,327	4,390
Tax effect of utilisation of tax losses not previously recognised	動用先前未確認之稅項虧損的稅務影響	(4,052)	(1,285)
Over-provision in prior years	過往年度超額撥備	(7,208)	(5,498)
Tax effect of two-tiered tax rate	兩級制稅率的稅務影響	(165)	(165)
Tax concession	稅務優惠	(4,191)	(5,366)
Tax effect of withholding tax arising from dividend payments of PRC subsidiaries	中國附屬公司支付股息產生之預提稅的稅務影響	—	815
Tax effect of different tax rates of subsidiaries	附屬公司不同稅率的稅務影響	(4,272)	(511)
Income tax (credit)/expense	所得稅(抵免)/開支	(3,001)	5,095

In addition to the amount credited to profit or loss, deferred tax relating to the revaluation of the Group's leasehold lands during the year has been charged to other comprehensive income.

除在損益表列賬外，於年內本集團之租賃土地重估之有關遞延稅項已入賬其他全面收益中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

14. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the followings:

14. 年內(虧損)/溢利

本集團年內之(虧損)/溢利已計入/(扣除)下列各項：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Allowance for inventories, net (note (a))	存貨撥備淨值(附註(a))	7,071	5,134
Auditor's remuneration	核數師酬金		
— Audit services	— 審核服務	2,420	2,180
— Non-audit services	— 非審核服務	413	330
Bad debts written off (note (a))	壞賬撇銷(附註(a))	326	177
Cost of inventories sold (note (b))	已售存貨成本(附註(b))	972,620	1,085,849
Loss on revaluation of land (note (a))	土地價值重估虧損(附註(a))	570	10
Net fair value gains on derivative financial instruments (note (a))	衍生金融工具的公平價值 淨收益(附註(a))	(929)	(2,355)
Amortisation of intangible assets	無形資產攤銷	1,735	453
Depreciation of property, plant and equipment	物業、機器及設備折舊	70,188	85,391
Depreciation on right-of-use assets	使用權資產折舊	21,404	19,805
Net exchange (gains)/losses	匯兌淨(收益)/虧損	(5,359)	3,565
Net loss on disposal of property, plant and equipment (note (a))	出售物業、機器及設備淨 虧損(附註(a))	42	3,392
Property, plant and equipment written off (note (a))	物業、機器及設備撇銷 (附註(a))	908	666
Impairment losses for property, plant and equipment (note (a))	物業、機器及設備減值虧損 (附註(a))	1,912	—
Impairment losses for right-of-use assets (note (a))	使用權資產減值虧損 (附註(a))	896	—
Impairment losses for other receivables (note (a))	其他應收款項減值虧損 (附註(a))	2,612	—
Impairment losses for investment in an associate (note (a))	對聯營公司的投資減值虧損 (附註(a))	1,891	—
Research and development expenditure	研究及開發支出	41,245	51,945

Notes:

- (a) These amounts are included in other operating expenses and income.
- (b) Cost of inventories sold includes staff costs and depreciation of approximately HK\$376,810,000 (2022: HK\$408,586,000), which are included in the amounts disclosed separately above and in note 15.

附註：

- (a) 該等款項已計入其他營運開支及收入內。
- (b) 已售存貨成本包括員工成本及折舊約376,810,000港元(二零二二年：408,586,000港元)，彼等已各自分別於上文及附註15披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

15. EMPLOYEE BENEFITS EXPENSE

15. 僱員福利開支

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Employee benefits expense (including directors' emoluments):	僱員福利開支(包括董事酬金):		
Salaries, bonuses and allowances	薪酬、花紅及津貼	345,321	372,633
Retirement benefit scheme contributions	退休福利計劃供款	36,107	33,224
Equity-settled share-based payments (note)	以股權結算以股份支付的款項(附註)	3,717	700
Other benefits	其他福利	26,698	30,731
		411,843	437,288

Note: Equity-settled share-based payments represents amortisation to the profit or loss of the fair value of share options measured at the respective grant dates, regardless the share options could be exercised or not.

附註：以股權結算以股份支付的款項指於損益攤銷購股權於各自授出日期計量的公平值(不論購股權能否獲行使)。

(a) Pensions – defined contribution plans

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC, Hong Kong and other countries.

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "PRC Retirement Schemes"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

(a) 退休金定額供款計劃

本集團為中國、香港及其他國家合資格僱員可享有的定額供款退休金計劃作出供款。

根據中華人民共和國的有關法律及法規，本集團已為僱員參加由當地政府勞動社保當局安排的定額供款退休金計劃(「中國退休金計劃」)。本集團按當地政府機構所規定金額以適用比率向中國退休金計劃供款。於退休後，當地政府勞動社保當局負責向退休僱員支付退休福利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(a) Pensions — defined contribution plans (Continued)

The Group operates a Mandatory Provident Fund scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000.

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC and Hong Kong.

Subsidiaries operating in other countries are required to contribute amounts based on employees’ salaries (defined contribution) to the retirement benefit schemes as stipulated by the relevant local authorities.

During the years ended 31 December 2023 and 2022, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2023 and 2022 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

15. 僱員福利開支(續)

(a) 退休金定額供款計劃(續)

本集團根據強制性公積金計劃條例(香港法例第485章)為受香港僱傭條例(香港法例第57章)管轄之受僱僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃為一項定額供款退休金計劃，由獨立信託人管理。根據強積金計劃，僱主及僱員各自須按僱員有關收入(有關收入之每月上限為30,000元)之5%向計劃供款。

本集團為所有中國及香港合資格僱員作出界定供款退休計劃。

於其他國家營運的附屬公司須根據有關當地機關之規定按僱員薪金向退休福利計劃供款(界定供款)。

截至二零二二年及二零二三年十二月三十一日止年度，本集團於中國退休金計劃及強積金計劃項下概無遭沒收供款可供本集團用於降低當前的供款水平。於二零二二年及二零二三年十二月三十一日於中國退休金計劃及強積金計劃項下亦無遭沒收供款可供本集團用於降低未來年度應付的供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2022: three) directors whose emoluments are reflected in the analysis presented in note 16. The emoluments of the remaining two (2022: two) individuals for the year ended 31 December 2023 are set out below:

15. 僱員福利開支(續)

(b) 五名最高薪酬人士

年內本集團的五名最高薪酬人士包括三名(二零二二年:三名)董事,有關酬金詳情載於附註16的分析。於截至二零二三年十二月三十一日止年度餘下兩名(二零二二年:兩名)最高薪酬人士的酬金如下:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Basic salaries and allowances	基本薪酬及津貼	3,449	3,096
Discretionary bonus	酌情花紅	—	354
Retirement benefits scheme contributions	退休福利計劃供款	18	18
Equity-settled share-based payments (note)	以股權結算以股份支付的款項(附註)	102	43
		3,569	3,511

Note: Equity-settled share-based payments represents amortisation to the profit or loss of the fair value of share options measured at the respective grant dates, regardless the share options could be exercised or not.

附註: 以股權結算以股份支付的款項指於損益攤銷購股權於各自授出日期計量的公平值(不論購股權能否獲行使)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

15. EMPLOYEE BENEFITS EXPENSE (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

		Number of individuals 人數	
		2023 二零二三年	2022 二零二二年
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	2	2

During the year, no emoluments were paid by the Group to any of these highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of any member of the Group.

15. 僱員福利開支(續)

(b) 五名最高薪酬人士(續)

酬金介乎以下範圍：

年內，本集團並無向該等最高薪酬人士支付任何作為加盟本集團時或之後的獎勵或作為與本集團任何成員公司事務管理有關的離職的補償之酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

16. 董事及行政總裁福利及利益

(a) Emoluments of directors

The emoluments of each director were as follows:

(a) 董事酬金

各董事的酬金如下：

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Retirement benefits contributions	Estimated money value	Total
						of other benefits (note (ii))	
		袍金	薪金及津貼	酌情花紅	退休福利計劃供款	其他利益的估計金錢價值 (附註(ii))	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Year ended	截至二零二三年						
31 December 2023	十二月三十一日止年度						
Executive directors (note (i))	執行董事 (附註(i))						
Mr. Lee	李先生	—	3,979	—	—	82	4,061
Mr. WONG Wing Chuen	黃永銓先生	—	2,216	—	18	82	2,316
Ms. CHAN So Wah	陳素華女士	—	1,586	—	14	82	1,682
Mr. CHU Weiman ("Mr. Chu") (Chief executive officer)	初維民先生(「初先生」) (行政總裁)	—	2,114	—	—	—	2,114
Independent non-executive directors	獨立非執行董事						
Professor SUN Kai Lit, Cliff BBS, JP	孫啟烈教授BBS, JP	220	—	—	—	—	220
Ir Dr. LO Wai Kwok GBS, MH, JP	盧偉國博士工程師·GBS, MH, JP	220	—	—	—	—	220
Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie)	江啟銓先生(前稱江道揚)	220	—	—	—	—	220
Mr. Andrew LOOK	陸東先生	220	—	—	—	—	220
Total for 2023	二零二三年總計	880	9,895	—	32	246	11,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

16. 董事及行政總裁福利及利益(續)

(a) Emoluments of directors (Continued)

(a) 董事酬金(續)

Name of director	董事姓名	Fees	Salaries and allowances	Discretionary bonus	Retirement benefits scheme contributions	Estimated money value of other benefits (note (ii))	Total
		袍金	薪金及津貼	酌情花紅	退休福利計劃供款	其他利益的估計金錢價值(附註(ii))	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2022 截至二零二二年十二月三十一日止年度							
Executive directors (note (i)) 執行董事(附註(i))							
Mr. Lee	李先生	—	3,436	546	—	35	4,017
Mr. WONG Wing Chuen	黃永銓先生	—	1,913	305	18	35	2,271
Ms. CHAN So Wah	陳素華女士	—	1,365	221	18	35	1,639
Mr. Chu (Chief executive officer)	初先生(行政總裁)	—	1,820	294	8	—	2,122
Independent non-executive directors 獨立非執行董事							
Professor SUN Kai Lit, Cliff BBS, JP	孫啟烈教授BBS, JP	220	—	—	—	—	220
Ir Dr. LO Wai Kwok GBS, MH, JP	盧偉國博士工程師 GBS, MH, JP	220	—	—	—	—	220
Mr. KONG Kai Chuen, Frankie (formerly known as Kong To Yeung, Frankie)	江啟銓先生(前稱江道揚)	220	—	—	—	—	220
Mr. Andrew LOOK	陸東先生	220	—	—	—	—	220
Total for 2022	二零二二年總計	880	8,534	1,366	44	105	10,929

Notes:

- (i) Emoluments of Executive Directors shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (ii) Estimated money values of other benefits represent equity-settled share-based payments.

附註:

- (i) 如上所示的執行董事酬金乃為管理本公司及本集團相關事務而提供的服務。
- (ii) 其他利益的估計金錢價值代表以股權結算以股份支付的款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(a) Emoluments of directors (Continued)

There were no arrangements under which a director waived or agreed to waive any emoluments during the year (2022: Nil).

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

(b) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities with such directors

During the year ended 31 December 2023, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors, their controlled bodies corporate and the directors' connected entities (2022: Nil).

(c) Directors' material interests in transactions, arrangement or contracts

Save as disclosed in note 44 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. 董事及行政總裁福利及利益(續)

(a) 董事酬金(續)

董事於本年內概無作出放棄或同意放棄任何酬金的安排(二零二二年:無)。

年內,本集團並無向任何董事支付任何作為加盟本集團時或之後的獎勵或作為本集團任何成員公司的董事或作為與本集團任何成員公司的事務管理有關的離職補償的酬金。

(b) 有關以董事、受控法人團體及該等董事的關連實體為受益人的貸款、準貸款及其他交易資料

截至二零二三年十二月三十一日止年度,本公司或其附屬公司(如適用)概無訂立以董事、彼等控制實體法團及董事之關連實體為受益人的貸款、準貸款及其他交易(二零二二年:無)。

(c) 董事於交易、安排或合約中的重大權益

除載列於綜合財務報表附註44外,於年終或年內任何時間,本公司概無訂立任何與本集團業務有關而本公司董事及其關連人士於當中直接或間接擁有重大權益的重大交易、安排及合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

16. BENEFITS AND INTEREST OF DIRECTORS AND CHIEF EXECUTIVE OFFICER (Continued)

(d) Directors' termination benefits

None of the directors of the Company received any payment made or benefit provided in respect of the termination of the service of directors, whether in the capacity of directors or in any other capacity during their terms of directorships in 2023 (2022: Nil).

(e) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2023, the Company did not pay considerations to any third parties for making available directors' services in such capacity or in any other capacity during their terms of directorships (2022: Nil).

16. 董事及行政總裁福利及利益(續)

(d) 董事的辭退福利

於二零二三年，本公司董事概無以董事身份還是在出任董事期間以任何其他身份收取任何因終止董事服務而支付的款項或提供的辭退福利(二零二二年：無)。

(e) 就獲提供董事服務而向第三方提供代價

於二零二三年十二月三十一日止年度內，本公司並無向第三方就提供董事服務或其在出任董事期間以任何其他身份提供服務提供代價(二零二二年：無)。

17. DIVIDENDS

17. 股息

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
2023 Interim dividend of HK Nil cent (2022: 2022 Interim dividend of HK0.3 cent) per ordinary share	—	2,682
2022 Final dividend of HK2.0 cents (2022: 2021 Final dividend of HK3.0 cents) per ordinary share	17,875	26,812
	17,875	29,494

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2023 (2022: HK2.0 cents).

董事會決議不建議派發截至二零二三年十二月三十一日止年度之末期股息(二零二二年：2.0港仙)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

18. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the following:

18. 每股(虧損)/盈利

每股基本(虧損)/盈利按下列計算：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/earnings	(虧損)/盈利		
(Loss)/profit attributable to owners of the Company, used in the basic earnings per share calculation	用於計算每股基本盈利之本 公司權益持有人應佔 (虧損)/盈利	(28,435)	74,844
		2023 二零二三年	2022 二零二二年
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	用於計算每股基本(虧損)/ 盈利之加權平均普通股 股數	893,761,400	893,761,400

No diluted (loss)/earnings per share are presented as the effect of all potential ordinary shares are anti-dilutive for the year ended 31 December 2023 and the Company did not have any dilutive potential shares during the year ended 31 December 2022.

由於截至二零二三年十二月三十一日所有潛在普通股具有反攤薄影響，故並無呈列每股攤薄(虧損)/盈利及於二零二二年十二月三十一日止年度本公司並沒有任何攤薄股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

19. PROPERTY, PLANT AND EQUIPMENT

19. 物業、機器及設備

		Buildings	Leasehold improvements	Plant and machinery	Computer equipment	Furniture, fixtures and office equipment 傢俬、固定裝置及辦公室設備	Motor vehicles	Construction in progress	Total
		樓宇 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	機器及設備 HK\$'000 千港元	電腦設備 HK\$'000 千港元	傢俬、固定裝置及辦公室設備 HK\$'000 千港元	汽車 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
Cost	成本								
At 1 January 2022	於二零二二年一月一日	316,818	232,462	812,681	12,177	32,872	9,423	7,584	1,424,017
Additions	添置	706	1,213	63,256	197	9,611	511	7,137	82,631
Disposal/write off	出售/撤銷	—	(4,291)	(25,285)	(132)	(1,621)	(152)	(1,579)	(33,060)
Exchange differences	匯兌差額	(25,145)	(17,942)	(51,822)	(534)	(2,375)	(442)	(895)	(99,155)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	292,379	211,442	798,830	11,708	38,487	9,340	12,247	1,374,433
Acquisition of subsidiaries	收購附屬公司	—	—	3,340	8	33	—	—	3,381
Additions	添置	—	14,802	69,202	1,112	6,113	553	3,015	94,797
Disposal/write off	出售/撤銷	—	(3,461)	(76,259)	(200)	(748)	(380)	—	(81,048)
Exchange differences	匯兌差額	(6,626)	(4,983)	(18,206)	(154)	(971)	(91)	(215)	(31,246)
At 31 December 2023	於二零二三年十二月三十一日	285,753	217,800	776,907	12,474	42,914	9,422	15,047	1,360,317
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2022	於二零二二年一月一日	125,349	184,943	526,623	10,705	15,783	7,521	5,606	876,530
Charge for the year	年內扣除	14,700	12,049	47,111	873	10,181	477	—	85,391
Disposal/write off	出售/撤銷	—	(4,291)	(20,272)	(119)	(1,452)	(129)	(1,119)	(27,382)
Exchange differences	匯兌差額	(10,845)	(12,948)	(26,024)	(464)	(1,456)	(287)	(432)	(52,456)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	129,204	179,753	527,438	10,995	23,056	7,582	4,055	882,083
Charge for the year	年內扣除	12,363	11,385	40,677	719	4,541	503	—	70,188
Disposal/write off	出售/撤銷	—	(2,622)	(75,574)	(190)	(620)	(373)	—	(79,379)
Impairment losses	減值虧損	—	171	1,309	207	161	64	—	1,912
Exchange differences	匯兌差額	(3,195)	(4,653)	(11,331)	(144)	(589)	(84)	(101)	(20,097)
At 31 December 2023	於二零二三年十二月三十一日	138,372	184,034	482,519	11,587	26,549	7,692	3,954	854,707
Carrying amount	賬面值								
At 31 December 2023	於二零二三年十二月三十一日	147,381	33,766	294,388	887	16,365	1,730	11,093	505,610
At 31 December 2022	於二零二二年十二月三十一日	163,175	31,689	271,392	713	15,431	1,758	8,192	492,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

20. RIGHT-OF-USE ASSETS

20. 使用權資產

		Leasehold lands	Leased properties	Office equipment	Total
		租賃土地	租賃物業	辦公室設備	總計
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		千港元	千港元	千港元	千港元
At 1 January 2022	於二零二二年 一月一日	231,080	13,802	86	244,968
Additions	添置	6,828	18,334	—	25,162
Adjustment for lease modification	租賃修改調整	—	9,027	—	9,027
Early termination	提前終止	—	(3,459)	—	(3,459)
Depreciation	折舊	(6,828)	(12,934)	(43)	(19,805)
Surplus on revaluation recognised in other comprehensive income	於其他全面收益 確認的重估盈餘	30,669	—	—	30,669
Loss on revaluation recognised in profit or loss	於損益確認的 重估虧損	(10)	—	—	(10)
Exchange differences	匯兌差額	(14,271)	(1,291)	—	(15,562)
At 31 December 2022 and 1 January 2023	於二零二二年 十二月三十一日 及二零二三年 一月一日	247,468	23,479	43	270,990
Additions	添置	—	30,097	—	30,097
Depreciation	折舊	(7,470)	(13,891)	(43)	(21,404)
Loss on revaluation recognised in other comprehensive income	於其他全面收益 確認的重估虧損	(6,730)	—	—	(6,730)
Loss on revaluation recognised in profit or loss	於損益確認的 重估虧損	(570)	—	—	(570)
Impairment losses	減值虧損	—	(896)	—	(896)
Exchange differences	匯兌差額	(4,485)	(405)	—	(4,890)
At 31 December 2023	於二零二三年 十二月三十一日	228,213	38,384	—	266,597

The Group's leasehold lands were revalued on 31 December 2023 and 2022 using the direct comparison approach by reference to market evidence of recent transactions for similar properties by independent surveyors.

本集團之租賃土地乃於二零二二年及二零二三年十二月三十一日由獨立測量師按直接比較法參考市場類似物業之最近交易證據重估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

20. RIGHT-OF-USE ASSETS (Continued)

The carrying amount of the Group's leasehold lands would have been approximately HK\$49,280,000 (2022: HK\$51,373,000) at 31 December 2023 had it been stated at cost less accumulated depreciation and impairment losses.

20. 使用權資產(續)

如按成本減累計折舊及減值虧損列賬，於二零二三年十二月三十一日，本集團租賃土地的賬面值將約為49,280,000港元(二零二二年：51,373,000港元)。

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Depreciation expenses on right-of-use assets 使用權資產折舊開支	21,404	19,805
Interest expense on lease liabilities (included in finance cost) 租賃負債利息開支(計入融資成本)	1,718	1,059
Expenses relating to short-term lease (included in cost of sales and general and administrative expenses) 與短期租賃有關之開支(計入銷售成本及一般及行政開支)	1,179	858

Details of total cash outflow for leases is set out in note 41(e).

租賃的現金流出總額詳情載列於附註41(e)。

For both years, the Group leases various offices premises, factories, warehouses, staff quarters and equipments for its operations. Lease contracts are entered into for fixed term of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團租賃多個辦公室、廠房、倉庫、員工宿舍及設備用於營運。租賃合約訂立的固定租期為一年至五年。租賃條款乃在個別基礎上磋商，包括各種不同條款及條件。於釐定租賃期及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

20. RIGHT-OF-USE ASSETS (Continued)

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

21. GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the CGU that is expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

20. 使用權資產(續)

此外，本集團擁有多項生產設施所位處之工業建築及辦公室建築。本集團為該等物業權益(包括相關租賃土地)之註冊擁有人。本集團已提前作出一次性付款以獲取該等物業權益。僅當所作出款項能夠可靠分配時，才單獨呈列該等自有物業之租賃土地組成部份。

21. 商譽

於業務合併中收購的商譽於收購時獲分配至預期將從業務合併中收益的現金產生單位。商譽的賬面值已分配如下：

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Others segment — new energy vehicles power systems:		
Green Print Transportation Limited (“GPTL”)	2,654	2,654
其他分部 — 新能源汽車動力系統：		
綠圖交通有限公司 (「綠圖交通」)		

The recoverable amounts of the CGU has been determined on the basis of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

現金產生單位的可收回金額乃使用貼現現金流量法基於其使用價值釐定。貼現現金流量法使用的主要假設包括有關貼現率、增長率及預算毛利率以及期內營業額的假設。本集團估計可反映目前市場對貨幣時間價值之評估及現金產生單位之特定風險的貼現率。增長率乃以現金產生單位所經營業務所在地區的長期平均經濟增長率為基準。預算毛利率及營業額乃以過往慣例及對市場發展之預期為基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

21. GOODWILL (Continued)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next four years with the residual period using the growth rate of 3% (2022: 3%). This rate do not exceed the average long-term growth rate for the relevant markets.

The pre-tax rate used to discount the forecast cash flows from the Group's are 22% (2022: 24%).

21. 商譽(續)

本集團根據獲董事批准且涵蓋未來四年之最近期財政預算，按3%(二零二二年：3%)的增長率預測剩餘年期而編製現金流量預測。此比率並無超逾相關市場之平均長期增長率。

本集團稅前貼現預測現金流量所用的利率為22%(二零二二年：24%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

22. OTHER INTANGIBLE ASSETS

22. 其他無形資產

		Technology knowhow 技術訣竅 HK\$'000 千港元	Customer relationship 客戶關係 HK\$'000 千港元	Licences 許可證權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本				
At 1 January 2022, 31 December 2022 and 1 January 2023	於二零二二年 一月一日、 二零二二年 十二月三十一日及 二零二三年 一月一日	833	3,027	—	3,860
Acquisition of subsidiaries (note 41(b))	收購附屬公司 (附註41(b))	—	—	28,884	28,884
At 31 December 2023	於二零二三年 十二月三十一日	833	3,027	28,884	32,744
Accumulated amortisation	累計攤銷				
At 1 January 2022	於二零二二年 一月一日	8	17	—	25
Amortisation for the year	年內攤銷	142	311	—	453
At 31 December 2022 and 1 January 2023	於二零二二年 十二月三十一日及 二零二三年 一月一日	150	328	—	478
Amortisation for the year	年內攤銷	139	302	1,294	1,735
At 31 December 2023	於二零二三年 十二月三十一日	289	630	1,294	2,213
Carrying amount	賬面值				
At 31 December 2023	於二零二三年 十二月三十一日	544	2,397	27,590	30,531
At 31 December 2022	於二零二二年 十二月三十一日	683	2,699	—	3,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

22. OTHER INTANGIBLE ASSETS (Continued)

Technology knowhow

The technology knowhow represents the manufacturing of engine motors. The remaining amortisation period of the use right is 3.9 years (2022: 4.9 years).

Customer relationship

The customer relationship represents the present value of the future cash flow attributed to established customer base and other business relationships built up by GPTL. The average remaining amortisation period of the customer relationship is 7.9 years (2022: 8.9 years).

Licences

The Licences represent the unique advantages and benefits derived from participation in the United States-Mexico-Canada Agreement (USMCA) and registration in the Program for the Manufacturing, Maquiladora, and Export Services Industry in Mexico (the "IMMEX program"). The unique advantages and benefits include preferential tariff treatment, tax incentives and streamlined customs procedures. The average remaining amortisation period of the licences are 10 years.

23. CLUB MEMBERSHIP

Cost

At 1 January 2022, 31 December 2022,
1 January 2023 and 31 December 2023

成本

於二零二二年一月一日、二零二二年
十二月三十一日、二零二三年一月一日
及二零二三年十二月三十一日

The Group's club membership of HK\$718,000 (2022: HK\$718,000) at 31 December 2023 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by that club.

22. 其他無形資產(續)

技術訣竅

技術訣竅指發動機的生產。該使用權的剩餘攤銷年期為3.9年(二零二二年: 4.9年)。

客戶關係

客戶關係指歸屬於綠圖交通所建立的成熟客戶基礎及其他業務關係的未來現金流量現值。客戶關係的剩餘攤銷年期為7.9年(二零二二年: 8.9年)。

許可證權

許可證權指加入美國 — 墨西哥 — 加拿大協定(USMCA)及註冊墨西哥製造業、加工業和出口服務業計劃(「IMMEX計劃」)所獲得的獨特優勢及裨益。該等獨特優勢及裨益包括優惠關稅待遇、稅收激勵措施及簡化海關手續。許可證權的平均剩餘攤銷期為10年。

23. 會所會籍

HK\$'000
千港元

718

本集團於二零二三年十二月三十一日之會所會籍價值為718,000港元(二零二二年: 718,000港元)已評定為具無限可使用年期,原因是本集團享用該會所提供服務之時間並無限制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

24. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2023 are as follows:

24. 於附屬公司的投資

於二零二三年十二月三十一日，附屬公司之詳情如下：

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui (Holdings) Company Limited 嘉瑞集團有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$36,909 36,909美元	100%	—	Investment holding 投資控股
Ample Wealth Developments Limited 富豐發展有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$1 1美元	—	100%	Investment holding 投資控股
Ka Fung Metal Manufactory Company Limited 嘉豐金屬製品廠有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$74,487,660 74,487,660港元	—	100%	Sale of plastic injection products and components 銷售塑膠注塑產品及零部件
Ka Shui Manufactory Co., Limited 嘉瑞製品有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	100%	Sale of zinc, magnesium and aluminium alloy die casting and plastic injection products and components 銷售鋅、鎂及鋁合金壓鑄和塑膠注塑產品及零部件
Ka Shui Technology (Huizhou) Company Limited* 嘉瑞科技(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital HK\$321,105,502 註冊資本321,105,502港元	—	100%	Sale and manufacture of magnesium alloy die casting products and components 銷售及生產鎂合金壓鑄產品及零部件
Elegant Shine Investments Limited 雅輝投資有限公司	BVI/Limited liability company 英屬處女群島/ 有限責任公司	US\$1 1美元	—	100%	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ample Wealth Property Developments (Huizhou) Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$6,800,000	—	100%	Inactive
富豐物業開發(惠州)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本6,800,000港元			暫無業務
Wing Yu (Far East) Industries Company Limited 永裕(遠東)實業有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$100,000 100,000港元	—	100%	Investment holding 投資控股
Huizhou Wing Yu Metal and Plastic Manufactory Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$4,500,000	—	100%	Provision of surface finishing treatment services and sale and manufacture of zinc alloy die casting products and components
惠州市永裕五金塑料製品有限公司*	中國/外國投資者全資所有的有限公司	註冊資本4,500,000港元			提供表面處理服務及銷售及生產鋅合金壓鑄產品及零部件
Ka Yi Technology (Huizhou) Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$30,920,000	—	100%	Sale and manufacture of zinc and aluminium alloy die casting products and components
嘉宜科技(惠州)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本30,920,000港元			銷售及生產鋅及鋁合金壓鑄產品及零部件
Ka Fung Industrial Technology (Huizhou) Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$132,000,000	—	100%	Sale and manufacture of products and components with plastic contents
嘉豐工業科技(惠州)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本132,000,000港元			銷售及生產含塑膠部件之產品及零部件
Alphalite Company Limited 嘉能照明有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Inactive 暫無業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui Metal Manufactory (Shenzhen) Company Limited*	The PRC/Wholly foreign-owned entity	Registered capital HK\$40,000,000	—	100%	Sale and manufacture of zinc, magnesium and aluminium alloy die casting products and component
嘉瑞金屬製品(深圳)有限公司*	中國/外國投資者全資所有的有限公司	註冊資本40,000,000港元			銷售及生產鋅、鎂及鋁合金壓鑄產品及零部件
Alphalite Inc.	USA/Business corporation	US\$100	—	100%	Trading and marketing of LED and plasma lighting products
	美國/商業股份公司	100美元			從事LED及等離子照明產品之貿易及市場推廣
Ka Shui (USA) Inc.	USA/Business corporation	US\$5,000	—	100%	Marketing of zinc, magnesium and aluminium alloy die casting and plastic injection products and components, trading of LED and home appliance products
	美國/商業股份公司	5,000美元			從事鋅、鎂及鋁合金壓鑄及塑膠注塑產品及零部件之市場推廣以及LED及家居器具之貿易
Kalok Technology Investment Limited	BVI/Limited liability company	US\$50,000	—	100%	Investment holding
嘉樂科技投資有限公司	英屬處女群島/有限責任公司	50,000美元			投資控股
Wuhu Lenka Technologies Company Limited*	The PRC/Limited liability company	Registered capital RMB50,000,000	—	100%	Sale and manufacture of magnesium alloy die casting products and components
蕪湖聯嘉工業科技有限公司*	中國/有限責任公司	註冊資本人民幣50,000,000元			銷售及生產鎂合金壓鑄產品及零部件

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Ka Shui Metal Company Limited 嘉瑞金屬有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$30,000,000 30,000,000港元	—	100%	Sale of magnesium alloy die casting products and components 銷售鎂合金壓鑄產品及零部件
Katchon Precision Holdings Company Limited 嘉昌精密控股有限公司	BVI/Limited liability company 英屬處女群島/有限責任公司	US\$1,000 1,000美元	—	70%	Investment holding 投資控股
Ka Shui Plastic Technology Company Limited 嘉瑞塑膠科技有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Research and development, trading of germ repellent plastic related product 斥菌塑膠相關產品之研發及銷售
Goodly Precision Industrial Limited 卓研精密工業有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$50,000 50,000港元	—	70%	Investment holding 投資控股
Goodly Precision (Suzhou) Industrial Limited* 卓研精密工業(蘇州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital US\$5,000,000 註冊資本5,000,000美元	—	70%	Research, manufacture and sale of plastic injection moulding and components of car-related products 汽車相關產品之塑膠注塑及零件之研發、生產及銷售
Huizhou Ka May New Material Technology Company Limited* 惠州嘉錕新材料科技有限公司*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB1,000,000 註冊資本人民幣1,000,000元	—	100%	Inactive 暫無業務
Ka Shui Aluminium Technology (Shenzhen) Company Limited* 嘉瑞鋁科技(深圳)有限公司*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB3,333,300 註冊資本人民幣3,333,300元	—	70%	Research and development and trading of aluminium related products 鋁相關產品之研發及貿易
Pioneer Lead Global Enterprises Limited 領拓環球企業有限公司	BVI/Limited liability company 英屬處女群島/有限責任公司	US\$1 1美元	—	100%	Investment holding 投資控股

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24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Nobel Development Limited 隆邦發展有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Shulong Green Transport Company Limited 瑞龍綠運有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	100%	Repair and maintenance of motor vehicles for commercial use and sales of special purpose vehicles 維修及保養商用車及銷售特別種類車輛
Orient World International Limited 凱華國際有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Ka Shui (Malaysia) Sdn. Bhd.	Malaysia/Private limited company 馬來西亞/私人有限公司	MYR1 1馬來西亞元	—	100%	Inactive 暫無業務
Innoka Trading (Huizhou) Company Limited* 昕樂嘉貿易(惠州)有限公司*	The PRC/Limited liability company 中國/有限責任公司	Registered capital RMB100,000 註冊資本人民幣100,000元	—	100%	Trading of healthcare products 健康護理產品貿易
Kamay New Material Technology (Yulin) Company Limited* 嘉錕新材料科技(榆林)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital RMB10,000,000 註冊資本人民幣10,000,000元	—	100%	Sales and manufacture of metallic material 銷售及生產金屬材料
Good Hero Development Limited 佳濠發展有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Ka Shui Holdings (Macau) Company Limited 嘉瑞控股(澳門)一人有限公司	Macau/Limited liability company 澳門/有限責任公司	Registered capital MOP25,000 註冊資本25,000澳門元	—	100%	Inactive 暫無業務

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綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

24. INVESTMENTS IN SUBSIDIARIES (Continued)

24. 於附屬公司的投資(續)

Name 名稱	Principal country of operation/Country of incorporation/ Kind of legal entity 主要營運國家/ 註冊成立地點/ 法人實體的類別	Issued and fully paid up share capital/registered capital 已發行及繳足股本/ 註冊資本	Percentage of ownership interest/voting power/ profit sharing 應佔權益/投票權/ 溢利百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Capital Link Holdings Limited 嘉盈集團有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$1 1港元	—	100%	Investment holding 投資控股
Green Print Transportation Limited 綠圖交通有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	70%	Provision of new engine vehicle power systems 提供新能源汽車動力系統
Green Print New Energy (Huizhou) Company Limited* 綠圖新能源(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital RMB8,000,000 註冊資本人民幣8,000,000元	—	70%	Provision of new engine vehicle power systems 提供新能源汽車動力系統
Bestgrand Enterprises Limited 百亨企業有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$10,000 10,000港元	—	100%	Investment holding 投資控股
Ka Shui United Industries (Huizhou) Company Limited* 嘉瑞聯合實業(惠州)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital HK\$193,894,498 註冊資本193,894,498港元	—	100%	Property investment 物業投資
Honasia International Limited 凱揚國際有限公司	Hong Kong/Limited liability company 香港/有限責任公司	HK\$100 100港元	—	100%	Inactive 暫無業務
Avery Plastics Consulting Group, Inc. 美國/商業股份公司	USA/Business corporation 美國/商業股份公司	US\$100 100美元	—	90%	Sale of plastic injection products and components 銷售塑膠注塑產品及零部件
Global Plastic Solutions, S. de R.L. de C.V. 墨西哥/有限責任公司	Mexico/Limited liability company 墨西哥/有限責任公司	MN\$950,000 950,000墨西哥披索	—	90%	Plastic injection molding and assembly 塑膠注塑成型及組裝
Green Print New Energy (Shenzhen) Company Limited* 綠圖新能源(深圳)有限公司*	The PRC/Wholly foreign-owned entity 中國/外國投資者全資所有的有限公司	Registered capital RMB500,000 註冊資本人民幣500,000元	—	70%	Sales of new engine vehicle power systems and components 銷售新能源汽車動力系統及零部件

* English translation of the name is for identification purpose only.

* 名稱之英文翻譯只供識別。

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綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

24. INVESTMENTS IN SUBSIDIARIES (Continued)

As at 31 December 2023, the bank and cash balances and restricted bank deposits of the Group's subsidiaries in the PRC denominated in RMB amounted to approximately HK\$51,203,000 (2022: HK\$93,847,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

24. 於附屬公司的投資(續)

於二零二三年十二月三十一日，本集團於中國之附屬公司以人民幣計值的銀行及現金結餘及有限制銀行存款為約51,203,000港元(二零二二年：93,847,000港元)。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

25. INVESTMENTS IN ASSOCIATES

25. 於聯營公司之投資

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Unlisted investments:	非上市投資		
Share of net assets	應佔資產淨值	15,736	9,845
Impairment loss	減值虧損	(1,891)	—
		13,845	9,845

The amounts due from/to associates are unsecured, interest free and repayable on demand.

應收／應付聯營公司款項為無抵押、免息及須在要求時即時償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

25. INVESTMENTS IN ASSOCIATES (Continued)

Details of the Group's associates at 31 December 2023 are as follows:

Name	Place of incorporation/ registration	Issued and fully paid up share capital/ registered capital	Percentage of ownership interest/voting power/profit sharing 應佔權益/ 投票權/ 溢利百分比	Principal activities
名稱	註冊/登記地點	已發行及繳足股本/ 註冊資本		主要業務
Huizhou Intelligent Foundry Industry Light Alloy Innovation Center Company Limited*	The PRC	Registered capital RMB20,000,000	46%	Research and development, manufacture and trading of light alloy moulds
惠州共享智能鑄造產業輕合金創新中心有限公司*	中國	註冊資本人民幣 20,000,000元	46%	輕合金模具之研發、生產及貿易
Shaanxi Quality Magnesium Fusion Technology Company Limited*	The PRC	Registered capital RMB20,000,000	22%	Research and development and trading of magnesium
陝西質鎂融合科技有限公司*	中國	註冊資本人民幣 20,000,000元	22%	鎂金屬產品研發和貿易
Ka Ming Enterprise Investment (Zhongshan) Company Limited*	The PRC	Registered capital RMB22,500,000	40%	Investment holding
嘉名企業投資(中山)有限公司*	中國	註冊資本人民幣 22,500,000元	40%	投資控股

* English translation of the name is for identification purpose only.

* 名稱之英文翻譯只供識別。

25. 於聯營公司之投資(續)

於二零二三年十二月三十一日本集團之聯營公司資料如下：

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綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

25. INVESTMENTS IN ASSOCIATES (Continued)

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 31 December:	於十二月三十一日：		
Carrying amounts of interests	權益賬面值	13,845	9,845
Year ended 31 December:	截至十二月三十一日 止年度：		
Loss from operations	經營虧損	(3,643)	(1,058)
Total comprehensive income	全面收益總額	(3,643)	(1,058)

As at 31 December 2023, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to approximately HK\$25,511,000 (2022: HK\$12,232,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

下表載列本集團以權益會計法入賬之所有個別非重要聯營公司攤分金額總數：

於二零二三年十二月三十一日，本集團於中國之聯營公司以人民幣計值的銀行及現金結餘為約25,511,000港元（二零二二年：12,232,000港元）。將人民幣兌換為外幣須根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》進行。

26. EQUITY INVESTMENT AT FVTOCI

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Unlisted equity securities	非上市股本證券	45,272	—
Analysed as:	分析為：		
Non-current assets	非流動資產	45,272	—

26. 按公平值透過其他全面收益 (FVTOCI) 列賬的股份投資

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

26. EQUITY INVESTMENT AT FVTOCI (Continued)

Equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. This is a strategic investment and the Group considers this classification to be more relevant.

The unlisted equity securities were measured at fair value using the method of valuation by an independent external valuation expert. Equity investments at FVTOCI are denominated in RMB.

26. 按公平值透過其他全面收益 (FVTOCI) 列賬的股份投資(續)

並非持作買賣權益證券，而本集團於初步確認時已不可撤回地選擇確認於該類別。此為戰略投資，且本集團認為此分類較為相關。

非上市股本證券使用獨立外聘估值專家作出之估值法而按公平值計量。按公平值計入其他全面收益的股權投資以人民幣計值。

27. DERIVATIVE FINANCIAL LIABILITIES

27. 衍生金融負債

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial liabilities	金融負債		
Fair value of cross currency interest rate swaps	交叉貨幣利率掉期的公平值	—	935

The cross currency interest rate swaps was measured at FVTPL. The Group has entered into cross currency interest rate swaps to sell EURO ("EUR") and buy RMB at fixed exchange rate and interest rate. The fair value of the derivatives are determined with reference to the EURIBOR plus a spread and the market forward exchange rate at year end, and the fixed forward rates stated in contracts.

The notional amounts of EUR cross currency interest rate swaps were EUR2,770,000 and EUR2,570,000 at 31 December 2022. All the swap contracts expired during the year.

交叉貨幣利率掉期乃按公平值計入損益計量。本集團已訂立交叉貨幣利率掉期，以固定匯率及利率出售歐元(「歐元」)及買入人民幣。衍生工具的公平值乃參考歐元銀行同業拆息加息差及年末的市場遠期匯率，以及合約列明的固定遠期匯率而釐定。

於二零二二年十二月三十一日，歐元交叉貨幣利率掉期的名義金額為2,770,000歐元及2,570,000歐元。所有掉期合約年內已過期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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28. INVENTORIES

28. 存貨

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Raw materials	原材料	51,142	73,395
Consumables supplies and spare parts	消耗品供應及備用零部件	18,324	9,521
Work in progress	在製品	74,937	77,231
Finished goods	製成品	88,944	100,098
		233,347	260,245
Less: Allowance for inventories	減：存貨撥備	(73,525)	(67,720)
		159,822	192,525

29. TRADE AND BILLS RECEIVABLES

29. 貿易及票據應收款項

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Trade receivables	貿易應收款項	408,201	398,656
Bills receivables	票據應收款項	9,711	6,776
		417,912	405,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

29. TRADE AND BILLS RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days (2022: 30 to 120 days) after the end of the month in which the invoices are issued. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is stated as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
0 to 30 days	零至30日	157,827	133,549
31 to 60 days	31日至60日	106,173	93,066
61 to 90 days	61日至90日	80,425	83,163
91 to 180 days	91日至180日	59,800	87,392
Over 180 days	180日以上	5,805	1,871
		410,030	399,041
Less: Allowance for bad and doubtful debts	減：壞賬及呆賬撥備	(1,829)	(385)
		408,201	398,656

As at 31 December 2023, total bills received amounted to approximately HK\$9,711,000 (2022: HK\$6,776,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

At 31 December 2023, an allowance was made for estimated irrecoverable trade and bills receivables of approximately HK\$1,829,000 (2022: HK\$385,000) (note 6(b)).

29. 貿易及票據應收款項(續)

本集團與客戶之交易主要以信貸形式進行。信貸期一般介乎開票當月結束後30日至120日(二零二二年：30日至120日)。每名客戶有最高信貸限額。本集團致力嚴格控制其未償還應收款項，由董事定期檢討過期未付結餘。貿易應收款項(扣除撥備)按發票日期之賬齡分析如下：

於二零二三年十二月三十一日，本集團持有已收取的票據總額約9,711,000港元(二零二二年：6,776,000港元)以用作未來應收款項的結算。本集團於報告期末繼續確認其全部賬面值。本集團收取的所有票據的到期期限均少於一年。

於二零二三年十二月三十一日，就估計不可收回貿易及票據應收款項作出撥備約1,829,000港元(二零二二年：385,000港元)(附註6(b))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

29. TRADE AND BILLS RECEIVABLES (Continued)

The carrying amount of the Group's trade receivables are denominated in the following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	17,610	13,623
USD	美元	219,946	262,401
RMB	人民幣	172,382	122,719
Others	其他	92	298
		410,030	399,041
Less: Allowance for bad and doubtful debts	減：壞賬及呆賬之撥備	(1,829)	(385)
		408,201	398,656

29. 貿易及票據應收款項(續)

本集團貿易應收款項的賬面值以下列貨幣列值：

30. CONTRACT ASSETS/CONTRACT LIABILITIES

Contract assets	合約資產	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Arising from sales of OEM Products	由原設備製造產品銷售所產生	12,631	11,420
Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and bills receivables"	香港財務報告準則第15號範圍內與客戶之合約之應收款項(已包括在「貿易及票據應收款項」內)	417,912	405,432

30. 合約資產/合約負債

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

30. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Amounts relating to contract assets are balances due from customers under sales contracts that arise when the Group's unconditional right to receive payments from customers is not in line with the progress of the OEM Products manufactured under contracts in which the Group has enforceable right to payment. Payment for OEM Products is not due from the customer until the products are delivered to the customer, and therefore a contract asset is recognised over the period in which the OEM Products are manufactured to represent the Group's right to consideration for the services transferred to date.

There were no significant changes in the contract assets balances during the reporting period.

None of contract assets that is expected to be recovered after more than one year (2022: HK\$Nil).

30. 合約資產／合約負債(續)

與合約資產相關的金額為當本集團之無條件向客戶收取款項之權利與按本集團擁有款項強制執行權之合約所生產的原設備製造產品的進度不一致。於產品交付客戶後，始收取客戶的原設備製造產品的款項，因此，合約資產於原設備製造產品生產期間(即本集團已轉移迄今為止服務的代價權)時被確認。

於本報告期內，合約資產結餘並無重大變化。

概無預期將於一年以上收回的合約資產(二零二二年：零港元)。

Contract liabilities	合約負債	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Billings in advance of performance obligation arising from sales of OEM Products	銷售原設備製造產品產生履約責任的預收款項	8,015	8,611

Contract liabilities relating to sales of OEM Products and moulds are balances due to customers under contracts with customers. They arise because customers pay deposits for the sales contract which exceed the revenue recognised to date.

There were no significant changes in the contract liabilities balances during the reporting period.

與原設備製造產品及模具銷售相關的合約負債為應付客戶合約款項的結餘。該款項乃因客戶支付的銷售合約按金超過迄今已確認的收入。

於本報告期內，合約負債結餘並無重大變化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

30. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

Movements in contract liabilities:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Balance at 1 January arising from sales of OEM Products	銷售原設備製造產品於一月一日結餘	8,611	7,854
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	年內確認收入導致合約負債減少已計入期初的合約負債內	(8,611)	(7,854)
Increase in contract liabilities as a result of billing in advance of sales of OEM Products and moulds	銷售原設備製造產品及模具的預收款項導致合約負債增加	8,056	8,937
Effect of foreign exchange rate changes	匯率變動的影響	(41)	(326)
Balance at 31 December	於十二月三十一日結餘	8,015	8,611

30. 合約資產／合約負債(續)

合約負債變動：

31. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's restricted bank balances represent balances of approximately RMB1,707,000 (equivalent to approximately HK\$1,855,000) (2022: RMB1,669,000 (equivalent to approximately HK\$1,860,000)) to guarantee for the use of natural gas in the PRC.

The cash at banks earned interest at floating interest rates ranging from 0.001% to 1.45% per annum (2022: 0.001% to 0.75% per annum).

31. 有限制銀行存款與銀行及現金結餘

本集團的有限制銀行存款指人民幣約1,707,000元(相等於約1,855,000港元)(二零二二年：人民幣1,669,000元(相等於約1,860,000港元))作為於中國使用天然氣之擔保。

銀行存款按每年0.001厘至1.45厘(二零二二年：每年0.001厘至0.75厘)的浮動利率賺取利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

31. RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES (Continued)

The carrying amounts of bank and cash balances are denominated in the following currencies:

31. 有限制銀行存款與銀行及現金結餘(續)

銀行及現金結餘之賬面值以下列貨幣為單位：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	25,486	36,657
USD	美元	79,229	111,107
RMB	人民幣	85,032	94,572
EUR	歐元	2,551	1,760
MXN	墨西哥披索	2,116	—
Others	其他	50	57
		194,464	244,153

Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

根據中國的《外匯管制條例》及《結匯、售匯及付匯管理規定》，本集團獲允許可透過獲授權開展外匯業務的銀行以人民幣兌換外幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

32. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

The Group normally obtains credit terms ranging from 30 to 90 days (2022 : 30 to 90 days) from its suppliers. The ageing analysis of trade payables, based on the invoice date, is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
0 to 30 days	0至30日	65,481	53,082
31 to 60 days	31至60日	54,482	44,693
61 to 90 days	61至90日	32,301	30,296
91 to 180 days	91至180日	37,490	40,015
Over 180 days	180日以上	24,759	16,811
		214,513	184,897

The carrying amount of the Group's trade payables are denominated in the following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	1,143	3,042
USD	美元	26,443	19,738
RMB	人民幣	185,984	161,793
Others	其他	943	324
		214,513	184,897

32. 貿易應付款項、其他應付款項及應計費用

本集團一般向其供應商取得30至90日(二零二二年:30至90日)的信貸期。貿易應付款項按發票日期計算的賬齡分析如下:

本集團貿易應付款項賬面值以下列貨幣為單位:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

32. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

Other payables and accruals comprise the followings:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Accrued wages	應計工資	24,918	29,630
Other accrued expenses	其他應計費用	44,091	38,436
Other payables	其他應付款項	28,411	24,797
		97,420	92,863

The carrying amount of the Group's other payables and accruals are denominated in the following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	10,395	12,866
RMB	人民幣	80,210	78,728
MXN	墨西哥披索	5,877	—
Others	其他	938	1,269
		97,420	92,863

32. 貿易應付款項、其他應付款項及應計費用(續)

其他應付款項及應計費用包括以下各項：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Accrued wages	應計工資	24,918	29,630
Other accrued expenses	其他應計費用	44,091	38,436
Other payables	其他應付款項	28,411	24,797
		97,420	92,863

本集團其他應付款項及應計費用的賬面值按以下貨幣列值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	10,395	12,866
RMB	人民幣	80,210	78,728
MXN	墨西哥披索	5,877	—
Others	其他	938	1,269
		97,420	92,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

33. BORROWINGS

The analysis of the carrying amount of borrowings is as follows:

33. 借款

借款的賬面值分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current liabilities			
Portion of bank borrowings due for repayment within one year	流動負債 須於一年內到期償還的銀行貸款部份	63,333	60,502
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause	須於一年後到期償還的包含按 要求償還條款的銀行貸款部份	—	8,333
		63,333	68,835
Non-current liabilities			
Loan from non-controlling interest (note)	非流動負債 非控股權益的貸款(附註)	1,185	971

The interest-bearing bank borrowings, including the bank borrowings repayable on demand, are carried at amortised cost. None of the portion of bank borrowings due for repayment after one year which contain a repayment on demand clause that is classified as current liabilities is expected to be settled within one year as at 31 December 2022.

計息銀行貸款(包括須按要求償還的銀行貸款)乃按攤銷成本列賬。截至二零二二年十二月三十一日,須於一年後到期償還的包含按要求償還條款且分類為流動負債的銀行貸款部份預期毋須於一年內清償。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

33. BORROWINGS (Continued)

Note:

The loan from non-controlling interest requires the Group to repay according to certain conditions are to be satisfied. Approximately HK\$1,185,000 (2022: HK\$971,000) represents the estimated fair value of this loan amount at 31 December 2023. The loan is unsecured and repayable in 2025. The conditions of repayments to non-controlling interests are based on the accumulated audited profit before tax of GPTL for the three financial years ending 31 December 2024 are set as below:

- less than US\$96,500, only HK\$1,500,000 with no interest bearing;
- more than US\$96,500 but less than US\$192,300, only HK\$3,000,000 with no interest bearing; or
- more than US\$192,300, HK\$4,500,000 with interest bearing 3.5% per annum.

At 31 December 2023, interest-bearing bank loans were due for repayment as follows:

33. 借款(續)

附註：

非控股權益的貸款要求本集團根據將達成的若干條件進行還款。約1,185,000港元(二零二二年：971,000港元)指該貸款金額於二零二三年十二月三十一日的估計公平值。該貸款為無抵押並須於二零二五年償還。向非控股權益還款的條件乃基於綠圖交通截至二零二四年十二月三十一日止三個財政年度的累計經審核除稅前溢利，載列如下：

- 低於96,500美元，僅1,500,000港元不計息；
- 超過96,500美元但低於192,300美元，僅3,000,000港元不計息；或
- 超過192,300美元，4,500,000港元按年利率3.5%計息。

於二零二三年十二月三十一日，到期償還的計息銀行貸款如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Portion of bank borrowings due for repayment within one year	須於一年內到期償還的銀行貸款部份	63,333	60,502
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause (note (a)):	須於一年後到期償還的包含按 要求償還條款的銀行貸款部份(附註(a))：		
After 1 year but within 2 years	一年之後但兩年之內	—	8,333
		63,333	68,835

Note:

- (a) The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

附註：

- (a) 結欠款項乃按貸款協議所載的預定還款期為基準，並無計及任何按
要求償還條款的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

33. BORROWINGS (Continued)

Three (2022: Three) of the bank facilities are subject to the fulfillment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. Should the Group breach the covenants, the drawn down facilities would become repayable on demand. In addition, some of the Group's bank loan agreements contain clauses which give the lenders the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants, and is up to date with the scheduled repayments of the bank borrowings. Further details of the Group's management of liquidity risk are set out in note 6(c). There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2022 and 2023.

The interest rates of the Group's bank borrowings at 31 December were as follow:

		2023 二零二三年 % per annum 每年	2022 二零二二年 % per annum 每年
Bank loans	銀行貸款	4.5% to 6.5%	4.6% to 6.6%

Bank loans are arranged at floating rate, thus exposing the Group to cash flow interest rate risk. Loan from non-controlling interest is arranged at fixed rate and exposed the Group to fair value interest rate risk.

33. 借款(續)

三個(二零二二年：三個)銀行融資額度需符合有關本集團若干財務比率之契諾，該等契諾通常於與金融機構訂立之貸款安排中出現。倘本集團違反有關契諾，則已動用之融資額度須按要求償還。此外，本集團若干銀行貸款協議之條款中給予貸款人全權酌情決定隨時要求即時償還貸款的權利，而無論本集團是否遵守契諾及符合預定償還職責。

本集團定期監控此等契諾之遵守，並根據銀行貸款的預定還款期作出償還。本集團控制流動資金風險的進一步詳情載於附註6(c)。於截至二零二二年及二零二三年十二月三十一日止年度，概無違反任何計息借款之財務契諾。

本集團的銀行借款於十二月三十一日的利率如下：

銀行貸款乃按浮動利率計息，因此使本集團面臨現金流量利率風險。來自非控股權益的貸款乃按固定利率計息，使本集團面臨公平值利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

33. BORROWINGS (Continued)

The carrying amount of the bank borrowings is denominated in the following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	63,333	58,833
EUR	歐元	—	10,002
		63,333	68,835

33. 借款(續)

銀行借款賬面值以下列貨幣為計算單位：

34. BANKING FACILITIES

As at 31 December 2023, the Group had available banking facilities of approximately HK\$420,450,000 (2022: HK\$459,942,000), which were utilised to the extent of approximately HK\$63,333,000 (2022: HK\$68,835,000). These banking facilities were secured by corporate guarantees provided by the Company and certain subsidiaries of the Group.

34. 銀行信貸

於二零二三年十二月三十一日，本集團可動用的銀行信貸為約420,450,000港元（二零二二年：459,942,000港元），而已動用的數額為約63,333,000港元（二零二二年：68,835,000港元）。此等銀行信貸以本公司及本集團某些附屬公司提供的企業擔保作為抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

35. LEASE LIABILITIES

35. 租賃負債

		Minimum lease payments 最低租賃款項		Present value of minimum lease payments 最低租賃款項現值	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within one year	一年內	16,509	13,708	14,398	11,807
More than one year but not exceeding two years	一年以上但不超過兩年	9,946	9,797	8,434	9,524
More than two years, but not more than five years	兩年以上但不超過五年	19,234	3,203	17,608	3,138
		45,689	26,708	40,440	24,469
Less: Future finance charges	減：未來融資費用	(5,249)	(2,239)	N/A	N/A
Present value of lease obligations	租賃承擔現值	40,440	24,469	40,440	24,469
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償付之款項 (列示於流動負債項下)			(14,398)	(11,807)
Amount due for settlement after 12 months	十二個月後到期償付之款項			26,042	12,662

The weighted average incremental borrowing rates applied to lease liabilities is 6.42% (2022: 4.06%).

應用於租賃負債的加權平均增量借款利率為6.42%(二零二二年：4.06%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

35. LEASE LIABILITIES (Continued)

Lease payables are denominated in following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HK\$	港元	125	1,900
USD	美元	28,091	952
RMB	人民幣	12,224	21,617
		40,440	24,469

35. 租賃負債(續)

應付租賃乃按下列貨幣計值：

36. DEFERRED TAX ASSETS/LIABILITIES

The following is the deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the year:

Deferred tax liabilities:

		Undistributed earnings of subsidiaries 附屬公司未分派之盈利 HK\$'000 千港元	Revaluation of leasehold lands 租賃土地價值重估 HK\$'000 千港元	Fair value adjustments on business combination 業務合併的公平值調整 HK\$'000 千港元	Right-of-use assets 使用權資產 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022 (Restated)	於二零二二年一月一日 (重列)	3,208	28,693	637	2,682	101	35,321
Charge to other comprehensive income for the year	於年內支賬至其他全面收益	—	4,573	—	—	—	4,573
Credit to profit or loss for the year (note 13)	於年內入賬至損益 (附註13)	—	(816)	(79)	3,104	—	2,209
Exchange differences	匯兌差額	—	(1,828)	—	(322)	—	(2,150)
At 31 December 2022 and 1 January 2023 (Restated)	於二零二二年十二月三十一日及二零二三年一月一日 (重列)	3,208	30,622	558	5,464	101	39,953
Acquisition of subsidiaries	收購附屬公司	—	—	8,514	—	—	8,514
Credit to other comprehensive income for the year	於年內入賬至其他全面收益	—	(1,042)	—	—	—	(1,042)
Charge/(credit) to profit or loss for the year (note 13)	於年內支賬/(入賬)至損益 (附註13)	—	(915)	(348)	5,484	—	4,221
Exchange differences	匯兌差額	—	(655)	—	(40)	—	(695)
At 31 December 2023	於二零二三年十二月三十一日	3,208	28,010	8,724	10,908	101	50,951

36. 遞延稅項資產/負債

以下為本集團於年內已確認的遞延稅項負債及資產與相關變動：

遞延稅項負債：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

36. DEFERRED TAX ASSETS/LIABILITIES (Continued)

Deferred tax assets:

		Tax losses	Decelerated tax depreciation	Fair value adjustment on business combination	Lease liabilities	Total
		稅項虧損	減速稅項折舊	業務合併的公平值調整	租賃負債	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2022 (Restated)	於二零二二年一月一日(重列)	961	398	99	2,682	4,140
Credit to profit or loss for the year (note 13)	於年內入賬至損益(附註13)	3,551	32	—	3,104	6,687
Exchange differences	匯兌差額	(189)	—	(8)	(322)	(519)
At 31 December 2022 and 1 January 2023 (Restated)	於二零二二年十二月三十一日及二零二三年一月一日(重列)	4,323	430	91	5,464	10,308
(Charge)/credit to profit or loss for the year (note 13)	於年內(支賬)/入賬至損益(附註13)	—	(183)	—	5,484	5,301
Exchange differences	匯兌差額	(156)	—	(3)	(40)	(199)
At 31 December 2023	於二零二三年十二月三十一日	4,167	247	88	10,908	15,410

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

就綜合財務狀況表而言，遞延稅項結餘(抵銷後)之分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	39,796	34,009
Deferred tax assets	遞延稅項資產	(4,255)	(4,364)
		35,541	29,645

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

36. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At 31 December 2023, the Group had unused tax losses of approximately HK\$321,111,000 (2022: HK\$281,191,000) which are available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$27,780,000 (2022: HK\$28,820,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$293,331,000 (2022: HK\$252,371,000) due to the unpredictability of future profit streams. The unused tax loss of the Group have not yet been agreed by respective tax authorities. The expiry date of unrecognised tax loss are summarised as follows:

36. 遞延稅項資產／負債(續)

於二零二三年十二月三十一日，本集團有未動用稅項虧損約321,111,000港元(二零二二年：281,191,000港元)可供抵銷未來溢利。就該等虧損約27,780,000港元(二零二二年：28,820,000港元)確認為遞延稅項資產。概無就該等剩餘293,331,000港元(二零二二年：252,371,000港元)確認為遞延稅項資產，因為未能確定未來溢利流入。有關本集團之未動用稅項虧損尚未獲得各稅務機構的同意。未確認稅務虧損的到期日概括如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Year 2023	二零二三年	—	9,831
Year 2024	二零二四年	15,858	16,374
Year 2025	二零二五年	1,313	2,046
Year 2026	二零二六年	24,600	32,956
Year 2027	二零二七年	116,959	136,975
Year 2028	二零二八年	29,098	—
Year 2029	二零二九年	753	773
Year 2031	二零三一年	2,576	2,642
Year 2032	二零三二年	7,508	8,626
Year 2033	二零三三年	19,105	—
Year 2036	二零三六年	115	115
Year 2037	二零三七年	1,034	1,031
Year 2042	二零四二年	—	1,350
Carried forward indefinitely	無限期結轉	74,412	39,652
		293,331	252,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

36. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At 31 December 2023, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operated in the PRC for which deferred tax liabilities have not been recognised is approximately HK\$63,232,000 (2022: HK\$51,388,000). No liability has been recognised in respect of these temporary differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

36. 遞延稅項資產／負債(續)

於二零二三年十二月三十一日，與中國營運之附屬公司之未分派盈利有關之暫時差額總數(遞延稅項負債尚未確認)為約63,232,000港元(二零二二年：51,388,000港元)。本集團並無就暫時差額確認負債，原因為本集團能控制暫時差額的回撥時間，而該差額將不可能於可見未來回撥。

37. SHARE CAPITAL

37. 股本

		Number of Shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日、二零二二年十二月三十一日、二零二三年一月一日及二零二三年十二月三十一日	5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日、二零二二年十二月三十一日、二零二三年一月一日及二零二三年十二月三十一日	893,761,400	89,376

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

本集團管理其資本以確保本集團內之實體將可持續經營，而持份者亦可透過優化債務及權益結餘取得最大回報。本集團的整體策略與去年無異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

37. SHARE CAPITAL (Continued)

The capital structure of the Group consists of cash and cash equivalents and total equity, comprising issued share capital, reserves, retained earnings and non-controlling interests. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The net debt to equity ratio at the year end is as follows:

37. 股本(續)

本集團的資本架構包括現金及等同現金項目及權益總額，包括已發行股本、儲備、保留盈利及非控股權益。本公司董事每半年檢討一次資本架構。於進行檢討時，董事考慮資本成本及有關各類資本的風險。根據董事的建議，本集團將透過派付股息、發行新股及購回股份以及發行新債項或贖回現有債項，藉以平衡其整體資本架構。

於年終的負債淨額與權益比率如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Debt (note (a))	負債(附註(a))	104,958	94,275
Less: Restricted bank deposits	減：有限制銀行存款	(1,855)	(1,860)
Bank and cash balances	銀行及現金結餘	(194,464)	(244,153)
Net debt	負債淨額	(91,361)	(151,738)
Equity (note (b))	權益(附註(b))	1,254,597	1,290,276
Net debt to equity ratio	負債淨額與權益比率	N/A 不適用	N/A 不適用

Notes:

- (a) Debt is defined as borrowings and lease liabilities as detailed in notes 33 and 35 to the consolidated financial statements.
- (b) Equity includes all capital and reserves of the Group.

附註：

- (a) 負債乃界定為借款及租賃負債，有關詳情載於綜合財務報表附註33及35。
- (b) 權益包括本集團所有資本及儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

37. SHARE CAPITAL (Continued)

The only externally imposed capital requirements for the Group are (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of its shares, and (ii) to meet financial covenants attached to the interest-bearing borrowings. The Group receives reports from major shareholders and other connected persons on any changes in shares held by them to ensure the continuing compliance with the 25% limit throughout the year. As at 31 December 2023, 33.96% (2022: 34.04%) of the shares were in public hands. There have been no breaches in the financial covenants of any interest-bearing borrowings as at 31 December 2023 and 2022.

37. 股本(續)

本集團唯一向外承擔之資本規定為(i)具有不少於25%之公眾持股量以維持於聯交所之上市地位；及(ii)遵守附於計息借款之財務契約。本集團從主要股東及其他關連人士收取有關彼等所持有的股份之任何變動的報告，以確保年內持續遵守25%的限制。於二零二三年十二月三十一日，33.96% (二零二二年：34.04%)之股份由公眾持有。於截至二零二二年及二零二三年十二月三十一日止年度，概無違反任何計息借款之財務契諾。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

38. 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

	Note	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Non-current assets			
Investments in subsidiaries		471,457	467,740
Current assets			
Prepayments		90	248
Bank balances		163	147
		253	395
Current liabilities			
Other payables and accruals		14	14
Due to subsidiaries		167,907	166,696
Financial guarantee contracts liabilities		56	816
		167,977	167,526
Net current liabilities		(167,724)	(167,131)
NET ASSETS		303,733	300,609
Capital and reserves			
Share capital	37	89,376	89,376
Reserves	38(b)	214,357	211,233
TOTAL EQUITY		303,733	300,609

Approved by the Board of Directors on 26 March 2024 and are signed on its behalf by:

經董事會於二零二四年三月二十六日批准，並由以下董事代表簽署：

Lee Yuen Fat
李遠發
Director
董事

Wong Wing Chuen
黃永銓
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

38. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

38. 本公司財務狀況表及儲備變動(續)

(b) Reserves movement of the Company

(b) 本公司之儲備變動

		Share premium	Retained profits	Share-based payments reserve	Total
		股份溢價	保留盈利	以股份支付之款項儲備	總數
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2022	於二零二二年一月一日	204,650	4,467	—	209,117
Dividends paid	已付股息	—	(29,494)	—	(29,494)
Share-based payments	以股份支付之款項	—	—	700	700
Profit for the year	年內溢利	—	30,910	—	30,910
At 31 December 2022	於二零二二年十二月三十一日	204,650	5,883	700	211,233
At 1 January 2023	於二零二三年一月一日	204,650	5,883	700	211,233
Dividends paid	已付股息	—	(17,875)	—	(17,875)
Share-based payments	以股份支付之款項	—	—	3,717	3,717
Profit for the year	年內溢利	—	17,282	—	17,282
At 31 December 2023	於二零二三年十二月三十一日	204,650	5,290	4,417	214,357

39. RESERVES

39. 儲備

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statements of changes in equity.

(a) 本集團

本集團的儲備款項及相關變動均於綜合損益及其他全面收益表及綜合權益變動表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

39. RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve represents the aggregate of (i) the nominal value of the shares issued by Ka Fung Metal Manufactory Company Limited on 18 January 2005 in exchange for the business of Ka Fung Metal Manufactory, an unincorporated partnership established in Hong Kong and controlled by Mr. Lee; and (ii) the nominal value of the shares issued by the Company in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited.

(iii) Capital reserve

The capital reserve represents the amount of minority interests in Ka Fung Metal Manufactory Company Limited and Ka Fung Metal Manufactory acquired by the Group.

39. 儲備(續)

(b) 儲備之性質及目的

(i) 股份溢價

股份溢價乃指因按高於每股面值的價格發行股份而產生的溢價。根據開曼群島公司法，本公司的股份溢價賬的資金乃可分派予本公司的股東，惟緊隨股息建議分派之日後，本公司須有能力償還於日常業務過程中到期的債務。

(ii) 合併儲備

合併儲備指以下兩項的總和：(i) 嘉豐金屬製品廠有限公司於二零零五年一月十八日為換取嘉豐金屬製品廠(一間非按公司法註冊成立的合夥，在香港成立，並由李先生控制)之業務而發行的股份面值；及(ii)本公司為換取嘉瑞集團有限公司的全部股權而發行的股份面值。

(iii) 資本儲備

資本儲備指本集團收購嘉豐金屬製品廠有限公司及嘉豐金屬製品廠少數股東權益的款額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

39. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(d)(iii) to the consolidated financial statements.

(v) Statutory reserve

The statutory reserve comprises the PRC statutory reserve fund which is non-distributable.

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the statutory reserve fund reaches 50% of their registered capital. The statutory surplus reserve fund can be used to make up prior year losses or applied in conversion into capital.

39. 儲備(續)

(b) 儲備之性質及目的(續)

(iv) 匯兌儲備

匯兌儲備包括來自換算海外業務財務報表時產生的所有匯兌差額。該等儲備根據綜合財務報表附註4(d)(iii)所示會計政策處理。

(v) 法定儲備

法定儲備包括不可分派的中國法定儲備基金。

根據中國外商投資企業的相關法律及條例規定，本公司的中國附屬公司須根據中國會計法例及條例計算的除稅後溢利10%轉撥至法定儲備基金，直至累計法定儲備基金總額達到註冊資本的50%為止。法定盈餘儲備基金可用來填補過往年度虧損或撥入資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

39. RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(vi) Land revaluation reserve

The land revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for leasehold lands in note 4(f) to the consolidated financial statements.

(vii) Share-based payments reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(u) to the consolidated financial statements.

(viii) FVTOCI reserve

FVTOCI reserve comprises the cumulative net change in the fair value of equity investment at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 4(n) to the consolidated financial statements.

39. 儲備(續)

(b) 儲備之性質及目的(續)

(vi) 土地重估儲備

設立土地重估儲備乃根據綜合財務報表附註4(f)所載有關租賃土地而採納之會計政策。

(vii) 以股份支付之款項儲備

以股份支付之款項儲備指已授予本集團已確認之員工的實際或估計未行使的購股權數量的公平值，乃根據綜合財務報表附註4(u)中以股權結算以股份支付的款項所採用的會計政策處理。

(viii) 按公平值計入其他全面收益(FVTOCI)儲備

按公平值計入其他全面收益儲備包括於報告期末持有的按公平值計入其他全面收益之股權投資之公平值累計淨變動，乃根據綜合財務報表附註4(n)之會計政策處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

40. SHARE-BASED PAYMENTS

(a) Share Option Scheme

Pursuant to a resolution passed in the annual general meeting of the Company held on 19 May 2017, a new share option scheme (“2017 Scheme”) was adopted.

The purpose of the 2017 Scheme is to (i) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group. Eligible participants of the 2017 Scheme include (i) any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the “Affiliate”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate. The 2017 Scheme became effective on 19 May 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

40. 以股份支付之款項

(a) 購股權計劃

根據於二零一七年五月十九日舉行的本公司股東週年大會通過的決議案，新購股權計劃(「二零一七計劃」)已獲採納。

二零一七計劃目的在於(i)鼓勵合資格參與者為本集團利益最大程度提升表現及效率；及(ii)吸引並挽留目前、日後或預期對本集團長遠業務發展有裨益的合資格參與者或與彼等保持持續的業務關係。二零一七計劃合資格參與者包括(i)本集團或本集團持有權益公司或該公司之附屬公司(「聯屬人士」)的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商；或(ii)本集團或聯屬人士的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商作為受益人的任何信託或作為全權信託對象的任何全權信託的受託人；或(iii)由本集團或聯屬人士的任何董事、僱員、顧問、專家、客戶、供應商、代理、合夥人、諮詢人或承包商實益擁有的公司。二零一七計劃於二零一七年五月十九日起生效，除非另行註銷或修訂，此購股權計劃將自該日起十年內有效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

40. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The maximum number of unexercised share options currently permitted to be granted under the 2017 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2017 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after meeting certain performance targets or certain vesting period that may be set by the directors, and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the 2017 Scheme, if earlier.

40. 以股份支付之款項(續)

(a) 購股權計劃(續)

根據二零一七計劃，目前允許授予的未行使購股權的最高數目上限等於其行使後的任何時間的本公司已發行股本10%。於任何十二個月期間，可發行予二零一七計劃各合資格參與者的最高股份數目上限不得超過本公司任何時候的已發行股份之1%。任何進一步授予此上限之購股權必須於股東大會上獲股東批准。

向本公司董事、行政總裁或主要股東或彼等各自的任何聯繫人士授出購股權，須待獨立非執行董事事先批准後方可進行。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等的任何聯繫人士授予的任何購股權，倘超過本公司不時已發行股份的0.1%或總值(按授出日期本公司股份收市價計算)超過5,000,000港元者，須待股東於股東大會上批准後方可進行。

承授人支付合共10港元的象徵式代價後，邀約購股權之日起30日內授出購股權便屬獲得接納。獲授購股權的行使期由董事釐定，並符合由董事釐定的若干表現目標及歸屬期後開始，而屆滿日期不得遲於提出購股權繳約日期起計10年或二零一七計劃屆滿日期(以較早者為準)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

40. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

On 31 October 2022, the Group granted 40,210,000 share options with exercise price of HK\$0.39 per share to certain directors, employees and consultants. The share options shall be exercisable in whole or in parts from the date of grant until 31 October 2027 and subject to the following vesting period. 50% of the share options will vest on each of 31 October 2023 and 2024 respectively.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

The estimated fair value of the options at the date of grant on 31 October 2022 was approximately HK\$5,569,000. The fair value calculated was inherently subjective and uncertain due to the assumptions made and the limitations of the model used.

40. 以股份支付之款項(續)

(a) 購股權計劃(續)

購股權的行使價由董事釐定，惟不得低於以下最高者：(i)本公司股份於購股權授出日期在聯交所的收市價；(ii)股份於購股權授出日期前五個交易日在聯交所的平均收市價；及(iii)本公司股份於授出日期的面值。

購股權持有人無權獲派股息或於股東大會上投票。

於二零二二年十月三十一日，本集團以每股0.39港元的行使價向若干董事、僱員及顧問授出40,210,000份購股權。該等購股權自授出當日直至二零二七年十月三十一日止可全部或部分行使，並受下列歸屬期的規限。50%的購股權將分別於二零二三年及二零二四年十月三十一日歸屬。

已向顧問授出的購股權為有助於本集團拓展其業務網絡、收購及探索新業務項目及機遇的獎勵。該福利的公平值未能可靠估計，因此，該公平值經參考已授出購股權的公平值計量。

於授出日期的購股權估計公平值於二零二二年十月三十一日約為5,569,000港元。經計算的公平值公平值具主觀性且由於所作假設及所採用模型的局限性而具有不確定性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

40. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The fair value was calculated using the binomial option pricing model. The inputs into the model are as follows:

		2023 二零二三年
Weighted average exercise price	加權平均行使價	HK\$0.39
Expected volatility	預期波動率	60.84%
Risk free rate	無風險利率	4.142%
Expected dividend yield	預期股息收益率	8.46%

Notes:

- Expected volatility was determined by calculating the historical volatility of the Company's share price.
- Expected dividend yield was based on the historical dividend yield of the Company.

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

40. 以股份支付之款項(續)

(a) 購股權計劃(續)

公平值乃採用二項式期權定價模型計算。該模型的輸入數據如下：

附註：

- 預期波動率乃通過計算本公司股價的過往波動率而釐定。
- 預期股息收益率乃以本公司過往股息收益率為基準。

倘購股權自授出當日起計5年後尚未行使，則該等購股權屆滿。倘僱員離開本集團，則沒收該等購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

40. SHARE-BASED PAYMENTS (Continued)

40. 以股份支付之款項(續)

(a) Share Option Scheme (Continued)

Details of the movement of share options during the year are as follows:

(a) 購股權計劃(續)

年內購股權變動詳情如下：

		2023 二零二三年		2022 二零二二年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元
Outstanding at the beginning of the year	年初尚未行使	40,210,000	0.39	—	—
Granted during the year	年內已授出	—	—	40,210,000	0.39
Forfeited during the year	年內已沒收	—	—	—	—
Exercised during the year	年內已行使	—	—	—	—
Expired during the year	年內已屆滿	—	—	—	—
Outstanding at the end of the year	年末尚未行使	40,210,000	0.39	40,210,000	0.39
Exercisable at the end of the year	年末可行使	20,105,000		—	

The options outstanding at the end of the year have a weighted average remaining contractual life of 3.84 years (2022: 4.84 years) and the exercise prices of HK\$0.39 (2022: HK\$0.39).

年末尚未行使的購股權之加權平均餘下已訂約年限為3.84年(二零二二年：4.84年)及行使價為0.39港元(二零二二年：0.39港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

40. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme

The Company adopted a share award scheme (the "Share Award Scheme") on 10 January 2013 ("Adoption Date") for a period of 10 years. The purpose and objective of the Share Award Scheme are to recognise the contributions by certain employees and persons of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has set up a Share Award Scheme Trust. Pursuant to the Share Award Scheme, new awarded shares may be allotted and issued to the independent trustee under general mandates granted or to be granted by the shareholders at general meetings of the Company from time to time and be held in trust for relevant participants until such shares are vested with the relevant participants in accordance with the provisions of the Share Award Scheme.

Subject to any early termination as may be determined by the Board of the Company, the Share Award Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date.

The maximum number of shares awarded under the Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the Adoption Date.

The maximum number of shares which may be awarded to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date.

For the year ended 31 December 2023, no awarded shares were granted pursuant to the Share Award Scheme (2022: Nil).

The Share Award Scheme was expired on 9 January 2023.

40. 以股份支付之款項(續)

(b) 股份獎勵計劃

本公司於二零一三年一月十日(「採納日期」)採納股份獎勵計劃(「股份獎勵計劃」)，為期十年。股份獎勵計劃之目的及目標在表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。本公司已設立一個股份獎勵計劃信託。根據股份獎勵計劃，可根據股東於本公司之股東大會上已授出或不時授出之一般授權向獨立受託人配發及發行新獎勵股份，並以信託形式代有關參與者持有，直至有關股份根據股份獎勵計劃的條文歸屬於有關參與者為止。

在本公司董事會可決定提早終止的規限下，股份獎勵計劃將由採納日期起十年期間有效及生效。

根據股份獎勵計劃授出的股份最高數目不得超過於採納日期本公司已發行股本的5%。

根據股份獎勵計劃向一名經甄選人士可能授出的股份最高數目不得超過於採納日期本公司已發行股本的1%。

於截至二零二三年十二月三十一日止年度，概無按股份獎勵計劃授出獎勵股份(二零二二年：無)。

股份獎勵計劃於二零二三年一月九日失效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

41. 綜合現金流量表附註

(a) Cash flows from operating activities

(a) 經營業務之現金流量

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/profit from operations	經營(虧損)/溢利	(23,434)	79,176
Adjustments for:	已作出下列調整：		
Interest income	利息收入	(4,006)	(952)
Impairment losses for trade receivables	貿易應收款項減值虧損	1,449	52
Impairment losses for right-of-use assets	使用權資產減值虧損	896	—
Impairment losses for investment in an associate	對聯營公司的投資減值虧損	1,891	—
Impairment losses for other receivables	其他應收款項減值虧損	2,612	—
Impairment losses for property, plant and equipment	物業、機器及設備減值虧損	1,912	—
Bad debts written off	壞賬撇銷	326	177
Allowance for inventories, net	存貨撥備淨值	7,071	5,134
Net loss on disposal of property, plant and equipment	出售物業、機器及設備之淨虧損	42	3,392
Property, plant and equipment written off	物業、機器及設備撇銷	908	666
Loss on revaluation of land	土地價值重估虧損	570	10
Net fair value gains on derivative financial instruments	衍生金融工具公平值淨收益	(929)	(2,355)
Amortisation of intangible assets	無形資產攤銷	1,735	453
Depreciation of property, plant and equipment	物業、機器及設備折舊	70,188	85,391
Depreciation on right-of-use assets	使用權資產折舊	21,404	19,805
Fair value losses of loan from non-controlling interest	非控股權益貸款公平值虧損	214	168
Equity-settled share-based payments	以股權結算以股份支付的款項	3,717	700
Gain on early termination of lease	提前終止租賃收益	—	(124)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

41. 綜合現金流量表附註(續)

(a) Cash flows from operating activities (Continued)

(a) 經營業務之現金流量(續)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Operating profit before movements in working capital	未計營運資金變動前的經營溢利	86,566	191,693
Decrease/(increase) in inventories	存貨減少/(增加)	22,981	(9,793)
Decrease/(increase) in restricted bank balances	有限制銀行存款減少/(增加)	5	(6)
(Increase)/decrease in trade and bills receivables	貿易及票據應收款項(增加)/減少	(13,471)	47,421
(Increase)/decrease in contract assets	合約資產(增加)/減少	(1,211)	2,712
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)/減少	(1,240)	5,779
Decrease/(increase) in due from associates	應收聯營公司款項減少/(增加)	348	(490)
Increase/(decrease) in trade payables	貿易應付款項增加/(減少)	26,744	(25,038)
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(596)	757
Decrease in other payables and accruals	其他應付款項及應計費用減少	(2,668)	(11,103)
Decrease in due to associates	應付聯營公司款項減少	(78)	(43)
Cash generated from operations	經營所得現金	117,380	201,889
Income tax paid	已付所得稅	(3,595)	(32,959)
Interest paid on bank borrowings	已付銀行借款利息	(3,614)	(2,941)
Interest paid on lease liabilities	已付租賃負債利息	(1,718)	(1,059)
Net cash generated from operating activities	經營業務所得現金淨額	108,453	164,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of subsidiaries

On 5 July 2023, the Group (through Orient World International Limited, an indirect wholly-owned subsidiary) acquired 90% of the registered capital of Avery Plastics Consulting Group Inc. ("Avery Plastics") and Global Plastic Solutions, S. de R.L. de C.V. ("GPS") for a total consideration of approximately US\$1,973,000 (equivalent to approximately HK\$15,469,000). Avery Plastics is a corporation incorporated in California and GPS is a corporation incorporated in Mexico which are engaged in plastic injection molding and assembly. The acquisition is for the purpose of shifting part of the production chain to overseas in order to attract more customers and mitigate the risk of the trade tension between the US and China.

41. 綜合現金流量表附註(續)

(b) 收購附屬公司

於二零二三年七月五日，本集團(透過一間間接全資附屬公司，即凱華國際有限公司)收購Avery Plastics Consulting Group Inc. (「Avery Plastics」)、Global Plastic Solutions, S. de R.L. de C.V. (「GPS」)註冊資本的90%，總代價約為1,973,000美元(相等於約15,469,000港元)。Avery Plastics是一家於加利福尼亞州註冊成立的公司，而GPS是一家於墨西哥註冊成立的公司。兩間公司從事塑膠注塑成型及組裝。此次收購的目的是為了將部分生產鏈轉移至海外，以吸引更多客戶及減輕中美貿易緊張局勢所帶來的風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of subsidiaries (Continued)

The fair value of the identifiable assets and liabilities of Avery Plastics and GPS acquired as at the date of acquisition are as follows:

41. 綜合現金流量表附註(續)

(b) 收購附屬公司(續)

所購綠圖交通的可識別資產及負債於收購日期的公平值如下：

		HK\$'000 千港元
Net assets acquired:	所購淨資產：	
Properties, plant and equipment	物業、機器及設備	3,381
Intangible assets	無形資產	28,884
Inventories	存貨	109
Trade and other receivables	貿易及其他應收款項	1,534
Bank and cash balances	銀行及現金結餘	1,892
Trade payables	貿易應付款項	(2,872)
Other payables and accruals	其他應付款項及應計費用	(7,225)
Deferred tax liabilities	遞延稅項負債	(8,514)
		17,189
Non-controlling interests	非控股權益	(1,720)
Goodwill	商譽	—
		15,469
Satisfied by:	以下列方式支付：	
Cash consideration paid	已付現金代價	15,469
Net cash outflow arising on acquisition:	收購時產生之淨現金流出：	
Cash consideration paid	已付現金代價	(15,469)
Cash and cash equivalents acquired	所購現金及等同現金項目	1,892
		(13,577)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Acquisition of subsidiaries (Continued)

Acquisition-related costs of approximately HK\$3,437,000 have been charged to general and administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2023.

Avery Plastics and GPS contributed approximately HK\$10,261,000 and HK\$25,316,000 to the Group's revenue and loss for the year between the date of acquisition and 31 December 2023.

If the acquisition had been completed on 1 January 2023, total Group revenue for the year ended 31 December 2023 would have been approximately HK\$1,288,441,000, and loss for the year ended 31 December 2023 would have been approximately HK\$33,829,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2023, nor is intended to be a projection of future results.

(c) Major non-cash transaction

Additions of right-of-use assets during the year of approximately HK\$30,097,000 (2022: HK\$18,334,000) were financed by lease liabilities.

41. 綜合現金流量表附註(續)

(b) 收購附屬公司(續)

收購相關成本約3,437,000港元已計入截至二零二三年十二月三十一日止年度的綜合損益表內的一般及行政開支中。

自收購日期起至二零二三年十二月三十一日，Avery Plastics及GPS為本集團的年內收入及虧損分別貢獻約10,261,000港元及25,316,000港元。

倘收購已於二零二三年一月一日完成，本集團截至二零二三年十二月三十一日止年度的總收入將為約1,288,441,000港元，而截至二零二三年十二月三十一日止年度的虧損將約為33,829,000港元。備考資料僅供說明用途，未必為倘收購已於二零二三年一月一日完成時本集團實際將實現的收入及經營業績的指標，亦非對未來業績的預測。

(c) 主要非現金交易

年內使用權資產增加約30,097,000港元(二零二二年：18,334,000港元)，由租賃負債撥付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2023	Addition of leases	Cash Flows, net (Note)	Interest expenses	Exchange difference	Fair value change	31 December 2023
	二零二三年一月一日	新增租賃	淨現金流 (附註)	利息開支	匯兌差額	公平值變更	二零二三年十二月三十一日
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Bank borrowings (note 33) 銀行借款(附註33)	68,835	—	(9,052)	3,614	(64)	—	63,333
Loan from non-controlling interests (note 33) 非控股權益的貸款(附註33)	971	—	—	—	—	214	1,185
Lease liabilities (note 35) 租賃負債(附註35)	24,469	30,097	(15,465)	1,718	(379)	—	40,440
	94,275	30,097	(24,517)	5,332	(443)	214	104,958

41. 綜合現金流量表附註(續)

(d) 融資活動產生的負債對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

	1 January 2022	Addition of leases	Lease modification	Early termination	Cash Flows, net (Note)	Interest expenses	Exchange difference	Fair value change	31 December 2022
	二零二二年一月一日	新增租賃	租賃修改	提前終止	淨現金流 (附註)	利息開支	匯兌差額	公平值變更	二零二二年十二月三十一日
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Bank borrowings (note 33) 銀行借款(附註33)	143,358	—	—	—	(75,015)	2,941	(2,449)	—	68,835
Loan from non-controlling interest (note 33) 非控股權益的貸款(附註33)	803	—	—	—	—	—	—	168	971
Lease liabilities (note 35) 租賃負債(附註35)	14,476	18,334	9,027	(3,583)	(14,308)	1,059	(536)	—	24,469
	158,637	18,334	9,027	(3,583)	(69,323)	4,000	(2,985)	168	94,275

Note: Included in cash flows was interest paid which was included in cash flows from operating activities.

附註：計入現金流量包含計入經營活動現金流量的已付利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

41. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Total cash outflow for leases

Amounts included in the cash flow statements for leases comprise the following:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within operating cash flows	在經營現金流量之內	2,897	1,917
Within financing cash flows	在融資現金流量之內	13,747	13,249
		16,644	15,166

41. 綜合現金流量表附註(續)

(e) 租賃現金流量總額

計入現金流量表的租賃包括下列金額：

42. OPERATING LEASE COMMITMENTS

The Group as lessor

The Group leases its property under operating lease arrangements, with leases negotiated for a term of one to five years (2022: one to five years). The terms of the leases generally provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2023, minimum lease payments receivable on leases are as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within one year	一年內	380	236
In the second year	第二年	374	236
In the third year	第三年	374	236
In the fourth year	第四年	150	236
In the fifth year	第五年	150	—
		1,428	944

42. 經營租賃承擔

本集團作為出租人

本集團按經營租賃安排出租其物業，租期為一年至五年(二零二二年：一年至五年)。租賃提供一般以現行市場情況作定期租金調整之條款。

於二零二三年十二月三十一日，本集團應收最低租賃款項總額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

42. OPERATING LEASE COMMITMENTS (Continued)

The Group as lessor (Continued)

Operating leases related to factory owned by the Group are leased to retailers with lease terms of 5 years (2022: 5 years). The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group as lessee

The Group regularly entered into short-term leases for warehouses, staff quarters and factories. As at 31 December 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20.

43. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

42. 經營租賃承擔(續)

本集團作為出租人(續)

關於本集團擁有的工廠租賃予零售商之經營租賃，租賃期為五年(二零二二年：五年)。承租人無權在租賃期屆滿時購買該物業。

本集團作為承租人

本集團定期訂立倉庫、員工宿舍和工廠短期租賃。於二零二三年十二月三十一日，短期租賃投資組合為與附註20中披露的短期租賃支出相似的短期租賃投資組合。

43. 資本承擔

於報告期間完結日，本集團的資本承擔如下：

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Commitment in respect of acquisition of property, plant and equipment (note)	34,448	38,681

Note: The amount represents the unpaid contractual commitment for the acquisition of property, plant and equipment after netting off with the deposits paid for acquisition of property, plant and equipment included in the consolidated statement of financial position.

附註：該款項為收購物業、機器及設備的未付合約承擔，並經扣除已計入綜合財務狀況表中就收購物業、機器及設備的已付按金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

44. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related party during the year:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Rental income from an associate (note (i))	來自聯營公司的 租金收入(附註(i))	690	295
Purchase from an associate (note (i))	向聯營公司購買 (附註(i))	629	43
Purchase of properties from directors (note (ii))	向董事購買物業 (附註(ii))	—	7,534

Notes:

- (i) The above transactions were entered with the related parties on terms mutually agreed by individual parties. In the opinion of the directors of the Group, these related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.
- (ii) On 19 December 2022, an indirect wholly-owned subsidiary of the Company (the "Purchaser") entered into the sale and purchase agreement with vendors Mr. Lee (being the chairman of the Board of directors, an executive director and controlling shareholder of the Company) and Ms. Chan (being the executive director of the Company) pursuant to which the Purchaser has agreed to acquire the entire issued share capital of Bestgrand Enterprises Limited ("Bestgrand") at a consideration of HK\$7,534,000 ("Acquisition"). Mr. Lee was the sole legal and beneficial owner of Bestgrand before the Acquisition. As at 19 December 2022, the net asset value of Bestgrand was HK\$7,534,000, representing the appraised value of the properties comprising of building of HK\$706,000 and right-of-use assets of HK\$6,828,000, respectively.
- (b) During the year, compensation paid by the Group to the key management personnel, which were the directors and chief executive officer of the Company, was disclosed in note 16 to the consolidated financial statements.

44. 關聯方交易

(a) 除於綜合財務報表其他部份所披露的關聯方交易及結餘外，年內本集團曾與關聯方進行以下交易：

附註：

- (i) 上述交易均與關聯方按照各方互相協定的條款進行。本集團董事認為，該等關聯方交易乃根據一般商業條款於本集團日常業務的一般過程中進行。
- (ii) 於二零二二年十二月十九日，本公司之一家間接全資附屬公司（「買方」）與賣方李先生（即本公司董事會主席、執行董事兼控股股東）及賣方陳女士（即本公司執行董事）訂立買賣協議，據此，買方已同意收購百亨企業有限公司（「百亨」）的全部已發行股本，代價為7,534,000港元（「收購事項」）。李先生於收購事項前為百亨唯一法定及實益擁有人。於二零二二年十二月十九日，百亨的資產淨值為7,534,000港元，相當於物業的估計價值（其中分別包括706,000港元的樓宇及6,828,000港元的使用權資產）。
- (b) 年內，本集團已付主要管理人員（為本公司董事及行政總裁）酬金乃於綜合財務報表附註16中披露。



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