



VANOV HOLDINGS COMPANY LIMITED

環龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2260

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**ANNUAL  
REPORT**  
**2022**  
年 報

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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Shen Genlian (Chairperson)  
Mr. Zhou Jun (Chief executive officer)  
Mr. Xie Zongguo  
Ms. Yuan Aomei

#### Independent Non-Executive Directors

Mr. Ip Wang Hoi  
Mr. Zhang Shenjin  
Mr. Wang Yunchen

### BOARD COMMITTEES

#### Audit Committee

Mr. Wang Yunchen (Chairman)  
Mr. Zhang Shenjin  
Mr. Ip Wang Hoi

#### Remuneration Committee

Mr. Ip Wang Hoi (Chairman)  
Mr. Zhou Jun  
Mr. Zhang Shenjin

#### Nomination Committee

Ms. Shen Genlian (Chairman)  
Mr. Ip Wang Hoi  
Mr. Wang Yunchen

### AUTHORISED REPRESENTATIVES

Ms. Shen Genlian  
Ms. Mak Po Man Cherie

### COMPANY SECRETARY

Ms. Mak Po Man Cherie

### 董事會

#### 執行董事

沈根蓮女士(主席)  
周駿先生(行政總裁)  
謝宗國先生  
袁傲梅女士

#### 獨立非執行董事

葉耘開先生  
張慎金先生  
王運陳先生

### 董事委員會

#### 審核委員會

王運陳先生(主席)  
張慎金先生  
葉耘開先生

#### 薪酬委員會

葉耘開先生(主席)  
周駿先生  
張慎金先生

#### 提名委員會

沈根蓮女士(主席)  
葉耘開先生  
王運陳先生

### 授權代表

沈根蓮女士  
麥寶文女士

### 公司秘書

麥寶文女士

## **REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## **HEADQUARTER**

No. 519, Section 2, Xinhua Avenue  
Chengdu Strait Science and Technology  
Industry Development Park  
Wenjiang District, Chengdu  
Sichuan Province, PRC

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

40th Floor, Dah Sing Financial Centre  
248 Queen's Road East, Wanchai  
Hong Kong

## **PRINCIPAL BANKERS**

Industrial Bank Co., Ltd. Hong Kong Branch  
Industrial Bank Co., Ltd. Chengdu Branch  
Chengdu Rural Commercial Bank Co., Ltd.  
Wenjiang Yongsheng Branch Office  
Hua Xia Bank Co., Ltd. Chengdu Branch

## **AUDITOR**

Grant Thornton Hong Kong Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## **LEGAL ADVISER AS TO HONG KONG LAWS**

Loong & Yeung

## **COMPLIANCE ADVISER**

CMBC International Capital Limited

## **註冊辦事處**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## **總部**

中國四川省  
成都市溫江區  
海峽兩岸科技產業開發園  
新華大道二段519號

## **香港主要營業地點**

香港  
灣仔皇后大道東248號  
大新金融中心40樓

## **主要往來銀行**

興業銀行股份有限公司香港分行  
興業銀行股份有限公司成都分行  
成都農村商業銀行股份有限公司  
溫江永盛分行  
華夏銀行股份有限公司成都分行

## **核數師**

致同(香港)會計師事務所有限公司  
*執業會計師*  
*註冊公眾利益實體核數師*

## **關於香港法律的法律顧問**

龍炳坤、楊永安律師行

## **合規顧問**

民銀資本有限公司

## CORPORATE INFORMATION

### 公司資料

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

#### STOCK CODE

2260

#### WEBSITE

[www.vanov.cn](http://www.vanov.cn)

#### 主要股份過戶登記處

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
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17樓1712–1716號舖

#### 股份代號

2260

#### 網站

[www.vanov.cn](http://www.vanov.cn)

# CHAIRPERSON'S STATEMENT

## 主席報告

Dear Shareholders,

Vanov Holdings Company Limited (the “**Company**”) entered the capital market of Hong Kong in January 2022, internationalisation of capital drives the Company into a new stage of development, allowing the Company and its subsidiaries (the “**Group**”) to become a leading papermaking felt enterprise, leverage in the People's Public of China (“**China**” or the “**PRC**”) and further affirm its footsteps towards the world.

China is undergoing aggressive reform for its economic structure, with an aim to create a Chinese-style modern economy. Under such background, the Group, as a representative of traditional Chinese industrial enterprise, is committed to facilitate the Chinese Government's goal of creating a manufacturing-centric modern industrial system based on real economy.

During the reporting period, affected by the pandemic, international political landscape and economic environment, the papermaking industry suffered from overall cost increase and decreasing expenses and demands. According to the data from the Ministry of Industry and Information Technology, in 2022, the nationwide production volume of machine-made paper and paperboard amounted to 136.914 million tonnes, representing a year-on-year decrease of 1.3%. Operating revenue from papermaking and paper product companies over the designated size amounted to RMB1522.89 billion, representing a year-on-year increase of 0.4%, while total profit amounted to RMB62.11 billion, representing a year-on-year decrease of 29.8%.

Facing various challenges from the pandemic and market and economic environment, the Group's business maintained stable growth in 2022, achieving a net profit of RMB53 million, which represented a year-on-year increase of 4.6%. The comprehensive gross profit of the products of the Group was 53.6%, while the product-to-sale ratio was 100%. Our forward-looking plan for our international business gradually shows its results, of which the revenue from our international business in 2022 increased 51.5% year-on-year.

敬致各位股東：

環龍控股有限公司(「公司」)於2022年1月登陸香港資本市場，資本的國際化也驅使公司進入全新的發展階段，也讓公司及其附屬公司(「集團」)成為造紙毛毯的領軍企業，立足中華人民共和國(「中國」)，邁向全球腳步更加堅定。

在中國大力推進經濟結構改革、實現中國式現代化經濟背景下，環龍控股作為傳統民族工業企業的代表，亦致力於為實現中國政府提出的以實體經濟為主體，以製造業為中心的現代化產業體系的建設貢獻力量。

報告期內，造紙行業整體運行受到疫情、國際政治局勢和經濟環境影響，行業整體成本提升，消費及需求下滑，企業經營壓力較大。根據工信部數據顯示，2022年全年，全國機制紙及紙板產量13,691.4萬噸，同比下降1.3%；規模以上造紙和紙製品企業營業收入15,228.9億元，同比增長0.4%；利潤總額621.1億元，同比下降29.8%。

面對疫情及市場經濟環境的諸多挑戰，2022年集團業務仍保持穩步增長。實現淨利潤5300萬元，同比增長4.6%；集團產品綜合毛利率53.6%，產品產銷率100%；國際業務市場前瞻性佈局逐步顯露成效，2022年國際業務收入同比增長51.5%。

# CHAIRPERSON'S STATEMENT

## 主席報告

The Company insists on technology innovation as its driving force. During the reporting period, Sichuan Huanlong Technology Fabrics Co., Ltd, a subsidiary of the Company and a national high-tech enterprise, was recognized as a Sichuan Specialization and Special New Enterprise, Sichuan Service-oriented Manufacturing Enterprise and Sichuan Green Factory. Shanghai Jinxiong Paper Making Net Carpet Co., Ltd, a subsidiary of the Company and a sci-tech SME, was recognized as a Shanghai Specialization and Special New Enterprise. As of today, the Group owned 104 invention and utility model patents, and was applying registration of over 60 patents. During the pandemic, the Chengdu and Shanghai production bases of the Group overcame the hardship through cooperation, adopting practical and effective close-loop management to ensure product delivery. The launch of our PM3 production line bridges the gap of world class digital papermaking felt devices in China, driving the expansion of the Group towards the international market, while also contributing to the improvement of domestic papermaking technique, papermaking technology innovation and product upgrade.

The Huanlong Paper Machine Efficiency Operation System\* (造紙機運營效率優化服務數字平台系統) developed by the Group provides full services before, during and after sales of papermaking felt, allowing rapid response for customer demand and its implementation in professional technology services and digitalized solutions. Not only could the system track the operation data on paper machine efficiency and improve and raise solutions, it could also ascertain the best operation status and setting for the paper machines and provide efficiency enhancement plan and training courses on paper machine for customers. Moreover, the system provides data for the product design and improvement of the Group's papermaking felt, contributing to the continuous improvement of product quality.

公司始終堅持以技術創新為驅動，報告期內，公司旗下附屬公司四川環龍技術織物有限公司(國家級高新技術企業)榮獲四川省專精特新企業、四川省服務型製造示範企業，四川省綠色工廠；公司旗下附屬公司上海金熊造紙網毯有限公司(科技型中小企業)榮獲上海市專精特新企業。截至目前，集團擁有發明及實用新型專利數量104項，另有在申請註冊狀態專利超過60項。疫情之下集團成都、上海生產基地共克時艱，以切實有效的閉環管理全力保障產品交付；PM3生產線的強勢啟動，以代表全球領先水平的數字化造紙毛毯裝備填補國內空白，為加速環龍控股市場國際化再添新動力，也為提升我國造紙行業工藝技術水平，造紙技術革新及產品升級貢獻價值。

集團研發的造紙機運營效率優化服務數字平台系統，實現了造紙毛毯的售前、售中和售後的全流程服務，將客戶的需求進行快速響應，並轉化為專業技術服務、數據化的解決方案，一方面實現對紙機效率運營數據的跟蹤、完善以及解決方案的提出；另一方面為客戶確定最佳的紙機運行狀態以及參數；並為客戶提供紙機整體提效方案以及培訓課程；同時對集團造紙毛毯的產品設計、優化方案提供數據支撐，實現產品品質的持續提升。



In terms of corporate governance, the Group fully utilizes the professional skills of the independent non-executive Directors of the Company concerning the diversity of the board. Obtaining opinions and advices from the independent non-executive Directors of the Company in special independent directors' meetings facilitates the Company's development. We also appoint external institutions to conduct trainings on regulatory rules, ESG, corporate governance and other matters, providing theoretical support for directors of the Company (the "Directors") in performing their responsibility. In terms of shareholders communication, apart from the various channels that provide investors with information of the Company, general meetings held through online broadcast also provides investors and small and medium investors with a communication channel with the management and uphold shareholders' interest. Moreover, the Company places emphasis on the return of the shareholders and plans to distribute the dividend of 2022 in 2023.

## BUSINESS PROSPECTS

On the 20<sup>th</sup> National Congress of the Chinese Communist Party in 2022, it is emphasized that high quality development of the manufacturing industry is the key for the creation of modern industrial system. The creation of a strong and excellent manufacturing industry can facilitate China in transforming from a manufacturing power to a manufacturing superpower. China is an important packaging product manufacturing, consumption and exporting country in the world, while the paper industry is one of the foundations of the domestic economy. Under such background, the industry will also optimize its layout and achieve high quality development.

Pursuant to the "14<sup>th</sup> Five-Year Plan" Medium and Long-term High Quality Development Outline for the Paper Industry, in 2025, the total national production volume of paper and paper board, virgin pulp and paper products shall reach 140 million tonnes, 30 million tonnes and 90 million tonnes, respectively. The unit consumption of pulp, energy and water and pollutant emission shall remain at advanced international standards. Product structure shall undergo further adjustment, with continuous enhancement in product quality and expanding product variety.

在企業管治方面，董事會在人員構成多元化基礎上，充分發揮公司獨立非執行董事的專業性作用，通過與公司獨立非執行董事專項會議聽取獨立董事意見和建議，為公司發展提供助力；並針對監管規則、ESG以及企業管治等內容聘請外部機構提供培訓，為公司董事（「董事」）履職提供理論支持；在股東溝通方面，除了提供多種渠道便於投資者了解公司信息外，公司股東大會也通過網絡直播互動的方式為投資者及中小投資者提供與管理層溝通的渠道、保障股東權益。同時，公司也注重股東的價值回報，計劃在2023年向股東分派2022年度股息。

## 業務前景

2022年第二十次全國代表大會順利召開，強調要把製造業高質量發展作為構建現代化產業體系的關鍵環節，做實做優做强製造業，推動我國從「製造大國」向「製造強國」邁進。中國是世界重要的包裝產品生產國、消費國以及出口國，造紙行業也是國民經濟的基礎產業之一，也將在此背景下實現格局優化和高質量發展。

根據《造紙行業「十四五」中長期高質量發展綱要》，造紙行業2025將實現全國紙及紙板總產量達到1.4億噸；原生紙漿產量3,000萬噸；紙製品產量9,000萬噸；單位產品漿耗、能耗、水耗、污染物排放量保持國際先進水平；產品結構繼續調整，產品品質持續提高、品種不斷豐富。



# CHAIRPERSON'S STATEMENT

## 主席報告

The Strategic Plan for Expanding Domestic Demand (2022–2035) provides strategic guidelines on developing a complete system of domestic demand and driving investment and consumption. Through development new products and launching new features, we can further explore the incremental market, achieving a better dynamic balance with demand-driven supply and supply-driven demand. We also insist on green development and improvement through digitalization and smart technology to ensure the smooth operation of the paper industry.

The Implementation Plan for Carbon Emission Peak in the Industrial Sector aims at accelerating the green and low-carbon transformation of the industry. We strive to construct a green manufacturing system, improve resources and energy utilization efficiency, promote the integration of digitization, smart technology and green operation and increase the supply of green and low-carbon products, in order to expedite the green and low-carbon transformation and the high-quality development of the manufacturing industry.

## DEVELOPMENT PLAN

Looking forward, the Company is optimistic about the paper industry and its subsector. While the Company explores international capital and market, it will also focus on corporate development, fulfilling corporate responsibility, aggressively promoting green manufacturing and expediting technology and product upgrade. We will expand our market with quality and achieve value enhancement with services, in order to drive the consistent and high-quality development of the Group.

From 2021 to 2024, the Company implements its production capacity expansion plan that is divided into three stages, in order to satisfy the increasing demand in its high-speed papermaking felts. Such additional production capacity is intended mainly for manufacturing the papermaking felts used for paper machines of higher speed. We will also construct a leading production base for papermaking mesh with world class technology in China.

根據《擴大內需戰略規劃綱要(2022–2035年)》提出，培育完整內需體系，促進投資消費提供戰略指引；通過開發新產品、推出新功能，持續拓展增量市場，形成需求牽引供給、供給創造需求的更高水平動態平衡，堅持綠色生態發展，堅持數字智能提升，努力保持造紙行業的平穩運行。

根據《工業領域碳達峰實施方案》，旨在加快推進工業綠色低碳轉型，著力構建綠色製造體系，提高資源能源利用效率，推動數字化智能化綠色化融合，擴大綠色低碳產品供給，加快製造業綠色低碳轉型和高質量發展。

## 發展規劃

展望未來，公司對造紙行業及所處細分領域充滿信心，在公司實現資本、市場國際化同時，將專注企業發展、踐行企業責任，積極推動企業的綠色製造，加快實現技術及產品升級，以品質拓展市場，以服務實現增值，推動集團的持續、高質量發展。

公司已開始於2021至2024年間，分三個階段推進產能擴大計劃，以滿足對高速造紙毛毯的預期上升需求；該部分產能主要用作生產高速造紙機使用的造紙毛毯；在中國打造具有全球領先技術水平的造紙網毯標桿生產基地。

The Company strives to be the world's leading supplier of papermaking felts. We will further enhance the operation efficiency of papermaking machines and improve its digital service platform system. Through collecting data from papermaking machines, we can provide customers with suggestions on the best operation settings of papermaking machines, and improve our customized products through the use of database. By enhancing the added-value of our products, we can actively participate in domestic and international competition and create further value for our customers.

In order to achieve future growth, we selectively seek strategic acquisitions to supplement our business capabilities and strategic focus. We focus on competing in the global market to enhance the international influence and competitiveness of the Vanov brand.

### APPRECIATION

The Group would like to express its sincere gratitude to all staff, investors, suppliers, customers, government at all levels, banks, business partners and other stakeholders for their trust and support towards the Group. In the future, it is believed the Group will live up to the trust of the community and further consolidate its resources advantage in the papermaking felt industry, continuously expand its market channels, maintain stable development and enhance profitability. We will aggressively explore green industrial development to create consistent value for the shareholders of the Company and stakeholders.

**Shen Genlian**  
*Chairperson*

Hong Kong, 30 March 2023

公司致力於成為世界一流的造紙毛毯供應商，持續提升造紙機運營效率、優化服務數字平台系統，通過對紙機採集數據分析，為客戶提供最佳的紙機運行參數建議，依托數據庫提升定製產品服務能力；以提升產品附加值積極參與國內外競爭，持續為客戶創造價值。

為了實現未來增長，選擇性地尋求策略性收購，以補充業務能力及策略重點；著眼於參與全球市場競爭，推動環龍品牌的國際影響力、競爭力。

### 致謝

本集團衷心感謝全體員工、投資者、供應商、客戶、各級政府、銀行、業務夥伴等持份者對環龍控股的信任及支持。未來，相信集團將不負社會各界的信任，在造紙毛毯行業不斷鞏固資源優勢、持續拓展市場渠道，保持穩健發展，提升盈利能力，積極探索綠色產業發展之路，並為公司股東及利益相關方持續創造價值。

**沈根蓮**  
*主席*

香港，2023年3月30日

\* for identification purposes only.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW

In 2022, given the intensified downward pressure on the global economy brought by high inflation, the Russia-Ukraine war and the pandemic, the global demand shrank with the complex and rigorous international environment. Interruption of the global supply chain brought by geopolitical conflict further compromised the globalization process and created a negative impact on the global economy. According to the “World Economic Outlook Database” published by the International Monetary Fund (IMF), global economy growth in 2022 was expected to be 4.4%, representing a 0.5 percentage point lower than the preceding forecast.

During the reporting period, the PRC's total economic output reached another record high, with a gross domestic product (GDP) of RMB121 trillion, representing another great leap after the record of RMB110 trillion in 2021. Based on the annual average exchange rate, the PRC achieved a 3.0% growth despite of the economy pressure during the year, ranking second in the world. As the PRC economy continued to grow and household income improved, development of the papermaking industry had been broadened, the capability and demand of paper products in the PRC had also been increased. The PRC has been the most important papermaking and consumption country for many years. As the prospect of the papermaking industry continued to improve, Vanov, as a papermaking felt corporation and service provider, benefited from the growing market opportunities.

The Group experienced stable growth in product sales and net profit in 2022. In 2022, net profit of the Group amounted to RMB53 million, representing a year-on-year growth of 4.6%. The Group's consolidated gross profit margin from the products reached 53.6%, with a 100% production-to-sales rate. The prospective international market layout was gradually showing its results, income from the international business in 2022 demonstrated a year-on-year growth of 51.5%.

The Group currently has two production sites, namely Chengdu Wenjiang and Shanghai Jinxiong, as well as two renowned papermaking felt brands of **VANOV** and **Gobear**. Technology innovation has always been the core motivation of the Group's sustainability. During the reporting period, Sichuan Huanlong Technology Fabric Co., Ltd. (四川環龍技術織物有限公司) (“**Sichuan Huanlong**”), a subsidiary of the Company was recognized as a national High and New Tech Enterprises, “specialized and new” enterprise in Sichuan Province, model manufacturing and service enterprise in Sichuan Province, green factory in Sichuan Province. The Company's subsidiary, Shanghai Jinxiong Paper Making Net Carpet Co., Ltd. (上海金熊造紙網毯有限公司) (“**Shanghai Jinxiong**”) was recognized as “specialized and new” enterprise in Shanghai. As of today, the Group owns 104 registered patents for inventions and utility models and has more than 60 patents under application for registration.

### 業務回顧

2022年，國際局勢複雜多變，高通脹、俄烏衝突以及疫情影響使得全球經濟下行壓力加劇，全球需求受到壓制；地緣政治衝突導致的全球供應鏈衝擊，使全球化進程遭受阻礙，並對全球經濟產生負面影響；國際貨幣基金組織(IMF)發佈最新《世界經濟展望》，預計2022年全球經濟將增長4.4%，較此前預測下調0.5個百分點。

報告期內，中國經濟總量再上新台階，國內生產總值(GDP)達121萬億元人民幣，這是繼2021年突破110萬億元人民幣之後，再次躍上新台階。按年平均匯率折算，全年經濟頂住壓力實現3.0%的增長，穩居世界第二位。隨著中國經濟持續發展以及國民收入的提升，為造紙行業發展提供了廣闊的空間，中國造紙產能以及紙張制品的需求也在逐年擴大，已成為全球重要的造紙和消費國並多年佔據世界首位。造紙行業的持續向好，也給環龍控股作為造紙毛毯企業及服務提供商提供了有利的市場空間。

2022年本集團產品銷售、淨利潤實現穩步增長。2022年，本集團實現淨利潤5,300萬元，同比增長4.6%；本集團產品綜合毛利率53.6%，產品產銷率100%；國際業務市場前瞻性佈局逐步顯露成效，2022年國際業務收入同比增長51.5%。

本集團目前擁有成都溫江、上海金熊兩大產業基地，擁有**VANOV**及**Gobear**兩大造紙毛毯知名品牌，並始終將科技創新作為本集團可持續發展的核心動力。報告期內，公司旗下子公司四川環龍技術織物有限公司(「四川環龍」)獲評國家級高新技術企業，四川省「專精特新」企業、四川省服務型製造示範企業，四川省綠色工廠；旗下上海金熊造紙網毯有限公司(「上海金熊」)獲評上海「專精特新」企業。截至目前，公司擁有發明及實用新型專利數量104項，另有在申請狀態專利超過60項。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Group strives to become the best papermaking felt manufacturer in the world. Our technologies, products and services altogether became the key to our distinctive competency. Enhancing product value is the crux of competitiveness among the world and create value for our customers.

The Company's self-developed Paper Machine Efficiency Operation System materialized the comprehensive papermaking felt pre-sales, sales and after-sales services. The Group promptly reacts to customers' need and provides them with a solution based on professional technological and digital services. The system not only optimizes the tracking of paper machine efficiency and provision of resolutions, it also provides the best operating condition of the machines and parameter suggestions to customers. The system provides overall efficiency enhancement and training sessions for customers while provides supporting data for the Group's product design and solution enhancement in order to achieve continuous improvement on product quality.

During the reporting period, Shanghai Jinxiong production site of the Group has fully commenced the PM3 project. The project is to establish an industrial filter materials production site which possesses the most advanced papermaking net carpet technology in the PRC. As of today, the Group is the first enterprise in the PRC which owns an advanced production line for the widest papermaking felt around the world. The launch of the PM3 project not only bridges the gap in the PRC market, it also highly boosts the quality and stability of the products through its advanced production craftsmanship, technologies and reliable equipment. The Group contributes significant value to the papermaking industry by ways of craftsmanship enhancement, technology innovation and product upgrade.

Year 2022 is an extraordinary year for all production and manufacturing corporations, the Group still adhered to its philosophy of delivering on its commitments to customers. During the reporting period, the Group had conducted static management on the the Shanghai Jinxiong production site and Chengdu Wenjiang production site for over 70 days and 9 days, respectively. Closed loop management was effectively performed in the two production sites in addition to the Group's precise and thorough arrangement. The Group's arrangement was approved by the local government, central management was materialized and protective measures were in place, it had successfully produced and delivered the products as promised.

本集團致力於成為世界一流的造紙毛毯供應商，技術、產品及服務的結合也成為實現差異化競爭的關鍵，以提升產品附加值作為參與國內外競爭的關鍵，並以此持續為客戶創造價值。

公司研發的造紙機運營效率優化服務數字平台系統，實現了造紙毛毯的售前、售中和售後的全流程服務，本集團將客戶的需求進行快速響應，並轉化為專業技術服務、數據化的解決方案，一方面實現對紙機效率運營數據的跟蹤、完善以及解決方案的提出；另一方面為客戶提供最佳的紙機運行狀態以及參數建議；並為客戶提供紙機整體提效方案以及培訓課程；同時對本集團造紙毛毯的產品設計、優化方案提供數據支撐，實現產品品質的持續提升。

報告期內，本集團位於上海金熊生產基地的PM3項目已全面啟動，該項目計劃在中國打造具有全球領先技術水平的造紙網毯標桿生產基地，本集團也是截至目前國內首家擁有全球幅寬最寬的造紙毛毯先進生產線的企業。PM3項目的推出不僅填補國內市場空白，同時通過對先進製造工藝、技術和可靠先進設備的應用，將大幅度提升產品品質和穩定性，為提升我國造紙行業工藝技術水平，造紙技術革新及產品升級貢獻重要價值。

2022年對於所有生產製造型企業來講都是不平凡的一年，但本集團始終將對客戶承諾作為奮鬥目標。報告期內，本集團上海金熊製造基地靜態管理70餘天、四川成都製造基地靜態管理9天，兩大基地均以切實有效的閉環管理措施以及周密細緻的安排，通過當地政府的審核並實現了人員的集中管理、保障措施的井然有序、生產的順利進行以及產品的及時交付。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FUTURE PLANS

In order to boost the business development of the Group, the directors of the Company (the “**Directors**”) intend to implement the following measures funded by the Group's internal resources:

- (i) the Group has executed the production capacity expansion plan in three phases from 2021 to 2024 in order to satisfy the increasing demand in its high-speed papermaking felts. Such additional production capacity is intended mainly for manufacturing the papermaking felts used for paper machines of higher speed;
- (ii) the Group plans to upgrade the Huanlong Paper Machine Efficiency Operation System\* (造紙機運營效率優化服務數字平台系統) to facilitate the collection of information from customers' papermaking machines and production machinery and equipment, support the analysis of the data collected from the machines, build database and promote customised product services based on its analysis of the data. The Group will continue to develop its production machinery and equipment based on the information collected using the online platform and allocate more resources to procure staff with relevant expertise to strengthen its information technology facilities;
- (iii) to achieve future growth, the Group may selectively pursue strategic acquisitions that complement its business and strategic priorities, such as for expanding the business horizontally in the industry chain and supply chain, taking into account factors such as the financial and competitive positions of potential acquisition targets.

### FINANCIAL REVIEW

#### Revenue

The Group principally engages in the design, manufacture and sales of papermaking felts under the brands of **VANOV** and **Gobear**. The revenue for the year ended 31 December 2022 was approximately RMB217.8 million, representing an increase of 1.9% as compared to approximately RMB213.7 million for the year ended 31 December 2021, which was mainly attributable to the increase in the unit price of products.

### 未來計劃

為推動本集團業務增長，本公司董事（「**董事**」）擬動用本集團內部資源實行以下措施：

- (i) 本集團已開始於2021至2024年間，分三個階段推進產能擴大計劃，以滿足對高速造紙毛毯的預期上升需求。該等額外產能主要作生產供高速造紙機使用的造紙毛毯；
- (ii) 本集團計劃升級造紙機運營效率優化服務數字平台系統，以促進從客戶造紙機以及生產機器及設備中收集資料，支援對從造紙機所集得數據的分析、建立數據庫並基於對數據的分析提升定製產品服務。本集團將繼續基於使用在線平台收集的資料開發其生產機器及設備，並分配更多資源以招攬具有相關專業的人員並加強本集團的信息科技設施；
- (iii) 為了實現未來增長，本集團會選擇性地尋求策略性收購，以補充其業務及策略重點，例如在產業鏈及供應鏈中橫向擴展業務，當中已考慮潛在收購目標的財務及競爭狀況等因素。

### 財務回顧

#### 收益

本集團主要以 **VANOV** 及 **Gobear** 品牌從事造紙毛毯的設計、製造及銷售。本集團截至2022年12月31日止年度的收益約為人民幣217.8百萬元，較截至2021年12月31日止年度的約人民幣213.7百萬元增加了1.9%，主要因為產品銷售單價上升所致。

\* for identification purposes only.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Gross Profit and Gross Profit Margin

The Group's gross profit for the year ended 31 December 2022 was approximately RMB116.8 million, representing an increase of approximately RMB3.2 million from approximately RMB113.6 million for the year ended 31 December 2021. Its gross profit margin increased from approximately 53.2% for the year ended 31 December 2021 to approximately 53.6% for the year ended 31 December 2022, which was mainly attributable to the increase in the unit price of products.

### Other Income

Other income for the Group increased by approximately RMB14.6 million from approximately RMB5.5 million for the year ended 31 December 2021 to approximately RMB20.1 million for the year ended 31 December 2022, which was mainly attributable to the increase in exchange gains, government subsidies and rental income.

### Selling and Distribution Expense

For the year ended 31 December 2022, selling and distribution expense of the Group was approximately RMB21.6 million, as compared to approximately RMB19.9 million for the year ended 31 December 2021. Selling and distribution expense for the year ended 31 December 2022 accounted for approximately 9.9% of its revenue, representing an increase of approximately RMB1.7 million from the year ended 31 December 2021. Such increase was generally in line with the increase in revenue.

### Administrative and Other Operating Expenses

For the year ended 31 December 2022, administrative and other operating expenses of the Group was approximately RMB40.3 million, as compared to approximately RMB31.6 million for the year ended 31 December 2021. Such increase was mainly due to the corresponding expenses incurred in connection with the initial public offering of the shares of the Company (the "IPO") and the increase in employee remuneration.

### 毛利及毛利率

截至2022年12月31日止年度，本集團毛利約為人民幣116.8百萬元，較截至2021年12月31日止年度的約人民幣113.6百萬元增加約人民幣3.2百萬元。其毛利率則由截至2021年12月31日止年度的約53.2%上升至截至2022年12月31日止年度的約53.6%，主要原因為產品銷售單價上升所致。

### 其他收入

本集團截至2022年12月31日止年度的其他收入約為人民幣20.1百萬元，較截至2021年12月31日止年度約人民幣5.5百萬元增加約人民幣14.6百萬元，主要原因為匯兌收益、政府補助及租金收入增加所致。

### 銷售及分銷開支

本集團截至2022年12月31日止年度的銷售及分銷開支約為人民幣21.6百萬元，而截至2021年12月31日止年度約為人民幣19.9百萬元。截至2022年12月31日止年度的銷售及分銷開支佔收益約9.9%，較截至2021年12月31日止年度增加約人民幣1.7百萬元。其增加大致上與收益增加一致。

### 行政及其他經營開支

本集團截至2022年12月31日止年度的行政及其他經營開支約為人民幣40.3百萬元，而截至2021年12月31日止年度約為人民幣31.6百萬元。其增加的主要原因為本公司股份首次公開發售（「首次公開發售」）產生相應費用及僱員薪酬增加所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Finance Cost

For the year ended 31 December 2022, total finance cost of the Group reached approximately RMB10.5 million, representing an increase of approximately RMB2.3 million as compared to approximately RMB8.2 million for the year ended 31 December 2021. The main reason for such increase was the increase of loan interests in other borrowings.

### Income Tax Expense

Income tax expense of the Group for the year ended 31 December 2022 reached approximately RMB11.4 million, representing an increase of approximately RMB2.6 million from approximately RMB8.8 million for the year ended 31 December 2021, which was mainly attributable to the increase in the Group's profit before tax and the increase in withholding tax on undistributed profit.

Effective tax rate (income tax expense divided by profit before income tax for the current year) for the year ended 31 December 2022 was approximately 17.8%, as compared to 14.7% for the year ended 31 December 2021. Such increase was mainly attributable to the increase in the Group's withholding tax on undistributed profit.

### Turnover Days of Inventories and Trade Payables

Turnover days of inventories of the Group for the year ended 31 December 2022 were 52.9 days, as compared to 40 days for the year ended 31 December 2021.

Turnover days for trade payables of the Group for the year ended 31 December 2022 were 82.8 days, as compared to 80.4 days for the year ended 31 December 2021.

### Liquidity, Financial Resources and Capital Structure

As at 31 December 2022, net assets of the Group reached approximately RMB373.4 million (31 December 2021: approximately RMB215.0 million). As at 31 December 2022, current assets and current liabilities of the Group reached approximately RMB285.5 million (31 December 2021: approximately RMB178.0 million) and approximately RMB148.9 million (31 December 2021: approximately RMB185.3 million). As at 31 December 2022, the current ratio of the Group was 191.7%, as compared to 96.1% as at 31 December 2021.

### 財務成本

截至2022年12月31日止年度，本集團的總財務成本約為人民幣10.5百萬元，與截至2021年12月31日止年度約為人民幣8.2百萬元相比增加約人民幣2.3百萬元。其增加的主要原因為其他借款產生的貸款利息增加所致。

### 所得稅開支

本集團截至2022年12月31日止年度的所得稅開支約為人民幣11.4百萬元，較截至2021年12月31日止年度的約人民幣8.8百萬元增加約人民幣2.6百萬元，其增加的主要原因為本集團稅前溢利增加及未分派溢利的預扣稅增加所致。

截至2022年12月31日止年度的實際稅率（所得稅開支除以本年度除所得稅前溢利）約為17.8%，而截至2021年12月31日止年度則為14.7%，其增加的主要原因為本集團未分派溢利的預扣稅增加所致。

### 存貨及貿易應付款項週轉期

本集團於截至2022年12月31日止年度的存貨週轉期為52.9天，而於截至2021年12月31日止年度則為40天。

本集團於截至2022年12月31日止年度的貿易應付款項週轉期為82.8天，而截至2021年12月31日止年度則為80.4天。

### 流動資金、財務資源及資本結構

於2022年12月31日，本集團的資產淨值約為人民幣373.4百萬元（2021年12月31日：約人民幣215.0百萬元）。於2022年12月31日，本集團的流動資產約達人民幣285.5百萬元（2021年12月31日：約人民幣178.0百萬元），而流動負債則約為人民幣148.9百萬元（2021年12月31日：約人民幣185.3百萬元）。於2022年12月31日，本集團的流動比率為191.7%，而於2021年12月31日則為96.1%。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Group normally finances its operations from cash generated from its operating activities, bank borrowings and proceeds from the IPO. As at 31 December 2022, outstanding bank borrowings and other borrowings of the Group was approximately RMB215.5 million (31 December 2021: approximately RMB127.5 million). These bank borrowings and other borrowings were generally secured by the Group's property, plant and equipment and land lease prepayment. As at 31 December 2022, bank balances and cash of the Group reached approximately RMB85.6 million (31 December 2021: approximately RMB12.6 million). Net gearing ratio (total borrowings minus cash and cash equivalents and divided by shareholders' equity) of the Group as of 31 December 2022 was 35.1% (31 December 2021: 55.9%).

The Group has sufficient cash and available bank credit to meet the commitment and its operating cash requirement.

The Group's trading and monetary assets are denominated in RMB. The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall financial risk management policies focuses on the unpredictability and volatility at financial markets and seeks to minimise potential adverse effects on the financial position, financial performance and cash flows of the Group. No derivative financial instruments are used to hedge any risk exposures.

### Gearing Ratio

Gearing ratio is calculated by dividing total borrowings by total equity at the period-end date and expressed as a percentage. The gearing ratio of the Group as at 31 December 2022 was approximately 60.4% as compared to approximately 61.7% as at 31 December 2021. The decrease in gearing ratio was mainly due to the increase in total equity of the Group as at 31 December 2022.

### Pledge of Assets

As at 31 December 2022, certain of the Group's assets were pledged to secure bank and other borrowings of the Group. The aggregate carrying amount of the assets of the Group pledged at 31 December 2022 was approximately RMB134.1 million.

本集團主要使用經營活動所得現金、銀行借款及首次公開發售所得款項為其業務提供資金。於2022年12月31日，本集團的未償還銀行借款及其他借款約為人民幣215.5百萬元(2021年12月31日：約人民幣127.5百萬元)。該等銀行借款及其他借款一般以本集團物業、廠房及設備以及土地租賃預付款項抵押。於2022年12月31日，本集團持有銀行結餘及現金約人民幣85.6百萬元(2021年12月31日：約人民幣12.6百萬元)。本集團截至2022年12月31日的淨資產負債比率(借款總額減現金及現金等價物除以股東權益)為35.1%(2021年12月31日：55.9%)。

本集團具備充裕現金及可供動用的銀行備用額以應付其承擔及營運資金需要。

本集團的交易及貨幣資產主要以人民幣計值。本集團就其於日常業務過程及投資活動中使用金融工具承受財務風險。財務風險包括市場風險(包括外幣風險、利率風險及其他價格風險)、信貸風險及流動性風險。本集團的整體財務風險管理政策專注於金融市場的不可預測性及波動性，及尋求盡量減少對本集團財務狀況、財務表現及現金流量可能造成的不利影響。概無採用衍生金融工具對沖任何風險。

### 資產負債比率

資產負債比率乃按期末當日借款總額除以總權益計算，並以百分比表示。於2022年12月31日，本集團的資產負債比率約為60.4%，而於2021年12月31日則約為61.7%。資產負債比率下降的主要原因為本集團於2022年12月31日的總權益增加所致。

### 資產抵押

於2022年12月31日，本集團已抵押若干資產以擔保本集團銀行及其他借款。本集團已抵押資產於2022年12月31日的賬面總值約為人民幣134.1百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the period. The board of Directors (the “**Board**”) closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements at all times.

### Foreign Exchange Risk

The Group mainly operates in the PRC. Most of the operating transactions and revenue were settled in RMB and the Group’s assets and liabilities are primarily denominated in RMB. However, the Group has certain bank balances and trade receivables denominated in US dollars and Hong Kong dollars amounting to approximately RMB74.1 million and RMB2.4 million, respectively, as at 31 December 2022 which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the Group manages the risk by closely monitoring the movements of the foreign currency rate and would consider hedging against significant foreign currency exposure should it be necessary.

### Contingent Liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets as at 31 December 2022.

### Trade and Other Receivable

For the year ended 31 December 2022, the trade and other receivable of the Group were approximately RMB181.5 million.

### 庫務政策

本集團在制定庫務政策時採取審慎的財務管理方針，因此財務狀況於整個期間保持良好。董事會（「**董事會**」）密切監察本集團的流動資金狀況，以確保本集團資產、負債及其他承擔的流動資金結構能時刻滿足資金需要。

### 外匯風險

本集團主要在中國經營業務。大部分業務交易及收益以人民幣結算，本集團的資產及負債亦主要以人民幣計值。不過，於2022年12月31日，本集團的若干銀行結餘及貿易應收款項以美金及港元計值，金額分別約為人民幣74.1百萬元及人民幣2.4百萬元，致使本集團承受外匯風險。本集團並無制定任何外匯對沖政策。然而，本集團會密切關注外幣匯率變動來管理有關風險，並在有需要時考慮對沖重大外匯風險。

### 或然負債

於2022年12月31日，本集團並無任何重大的或然負債。

### 所持主要投資、重大收購及出售附屬公司、聯營公司及合營企業以及有關重要投資或資本資產之未來計劃

概無持有主要投資、重大收購或出售附屬公司、聯營公司及合營企業，於2022年12月31日亦無經董事會授權之有關其他重要投資或資本資產添置的任何計劃。

### 貿易及其他應收款項

截至2022年12月31日，本集團的貿易及其他應收款項約為人民幣181.5百萬元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2022, the Group had 327 employees (as at 31 December 2021: 309 employees). As at 31 December 2022, the total staff cost, including salaries, wages and other benefits, and contributions to defined contribution plans, amounted to approximately RMB37.8 million.

The remuneration package offered by the Group to its employees generally includes salary, allowances and payment for welfare contributions, including social insurance contributions and housing provident fund contributions. The Group determines its employees' remunerations based on each employee's qualification, relevant experience, position and seniority. The Group conducts annual review on salary increments, bonuses and promotions based on the performance of each employee. The Group provides regular on-the-job training to the employees and conducts yearly reviews of their performance. The Group believes that these initiatives have contributed to stronger work incentive among its employees.

The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by the comparable companies, time commitment and the performance of our Group. Our Group regularly reviews and determines the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of our Group.

The remuneration committee of the Company will review and determine the remuneration and compensation packages of the Directors with reference to their responsibilities, workload, the time devoted to our Group and the performance of our Group. The Directors may also receive options to be granted under the Share Option Scheme.

### Use of Net Proceeds From the Share Offer

On 29 December 2021, the Company offered 114,200,000 ordinary shares at the range of HK\$1.22 per share to HK\$1.44 per share for subscription in the IPO. The offer price was determined at HK\$1.22 and the shares of the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 January 2022 (the "Listing"). Net proceeds from the Listing (after deduction of underwriting fees and commissions and other listing expense) were approximately HK\$92.8 million. In addition, the over-allotment option granted by the Company in the IPO was partially exercised and the Company further issued 3,442,000 shares, representing approximately 3.0% of the number of shares of the Company initially offered at HK\$1.22. The additional net proceeds from the partial exercise of the over-allotment option were approximately HK\$4.2 million.

### 僱員及薪酬政策

於2022年12月31日，本集團擁有327名僱員（截至2021年12月31日：309名僱員）。截至2022年12月31日，員工成本總額（包括薪金、工資及其他福利以及界定供款計劃供款）約為人民幣37.8百萬元。

本集團向僱員提供的薪酬待遇一般包括薪金、津貼及繳付福利供款，包括社會保險供款及住房公積金供款。本集團根據每名僱員的資格、相關經驗、職位及資歷釐定僱員薪酬。本集團根據每名僱員的績效每年進行薪酬調升、花紅及晉升審查。本集團為僱員提供定期在職培訓，並按年評審彼等的績效。本集團認為，該等措施有利於激勵僱員的工作。

董事及高級管理層以薪金、實物福利及酌情花紅方式收取報酬，當中經參考可資比較公司支付的薪金、投入的時間及本集團的表現。本集團定期通過參考（其中包括）可資比較公司支付的市場薪金水平、董事及高級管理層各自的職責及本集團的表現，去檢討及釐定董事及高級管理層的薪酬及報酬組合。

本公司之薪酬委員會將檢討及釐定董事的薪酬及報酬組合，當中經參考其職責、工作量、為本集團投入的時間及本集團的表現。董事亦可接受根據購股權計劃授出的購股權。

### 首次公開發售所得款項淨額用途

本公司於2021年12月29日以每股股份1.22港元至每股股份1.44港元發售114,200,000股普通股以供首次公開發售認購。發售價釐定為1.22港元，本公司股份於2022年1月11日在香港聯合交易所有限公司（「聯交所」）主板成功上市（「上市」）。扣除包銷費用及佣金以及其他上市開支後的上市所得款項淨額約為92.8百萬港元。此外，本公司於首次公開發售授出的超額配股權獲部份行使，本公司再發行3,442,000股股份，相當於按1.22港元初始提呈認購的本公司股份數目約3.0%。部分行使超額配股權收取的額外所得款項淨額約為4.2百萬港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

An analysis of the utilisation of the net proceeds from the date of the Listing up to 31 December 2022 is set out below:

自上市日期起直至2022年12月31日，所得款項淨額的動用情況分析載列如下：

		Percentage	Allocated use of proceeds	Used as of 31 December 2022	Unused balance as of 31 December 2022	Proposed timetable for the use of unutilised net proceeds
		百分比	所得款項的分配用途 (HK\$ million) (百萬港元)	截至2022年12月31日已動用 (HK\$ million) (百萬港元)	截至2022年12月31日尚未動用餘款 (HK\$ million) (百萬港元)	尚未動用所得款項淨額用途的建議時間表
Purchase machinery to upgrade production sites	購買機器以升級生產基地	40%	38.8	38.8	—	N/A 不適用
Strengthen research and development capabilities	加強研發能力	20%	19.4	7.2	12.2	On or before 31 December 2023 2023年12月31日或之前
Pursue strategic acquisitions	尋求策略性收購	10%	9.7	—	9.7	On or before 31 December 2023 2023年12月31日或之前
Reduce indebtedness	減少債務	20%	19.4	19.4	—	On or before 31 December 2023 2023年12月31日或之前
Working capital and other general corporate purpose	作營運資金及其他一般企業用途	10%	9.7	9.7	—	N/A 不適用
		100%	97.0	75.1	21.9	

As at 31 December 2022, the amount of unutilised net proceeds amounted to approximately HK\$21.9 million. The unutilised net proceeds were placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong and the PRC.

於2022年12月31日，尚未動用的所得款項淨額約為21.9百萬港元。尚未動用的所得款項淨額以計息存款形式存放於香港及中國認可金融機構或持牌銀行。

As of 31 December 2022, the utilised net proceeds were applied in accordance with the planned use as previously disclosed in the prospectus of the Company dated 29 December 2021 for the purpose of the IPO (the “Prospectus”) and the remaining net proceeds are expected to be used as planned. The remaining unutilised net proceeds are expected to be utilised on or before 31 December 2023.

截至2022年12月31日，已動用的所得款項淨額已按照先前於本公司日期為2021年12月29日的首次公開發售招股章程（「招股章程」）中披露的計劃用途動用，餘下的所得款項淨額預期亦將按計劃動用。餘下的尚未動用所得款項淨額預期將於2023年12月31日或之前動用。

### CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintain high standards of corporate governance to protect the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted all the code provisions in the Corporate Governance Code (the “**CG Code**”) in Appendix 14 of the Listing Rules as its own code on corporate governance practices. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with all code provisions of the CG Code for the year ended 31 December 2022. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that it complies with the CG Code and align with the latest developments.

### DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the year ended 31 December 2022.

### BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors’ appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this corporate governance report.

### 企業管治常規

本公司致力於保持高水準的企業管治，以保障股東利益，並提升企業價值及問責性。本公司已採納上市規則附錄十四所載企業管治守則（「**企業管治守則**」）的所有守則條文，為其自身的企業管治常規守則。董事會已審閱本公司的企業管治常規，並信納本公司於截至2022年12月31日止年度已遵守企業管治守則的所有守則條文。本公司將繼續提升適用於其業務操守及增長的企業管治常規，並不時檢討有關常規，確保其符合企業管治守則並與最新發展一致。

### 董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「**標準守則**」），作為其本身就董事進行證券交易之行為守則。經向全體董事作出特定查詢後，各董事確認於截至2022年12月31日止年度一直遵守標準守則。

### 董事會

董事會負責領導及控制本公司，並制訂整體政策及檢討本集團營運及財務表現。整體策略事宜、主要收購及出售、年度預算、年度及中期業績、建議推薦董事委任或連任、批准重大資本交易及其他重大營運及財務事宜上，董事會保留決策或審議的權利。管理層獲董事會委派權力及責任，負責本集團日常管理。此外，董事會亦向董事委員會委派多項責任。該等委員會的詳情載於本企業管治報告。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Composition

As at the date of this annual report, the Board comprises seven Directors and their respective roles are as follows:

#### Executive Directors

Ms. Shen Genlian (Chairperson)  
Mr. Zhou Jun (Chief executive officer)  
Mr. Xie Zongguo  
Ms. Yuan Aomei

#### Independent non-executive Directors

Mr. Ip Wang Hoi  
Mr. Zhang Shenjin  
Mr. Wang Yunchen

The biographical details of the Directors are set out in the section headed “Biographies of Directors and Senior Management” of this annual report. Save for Mr. Zhou Jun, being the spouse of Ms. Shen Genlian, the Chairperson of the Board (the “Chairperson”), the Board members have no relationship (whether financial, business, family or other material or relevant relationships) amongst members of the Board.

### Board meetings and general meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, in addition to the meetings for reviewing and approving the Group's annual and interim results. The Directors had participated in the Board meetings as indicated below. For those Directors who could not attend these meetings in person, they participated through electronic media.

The company secretary of the Company (the “Company Secretary”) assists the Chairperson to prepare the agenda of the meetings and each Director may request to include any relevant matters on the agenda. Generally, at least 14 days' notice is given for the regular meetings by the Company. All substantive agenda items have comprehensive briefing papers, which are, in general, circulated three days before convening each Board meeting.

### 組成

於本年度報告日期，董事會由七名董事組成，各人的職位如下：

#### 執行董事

沈根蓮女士(主席)  
周駿先生(行政總裁)  
謝宗國先生  
袁傲梅女士

#### 獨立非執行董事

葉耘開先生  
張慎金先生  
王運陳先生

董事的詳細履歷載於本年度報告「董事及高級管理層履歷」一節。除周駿先生為董事會主席(「主席」)沈根蓮女士之配偶外，董事會成員之間概無任何財務、業務、親屬或其他重大或相關關係。

### 董事會會議及股東大會

除了審閱及批准本集團年度及中期業績的會議外，董事會亦定期會面以討論本集團的整體策略以及營運及財務表現。董事參與董事會會議的情況如下。未能親身出席的董事則透過電子媒介參與會議。

本公司公司秘書(「公司秘書」)協助主席編製會議議程，每名董事可要求將任何相關的事項列入議程。一般而言，本公司舉行定期會議須於至少14天前發出通知。所有主要議程項目均有全面簡介文件，一般於每次董事會會議召開前三天傳閱。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

All the Directors are able to seek advice and services from the Company Secretary on the Board procedures and all applicable laws, rules and regulations, and corporate governance matters. Draft minutes of Board meetings and meetings of Board committees are circulated to all Directors for comment and approval as soon as practicable after the meetings. Minutes of Board meetings and meetings of Board committees are kept by the Company Secretary and all Board members are given a copy of the minutes for their record. Should a matter being considered involve a potential conflict of interest of a Director, the Director involved in the transaction would be requested to leave the boardroom and abstain from voting. The matter would be discussed and resolved by other Directors. Policy is in place that the Directors, upon reasonable request, may seek independent professional advice on issues related to the Group's business at the Company's expenses. The attendance of each Director at the Board meetings and general meeting during the year is set out below:

全體董事可就董事會程序及所有適用法律、規則及法規以及企業管治事宜向公司秘書尋求意見及服務。董事會及董事會委員會的會議記錄草擬本將在會後儘快供全體董事傳閱以提出意見及審批。董事會及董事會委員會的會議記錄由公司秘書保存，且全體董事會成員均可獲得會議記錄之副本以作記錄。倘所考慮事項涉及董事之潛在利益衝突，則涉及該項交易之董事將須避席且放棄表決。有關事項將由其餘董事討論及決議。本公司政策規定董事可合理要求就本集團業務相關事宜尋求獨立專業意見，費用由本公司承擔。每名董事於年內出席董事會會議及股東大會的情況如下：

		Number of Board meetings attended/ convened 已出席／已舉行之董事會 會議次數	Attendance rate 出席率	Number of general meetings attended/ convened 已出席／已舉行之 股東大會次數	Attendance rate 出席率
<b>Executive Directors</b>		<b>執行董事</b>			
Ms. Shen Genlian	沈根蓮女士	5	100%	1/1	100%
Mr. Zhou Jun	周駿先生	5	100%	1/1	100%
Mr. Xie Zongguo	謝宗國先生	5	100%	1/1	100%
Ms. Yuan Aomei	袁傲梅女士	5	100%	1/1	100%
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>			
Mr. Ip Wang Hoi	葉耘開先生	5	100%	1/1	100%
Mr. Zhang Shenjin	張慎金先生	5	100%	1/1	100%
Mr. Wang Yunchen	王運陳先生	5	100%	1/1	100%



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Appointment, re-election and removal of Directors

Each of the executive Directors and independent non-executive Directors has entered into a service contract with the Company for a specific term. The Directors have been appointed for a term of three years commencing from 22 June 2022, unless and until it is terminated by either the Company or such Director. The term of appointment of each Director is subject to retirement by rotation and re-election at the annual general meeting of the Company (the “AGM”) in accordance with its articles of association of the Company (the “Articles of Association”) and the Listing Rules.

Pursuant to the Articles of Associations, one-third of all Directors (whether executive or non-executive) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation and re-election at each AGM at least once every three years.

The Articles of Association provide that any Director appointed by the Board to fill a casual vacancy in the Board or as an addition to the existing Board shall hold office only until the first AGM of the Company. Any Director so appointed after his/her appointment and shall then be eligible for re-election.

The Company may, in accordance with the Articles of Association, by ordinary resolution remove any Director before the expiration of his/her term of office notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director.

### 委任、重選及罷免董事

各執行董事及獨立非執行董事已與本公司訂立指定期限的服務合約。董事的委任期由2022年6月22日起為期三年，除非或直至由本公司或有關董事終止。根據本公司組織章程細則(「組織章程細則」)及上市規則，每名董事須在本公司股東週年大會(「股東週年大會」)上輪值退任及連任。

根據組織章程細則，全體執行及非執行董事中三分之一須輪值告退，惟各董事至少須每隔三年在股東週年大會上輪值退任及連任。

組織章程細則規定，由董事會委任以填補董事會臨時空缺或增加現有董事會人數的任何董事，其任期僅直至獲委任後的本公司第一屆股東週年大會。任何由此委任的董事合資格膺選連任。

本公司可根據組織章程細則透過普通決議案將任何任期末滿的董事撤職，即使組織章程細則或本公司與該董事訂立的任何協議有任何相反規定。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Directors' training

Code provision C.1.4 of the CG Code provides that directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant. All the Directors are encouraged to participate in continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of professional training received by the Directors for the year ended 31 December 2022 according to the records provided by the Directors is as follows:

Ms. Shen Genlian	沈根蓮女士
Mr. Zhou Jun	周駿先生
Mr. Xie Zongguo	謝宗國先生
Ms. Yuan Aomei	袁傲梅女士
Mr. Ip Wang Hoi	葉耘開先生
Mr. Zhang Shenjin	張慎金先生
Mr. Wang Yunchen	王運陳先生

### Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for the Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities.

### 董事培訓

企業管治守則守則條文C.1.4的規定，董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。全體董事應透過出席培訓及／或閱讀與本公司業務或董事職能及職責相關的文件，參與持續專業發展活動。根據董事提供的記錄，截至2022年12月31日止年度，董事接受的專業培訓概要如下：

**Attending seminar(s)/  
programme(s)/  
conference(s) and/or  
reading materials relevant  
to the business or  
directors' duties**  
出席座談會／活動／研討會  
及／或閱讀與業務或董事職  
責相關的文件

✓
✓
✓
✓
✓
✓
✓

### 董事及高級職員之責任保險

本公司已為董事及高級職員購買合適之保險，就本公司董事、高級職員及高級管理層因公司業務所承擔的法律責任提供保障。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CHAIRMAN AND CHIEF EXECUTIVE

In accordance with the code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Currently, Ms. Shen Genlian, the Chairperson, is responsible for the for strategic development and providing advice on the operation and management of the Group. Mr. Zhou Jun, the chief executive officer of the Company, is responsible for the overall management, strategic and major decisions on the development and planning and operation of the Group.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the requirement of Rules 3.10 and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, one of whom has appropriate professional qualification in accounting and financial management expertise. All independent non-executive Directors have confirmed their independence, as set out in Rule 3.13 of the Listing Rules, to the Company and the Board considers that all independent non-executive Directors have satisfied their independence of the Group.

All independent non-executive Directors have offered sufficient time and efforts to serve the business affairs of the Company. They also possess appropriate academic and professional qualifications and related management experience and have contributed to the Board with their professional opinion. The Board believes that the participation of independent non-executive Directors shall offer their independent judgment on issues relating to strategy, performance, conflict of interest and management process such that the interests of all shareholders and the Group are considered and safeguarded.

To ensure that independent views and input are available to the Board, the Company has established mechanisms including (i) strengthening the independent non-executive Directors' recruitment process to include criteria such as each candidates' available time commitments and qualification; (ii) reviewing the number of independent non-executive Directors on an annual basis; (iii) performing additional assessment or evaluation of independent non-executive Directors' contribution; and (iv) engage external independent professional advisors to assist performance of the Directors' duties. The Board will review the implementation and effectiveness of the above mechanisms on an annual basis.

During the year under review, the Chairperson had held a meeting with the independent non-executive Directors without the presence of the other executive Directors.

### 主席及行政總裁

根據企業管治守則守則條文C.2.1，主席及行政總裁的職位應作區分，不應由同一人擔任。現時沈根蓮女士為主席，負責策略發展及就本集團的營運及管理提供意見。周駿先生為本公司行政總裁，負責本集團整體管理及就發展、規劃及營運作出策略性及重大決策。

### 獨立非執行董事

根據上市規則第3.10條及3.10A條的規定，本公司已委任三名獨立非執行董事，其中一人具備相關專業會計資歷及財務管理專業知識。全體獨立非執行董事均已按照上市規則第3.13條所載向本公司確認彼等之獨立身份，且董事會認為全體獨立非執行董事均信納彼等獨立於本集團。

全體獨立非執行董事均付出大量時間及努力處理本公司業務，且具備相關學歷、專業資格與有關管理經驗，為董事會提供專業意見。董事會相信，獨立非執行董事之參與可對策略、表現、利益衝突及管理流程事宜提供獨立判斷，並能顧及與保障全體股東及本集團之利益。

為確保董事會具備獨立意見及觀點，本公司已設立以下機制：(i)加強獨立非執行董事的聘用流程，將各候選人可付出的時間及資歷等納入為條件；(ii)每年檢討獨立非執行董事的人數；(iii)對獨立非執行董事的貢獻進行額外評估或評價；及(iv)聘用外部獨立專業顧問協助履行董事職責。董事會將每年檢討上述機制的執行情況及成效。

於回顧年度，主席已在其他執行董事不在場的情況下與獨立非執行董事舉行一次會議。

### BOARD COMMITTEES

Implementation and execution of the policies and strategies formulated by the Board and the daily operations are delegated from the Board to the management of the Company. In addition, an audit committee (the “**Audit Committee**”), a remuneration committee (the “**Remuneration Committee**”) and a nomination committee (the “**Nomination Committee**”) have been set up to assist the Board in fulfilling certain responsibilities. All committees have been established with defined written terms of reference, which were posted on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.vanov.cn](http://www.vanov.cn)). All committees shall report to the Board on their decisions or recommendations made. All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

#### Audit Committee

Audit Committee was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the Group's financial reporting process and internal control and risk management system, nominate and monitor external auditors, provide advice and comments to the Board on matters related to corporate governance and perform other duties and responsibilities as assigned by the Board.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Ip Wang Hoi, Mr. Zhang Shenjin and Mr. Wang Yunchen. Mr. Wang Yunchen currently serves as the chairman of the Audit Committee.

The following is a summary of work performed by the Audit Committee during the year:

- reviewed annual results of 2021 and annual report of 2021, interim results of 2022 and interim report of 2022;
- discussed with the management and the external auditor the accounting policies and practices which may affect the Group;
- reviewed the report prepared by the external auditor covering major findings in the course of the audit and the accounting and financial reporting matters;

### 董事會委員會

董事會授權本公司管理層落實及執行董事會制定的政策及策略以及處理日常營運。此外，審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）、以及提名委員會（「**提名委員會**」）已告成立，以協助董事會履行若干職責。所有委員會均具有明確的書面職權範圍，該等範圍刊載於聯交所網站([www.hkex.com.hk](http://www.hkex.com.hk))及本公司網站([www.vanov.cn](http://www.vanov.cn))。所有委員會須向董事會匯報其作出的決定或推薦建議。所有委員會均獲提供充足資源以履行其職務，並可應合理要求於適當情況下徵詢獨立專業意見，費用由本公司承擔。

#### 審核委員會

本公司已成立審核委員會，並根據上市規則第3.21條及企業管治守則書面列明其職權範圍。審核委員會的主要職責為(其中包括)檢討及監督本集團的財務申報流程及內部監控及風險管理系統，提名及監督外聘核數師，就企業管治相關事宜向董事會提供意見及建議，並履行董事會委派的其他職務及職責。

審核委員會由三名獨立非執行董事組成，分別為葉耘開先生、張慎金先生及王運陳先生。王運陳先生現時擔任審核委員會主席。

以下為審核委員會於年內所進行的工作概要：

- 審閱2021年年度業績及2021年年度報告、2022年中期業績及2022年中期報告；
- 與管理層及外聘核數師討論可能影響本集團的會計政策與常規；
- 審閱外聘核數師編製的報告(當中涵蓋其於審核過程的主要發現)以及會計及財務報告事宜；

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- reviewed the effectiveness of the risk management and internal control systems of the Group; and
- considered the re-appointment of external auditor of the Company.

The Audit Committee held two meeting during the year ended 31 December 2022. Individual attendance of each committee member at the meeting during the year ended 31 December 2022 is as follows:

Name of Committee Member	委員會成員姓名	Attendance/ Number of meetings
		出席次數／會議次數
Mr. Ip Wang Hoi	葉耘開先生	2/2
Mr. Zhang Shenjin	張慎金先生	2/2
Mr. Wang Yunchen	王運陳先生	2/2

The annual results of the Group for the year ended 31 December 2022 have been reviewed by the Audit Committee before submission to the Board for approval.

### Remuneration Committee

The Remuneration Committee was established with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are, among other things, to make recommendations to the Board on the Company's policy for human resource management as well as establish and review policies and structure in relation to remuneration for the Directors and senior management.

The Remuneration Committee consists of one executive Director, Mr. Zhou Jun and two independent non-executive Directors, Mr. Ip Wang Hoi and Mr. Zhang Shenjin. Mr. Ip Wang Hoi currently serves as the chairman of the Remuneration Committee.

The following is a summary of work performed by the Remuneration Committee during the year:

- Assessed the performance of the Directors and senior management of the Company; and
- Reviewed and recommended to the Board the remuneration policy and structure relating to the Directors and senior management of the Company.

- 檢討本集團風險管理及內部監控系統的有效性；及
- 考慮重新委任本公司的外聘核數師。

審核委員會於截至2022年12月31日止年度已舉行兩次會議。各委員會成員於截至2022年12月31日止年度的會議出席次數如下：

本集團截至2022年12月31日止年度的年度業績於提交董事會審批前，已由審核委員會審閱。

### 薪酬委員會

本公司已成立薪酬委員會，並根據上市規則第3.25條及企業管治守則書面列明其職權範圍。薪酬委員會的主要職責為（其中包括）就本公司的人力資源管理政策向董事會提供建議，並制定及檢討有關董事及高級管理層薪酬的政策及架構。

薪酬委員會由一名執行董事周駿先生、及兩名獨立非執行董事葉耘開先生及張慎金先生組成。葉耘開先生現時擔任薪酬委員會主席。

以下為薪酬委員會於年內所進行的工作概要：

- 評估本公司董事及高級管理層的表現；及
- 檢討薪酬政策及本公司董事及高級管理層的結構，並向董事會提出推薦建議。

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The Remuneration Committee held one meeting during the year ended 31 December 2022. Individual attendance of each committee member at the meeting during the year ended 31 December 2022 is as follows:

薪酬委員會於截至2022年12月31日止年度已舉行一次會議。各委員會成員於截至2022年12月31日止年度的會議出席次數如下：

Name of Committee Member	委員會成員姓名	Attendance/ Number of meetings
		出席次數／會議次數
Mr. Zhou Jun	周駿先生	1/1
Mr. Ip Wang Hoi	葉耘開先生	1/1
Mr. Zhang Shenjin	張慎金先生	1/1

The remuneration for the Directors and senior management comprises basic salary, retirement benefits and discretionary bonus. Details of the amount of emoluments of Directors paid for the year ended 31 December 2022 are set out in note 9 to the consolidated financial statements.

董事及高級管理層的薪酬包括基本薪金、退休福利及酌情花紅。截至2022年12月31日止年度支付予董事的薪酬金額詳情載於綜合財務報表附註9。

### Nomination Committee

### 提名委員會

The Nomination Committee was established with written terms of reference in compliance with the CG Code. The primary duties of the Nomination Committee are, among other things, to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management, to assess the independence of the independent non-executive Directors, to review the time commitment required of the Directors and to evaluate whether the Directors have committed adequate time to discharge their responsibilities to review and implement the Nomination Policy and to consider related matters.

本公司已成立提名委員會，並根據企業管治守則書面列明其職權範圍。提名委員會的主要職責為（其中包括）向董事會推薦填補董事會及／或高級管理層空缺的人選、評估獨立非執行董事的獨立性、檢討董事須付出的時間並評估董事是否已付出足夠時間履行檢討及實施提名政策的職責，以及審議相關事宜。

The Nomination Committee consists of one executive Director, Ms. Shen Genlian, and two independent non-executive Directors, Mr. Ip Wang Hoi and Mr. Wang Yunchen. Ms. Shen Genlian currently serves as the chairperson of the Nomination Committee.

提名委員會由包括一名執行董事沈根蓮女士、兩名獨立非執行董事葉耘開先生及王運陳先生。沈根蓮女士現時擔任提名委員會主席。

The following is a summary of work performed by the Nomination Committee during the year:

以下為提名委員會於年內所進行的工作概要：

- Reviewed and considered the Nomination Policy, the structure, size and composition of the Board; and
- Assessed independence of the independent non-executive Directors.
- 檢討及審議提名政策、董事會架構、規模及組成；及
- 評估獨立非執行董事的獨立性。



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The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the requirements of the business of the Group and other relevant statutory requirements and regulations. Further, pursuant to the terms of reference of the Nomination Committee and the Nomination Policy, the Nomination Committee, when reviewing the composition of the Board, will have regard to the Company's Board Diversity Policy and the progress on achieving the objectives set for implementing the said policy. The Company recognises and embraces the benefits of diversity of Board members.

The Nomination Committee held one meeting during the year ended 31 December 2022. Individual attendance of each committee member at the meeting during the year ended 31 December 2022 is as follows:

提名委員會負責甄選及推薦候任董事人選，當中考慮到平衡有關人選的專長、技能、經驗、專業知識、個人誠信及時間付出，本集團的業務要求及其他相關法定要求及法規。此外，根據提名委員會的職權範圍及提名政策，提名委員會在審查董事會的組成時，將參考本公司董事會成員多元化政策以及有關政策所設定目標的完成進度。本公司承認並擁護董事會成員多元化帶來的裨益。

提名委員會於截至2022年12月31日止年度已舉行一次會議。各委員會成員於截至2022年12月31日止年度的會議出席次數如下：

Name of Committee Member	委員會成員姓名	Attendance/ Number of meetings
		出席次數／會議次數
Ms. Shen Genlian	沈根蓮女士	1/1
Mr. Ip Wang Hoi	葉耘開先生	1/1
Mr. Wang Yunchen	王運陳先生	1/1

## BOARD DIVERSITY POLICY

During the year ended 31 December 2022, the Board adopted a board diversity policy (the “**Board Diversity Policy**”) setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

## 董事會成員多元化政策

截至2022年12月31日止年度，董事會採納董事會成員多元化政策（「**董事會成員多元化政策**」），列出達致董事會多元化的方針。本公司認為，董事會成員多元化可通過考慮多項因素達致，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期。所有董事會成員均以用人唯才的原則委任，將根據甄選條件考慮各人選，並考慮成員多元化對董事會帶來的裨益。甄選人才將基於多個多元化範疇，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終決定將基於所選候選人將為董事會帶來的價值及貢獻而作出。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board's composition as at the date of this report under diversified perspectives is summarised as follows:

於本報告日期，多元化範疇的董事會組成概述如下：

Designation 委任職位	EDs 執行董事				INEDs 獨立非執行董事		
Gender 性別	Females 女性			Males 男性			
Age Group 年齡組別	31–40	41–50			51–60		
Education background 教育背景	Bachelor 學士				Postgraduate or above 研究生或以上		
Professional experiences 專業經驗(年)	Less than 10 少於10年	10–20 10–20年			Over 20 20年以上		
	1	2	3	4	5	6	7

As at 31 December 2022, the Board comprises seven members, two of whom is female director, thus achieving the goal of gender diversity in the Board. As at 31 December 2022, the ratio of male and female in the workforce is 53% and 47%, respectively; and the ratio of male and female in the senior management is 60% and 40% respectively. As such, the Company's workforce and the senior management have both achieved gender diversity between males and females. The Company would continue to take into account of diversity perspectives in its hiring.

The Nomination Committee will review the Board Diversity Policy and monitor its implementation on an annual basis. The Nomination Committee will report annually to shareholders on the process adopted in relation to the Board appointments and the consideration given to the diversity on the Board.

## NOMINATION POLICY

The Board has adopted a director nomination policy (the “**Nomination Policy**”) on 9 December 2021 in relation to the nomination, appointment, re-appointment of new Directors and the nomination procedure of the Company, which provides that in evaluating and selecting any candidate for directorship, the Nomination Committee shall consider the candidates' character and integrity, professional qualifications, skills, knowledge and experience, independence, diversity on the Board, willingness to devote adequate time to discharge duties as a Board member and such other criteria that are appropriate to the business of the Company.

於2022年12月31日，董事會由七名成員組成，其中兩名為女性董事，實現董事會性別多元化的目標。於2022年12月31日，員工的男女比率分別為53%及47%；而高級管理層的男女比率分別為60%及40%。因此，本公司的員工及高級管理層均已達致男女性別多元。本公司於聘用人才時將繼續考慮多元層面。

提名委員會將每年審閱董事會成員多元化政策並監察其實施情況。提名委員會將每年向股東匯報委任董事會成員所採用的程序以及對董事會成員多元化所作出的考慮。

## 提名政策

董事會已於2021年12月9日就提名、委任、重新委任新董事及本公司的提名程序採納董事提名政策（「**提名政策**」），該政策規定提名委員會於評選任何董事候選人時，應當考慮候選人的品格及誠信、專業資格、技能、知識及經驗、獨立性、董事會多元化、彼是否願意投入足夠時間履行董事會成員的職責及適用於本公司業務的其他標準。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIVIDEND POLICY

The Board has adopted a dividend policy (the “**Dividend Policy**”) on 9 December 2021. A summary of the Dividend Policy is disclosed as below.

Subject to the approval of the shareholders and requirement of the relevant law, the Company shall pay annual dividends to the shareholders if the Group is profitable, operations environment is stable and there is no significant investment or commitment made by the Group, after taking into account the factors as detailed below and determined by the Board from time to time. The remaining net profits will be used for the Group's development and operations. The Dividend Policy allows the Company to declare special dividends from time to time in addition to the annual dividends.

In proposing any dividend payout, the Board shall also take into account, inter alia, (i) the Company's actual and expected financial performance; (ii) retained earnings and distributable reserves of the Group; (iii) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants; and (iv) the general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company.

Any final dividends declared by the Company must be approved by an ordinary resolution of the shareholders at an AGM and must not exceed the amount recommended by the Board. The Dividend Policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code, namely: (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (ii) to review and monitor the training and continuous professional development of the Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and the Directors; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report in the Company's annual report.

### 股息政策

董事會已於2021年12月9日採納股息政策(「股息政策」)。股息政策的概要披露如下。

待股東批准後並根據相關法律規定，在本集團獲利、經營環境穩定及本集團概無作出任何重大投資或承擔的情況下，經考慮下文詳述的各項因素後並按董事會不時釐定，本公司應當向股東派付年度股息。其餘純利將用作本集團的發展及營運。除年度股息外，股息政策亦允許本公司不時宣派特別股息。

於建議任何派息率時，董事會亦應當考慮(其中包括)(i)本公司的實際及預期財務表現；(ii)本集團的保留盈利及可供分派儲備；(iii)本集團的負債權益比率、股本回報率及相關財務契諾的水平；及(iv)整體經濟狀況、本集團業務的商業週期以及可能對本公司業務或財務表現及狀況產生影響的其他內部及外部因素。

本公司所宣派任何末期股息均須經股東於股東週年大會上以普通決議案批准，且不得超過董事會所建議的金額。股息政策應予定期檢討，如須修改，則須提交董事會批准。

### 企業管治職能

董事會負責履行企業管治守則守則條文A.2.1所載的企業管治職責，即：(i)制定及檢討本公司有關企業管治的政策和常規，並向董事會提供推薦建議；(ii)檢討及監督董事及高級管理層的培訓和持續專業發展；(iii)檢討及監察本公司有關遵守法律監管規定的政策和常規；(iv)制定、檢討及監察僱員及董事適用的操守準則及合規手冊(包括與證券交易相關方面)；及(v)檢討本公司遵守企業管治守則的情況及於本公司年報企業管治報告內的披露資料。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the Board meeting held on 30 March 2023, the Board reviewed the Company's policies and practices on corporate governance and legal and regulatory compliance, training and continuous professional development participations of the Directors, as well as the Company's compliance with the CG Code.

The Board acknowledges its responsibility in maintaining a sound and effective internal control and risk management systems for the Group to safeguard shareholders' investments and assets of the Company at all times.

### COMPANY SECRETARY

The Company has appointed Ms. Mak Po Man Cherie as the company secretary of the Company. Ms. Mak Po Man Cherie of SWCS Corporate Services Group (Hong Kong) Limited, an external service provider, has been engaged by the Company as the company secretary to support the Board by ensuring good information flow within the Board and that the Board policy and procedures are followed. Ms. Zhou Jing is the Securities Affairs Representative of the Company, and is the primary contact of Ms. Mak Po Man Cherie at the Company.

Ms. Mak has confirmed that she has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility in maintaining a sound and effective internal control and risk management systems for the Group to safeguard the shareholders' investments and assets of the Company at all times.

The Company has established a set of comprehensive risk management policies and measures to identify, evaluate and manage risks arising from operations.

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

#### Risk Identification

- Identifies risks that may potentially affect the Group's business and operations.

董事會已於2023年3月30日舉行董事會會議，並於會上檢討本公司有關企業管治及遵守法律監管規定的政策和常規、董事參與培訓及持續專業發展的情況，以及本公司遵守企業管治守則的情況。

董事會知悉其有責任為本集團維持穩健有效的內部監控及風險管理制度，以便隨時保障股東投資及本公司資產。

### 公司秘書

本公司已委任麥寶文女士為本公司的公司秘書。方圓企業服務集團(香港)有限公司(外聘服務提供商)的麥寶文女士已獲本公司委聘擔任本公司的聯席公司秘書，為董事會提供支援，確保董事會內資訊交流暢順以及董事會政策及程序獲妥善遵循。周晶女士為本公司之證券事務代表，亦為麥寶文女士於本公司的主要聯絡人。

麥女士確認，彼已遵守上市規則第3.29條有關專業培訓的規定。

### 風險管理及內部監控

董事會知悉其有責任為本集團維持穩健有效的內部監控及風險管理制度，以便隨時保障股東投資及本公司資產。

本公司已制定一套全面的風險管理政策及措施，以便識別、評估及管理因營運產生的風險。

本集團用以識別、評估及管理重大風險的程序概述如下：

#### 風險識別

- 識別可能對本集團業務及營運構成潛在影響的風險。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Risk Assessment

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact and consequence on the business and the likelihood of their occurrence.

### Risk Response

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

### Risk Monitoring and Reporting

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and to provide reasonable assurance against material misstatement, loss or fraud.

The Board is responsible for the risk management and internal control systems of the Company and reviewing their effectiveness. The Board oversees the overall risk management of the Group and endeavours to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The Audit Committee assists the Board in the review, which covers operational, financial, compliance controls and risk management functions, to maintain an adequate and effective internal control system to safeguard the interests of the shareholders and the assets of the Group. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. A review of the effectiveness of the Group's risk management and internal control systems, including financial, operation and compliance controls, will be conducted by the Board at least annually.

### 風險評估

- 使用管理層制定的評估準則對已識別風險進行評估；及
- 考慮風險對業務的影響及後果以及出現有關風險的可能性。

### 風險應對

- 透過比較風險評估的結果，排列風險處理次序；及
- 釐定風險管理策略及內部監控程序，以防止、避免或降低風險。

### 風險監察及匯報

- 持續並定期監察風險，並確保設有適當的內部監控程序；
- 於出現任何重大變動時，修訂風險管理策略及內部監控程序；及
- 向管理層及董事會定期匯報風險監察結果。

監控程序旨在保障資產免被挪用及處置；確保遵守相關法例、規則及規例；確保有關為業務用途或公眾使用提供可靠財務資料的會計記錄得到妥善保管；及針對重大錯誤陳述、損失或欺詐行為提供合理保證。

董事會負責本公司的風險管理及內部監控制度，並審視有關制度的有效性。董事會監察本集團的整體風險管理，致力識別及監控已識別風險的影響，並促進協調緩解措施的落實執行。審核委員會亦協助董事會進行有關維持足夠及有效之內部監控系統的檢討，當中涵蓋營運、財務、合規監控以及風險管理功能，以保障股東利益及本集團資產。本公司的風險管理及內部監控制度旨在管理而非消除未能達致業務目標的風險，並僅能針對重大錯誤陳述或損失提供合理而非絕對的保證。董事會將至少每年對本集團風險管理及內部監控制度(包括財務、營運及合規監控等)有效性作出檢討。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

The Company has engaged an external consultant to perform a review on the Group's internal control and risk management systems. With the assistance of the external consultant, the Board conducted an annual review on the effectiveness of the internal control system of the Group and considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. Save the Company's inadvertent oversight of not awaring the exceeding of the de minimis threshold of the continuing connected transactions as disclosed in the section headed "Continuing Connected Transactions" under the Directors' Report, the Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers the existing internal control system and risk management system effective and adequate.

### PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group strictly follows the requirements of the Securities and Futures Ordinance of (Chapter 571 of the Laws of Hong Kong) (the "SFO") and the Listing Rules and ensures that inside information is disclosed to the public as soon as reasonably practicable unless the information falls within any of the safe harbours of the SFO. Before inside information is fully disclosed to the public, such information is kept strictly confidential. In addition, the Group adopted the policy of disclosing relevant information only to appropriate staff within the Group.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Company for the year ended 31 December 2022 and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements.

本集團並無設立內部審核部門。經計及本集團業務的規模、性質及複雜程度，董事會備有足夠能力監察風險管理及內部監控制度的設計與實施，亦有足夠能力評估其有效性，因而無需即時在本集團內設立內部審核部門。董事將每年檢討是否需要設立內部監控職能。

本公司已聘請外部顧問對本集團的內部監控及風險管理系統進行檢討。在外部顧問的協助下，董事會對本集團內部監控系統之成效進行年度檢討，亦考慮本公司在會計及財務報告職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足。除本公司因無心之失而未留意董事會報告「持續關連交易」一節所披露的持續關連交易超出符合最低豁免水平範圍外，董事會並未發現任何重大內部監控及風險管理缺陷，亦未發現重大違反限制或風險管理政策之情況，並認為現有內部監控系統及風險管理系統有效及足夠。

### 處理及發佈內幕消息的程序和內部監控措施

本集團嚴格遵循香港法例第571章香港證券及期貨條例（「證券及期貨條例」）及上市規則的規定，並確保在合理可行情況下盡快向公眾披露內幕消息，除非有關消息屬於證券及期貨條例下任何安全港條文的範圍。在向公眾全面披露內幕消息前，本集團會確保該消息絕對保密。此外，本集團所採納的政策為僅向本集團內部合適員工披露相關消息。

### 董事就綜合財務報表承擔的責任

董事知悉彼等負責編製本公司截至2022年12月31日止年度的綜合財務報表，並確保有關財務報表根據法定規定及適用會計準則編製。董事亦須確保綜合財務報表及時發佈。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The statement of the external auditor of the Company with regard to their reporting responsibilities on the Company's consolidated financial statements, is set out in the Independent Auditor's Report on pages 67 to 73 of this annual report.

The Directors confirm that, to the best of their knowledge, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions which may cause the Company not to continue as a going concern. Therefore, the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

### AUDITOR'S REMUNERATION

During the year ended 31 December 2022, services provided to the Company by external auditor, Grant Thornton Hong Kong Limited, and the fees paid or payable were as follows:

		RMB'000 人民幣千元
Audit service for the year ended 31 December 2022	截至2022年12月31日止年度的審核服務	1,100
Non-audit service	非審核服務	
— Agreed-upon procedures engagement on interim financial information of the Group for the six months ended 30 June 2022	— 就本集團截至2022年6月30日止六個月的中期財務資料的協定委聘程序	100
		1,200

### ANNUAL REMUNERATION PAYABLE TO THE MEMBERS OF SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the year ended 31 December 2022 is as follows:

Remuneration bands (HK\$)	薪酬範圍(港元)	Number of individuals 人員數目
Nil – 1,000,000	零 – 1,000,000	1
1,000,001 – 1,500,000	1,000,001至1,500,000	2

Further details of the Directors' emoluments and five highest paid individuals required to be disclosed under Appendix 16 of the Listing Rules are set out in note 9 to the consolidated financial statements.

本公司外聘核數師對本公司綜合財務報表的申報責任的陳述載於本年報第67頁至第73頁的獨立核數師報告。

董事確認，據彼等所深知，經作出所有合理查詢後，彼等並不知悉任何可能促使本公司不會按持續基準經營的重大不確定因素的相關事宜或狀況。因此，董事於編製綜合財務報表時繼續採納持續經營的基準。

### 核數師酬金

於截至2022年12月31日止年度，外聘核數師致同(香港)會計師事務所有限公司向本公司提供的服務及收取或應收的費用如下：

### 應付高級管理人員的年度薪酬

截至2022年12月31日止年度按範圍劃分的高級管理人員年度薪酬如下：

根據上市規則附錄16須予披露有關董事酬金及五名最高薪酬人士之進一步詳情載於綜合財務報表附註9。

### INVESTOR RELATIONS AND COMMUNICATION

The Company has adopted the Shareholders' Communication Policy, which sets out the Company's use of a number of mechanisms to provide effective and efficient communication to shareholders, among which, (i) the share registrar of the Company serves the shareholders in respect of their shareholding and related matter; (ii) corporate communications such as annual reports, interim reports and circulars are provided in both English and Chinese versions and are available on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.vanov.cn](http://www.vanov.cn); and (iii) general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management. At the AGM, the Chairperson of the Board, the chairman of Board committees, or, in their absence, other members of each committee will also answer questions from shareholders.

The shareholders are encouraged to attend the general meetings of the Company and the Directors always make efforts to fully address any questions raised by the shareholders at the AGM and the extraordinary general meetings (the "EGM") of the Company. In addition, the shareholders have the right to nominate a person to stand for election as a director at any general meeting by lodging a written notice to the Company.

The forthcoming AGM of the Company will be held on 29 June 2023, the notice of which will be sent to the shareholders in accordance with the Articles of Association, the Listing Rules and other applicable laws and regulations.

During the year ended 31 December 2022, the Board has reviewed the implementation and effectiveness of the shareholders' Communication Policy. The Board believes that the diversified shareholders' communication channels provide shareholders and investors with effective access to information about the Group, and that shareholders can contact the Board directly and express their opinions on their own initiative through the following procedures for directing shareholders' enquiries to the Board. The Board, therefore, endorses the effectiveness of the Shareholders' Communication Policy.

### 投資者關係及通訊

本公司已採納一項股東通訊政策，其中載列本公司利用多項機制向股東提供有效及高效率的通訊，其中包括(i)本公司的股份過戶登記處就股東的持股及相關事宜向彼等提供服務；(ii)年報、中期報告及通函等公司通訊備有中英文版本，並可於聯交所網站 [www.hkexnews.hk](http://www.hkexnews.hk) 及本公司網站 [www.vanov.cn](http://www.vanov.cn) 查閱；及(iii)股東大會為股東提供發表意見及與董事及高級管理層交換觀點的平台。在股東週年大會上，董事會主席、董事會委員會主席或(倘彼等缺席)各委員會的其他成員亦會解答股東疑問。

本公司鼓勵股東出席股東大會，而董事亦一直致力全面回應股東於本公司股東週年大會及股東特別大會(「股東特別大會」)提出的任何問題。此外，股東亦有權向本公司發出書面通知以提名任何人士在股東大會上參選董事一職。

本公司應屆股東週年大會將於2023年6月29日舉行，大會通告將根據組織章程細則、上市規則及其他適用法律法規寄發予股東。

截至2022年12月31日止年度，董事會已審閱股東通訊政策的實施及有效性。董事會相信，股東的廣泛溝通渠道為股東及投資者提供有效獲取有關本集團資訊的渠道，且股東可通過以下程序直接聯繫董事會並主動反映意見，將彼等查詢轉至董事會。因此，董事會認可股東通訊政策的有效性。

\* for identification purposes only.



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Procedures for Shareholders to Convene an Extraordinary General Meeting and to put forward proposals at general meetings

The shareholders may put forward proposals at general meetings by requisitioning an EGM. Pursuant to article 58 of the Articles of Association, EGM may be convened by the Board on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM 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.

Pursuant to article 85 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong (as shown below) provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgement of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

### 股東召開股東特別大會及於股東大會提程議案的程序

股東可透過要求召開股東特別大會而在股東大會提呈議案。根據組織章程細則第58條，股東特別大會可由董事會按任何一名或多名股東(彼等於提請要求當日持有本公司股東大會投票權不少於本公司繳足股本十分之一)的書面要求予以召開。該要求須就要求董事會召開股東特別大會以處理該要求指定的任何事務，透過向董事會或公司秘書發出書面要求而作出。該大會應於遞呈該要求後兩個月內舉行。倘於遞呈後21日內，董事會未能召開該大會，則作出該要求人士可以同樣方式召開大會，而作出要求人士因董事會未能召開大會而合理產生的所有開支應由本公司向作出要求人士進行償付。

根據組織章程細則第85條，除非獲董事推薦參選，否則除會上退任董事外，概無任何人士符合資格於任何股東大會上參選董事，除非由正式符合資格出席大會並於會上表決的股東(並非擬參選人士)簽署通告，當中表明建議提名該人士參選的意向，並附上所提名人士簽署表示願意參選的通知，提交本公司香港主要營業地點(如下所示)，而發出該等通知的期間最少須為七(7)天，而(若該等通知於寄發有關選舉所召開股東大會通告後遞交)該通知的提交期間於寄發召開有關選舉的股東大會通告翌日開始，亦不得遲於該股東大會舉行日期前七(7)日結束。

### Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing. Contact details are as follows:

Vanov Holdings Company Limited  
No. 519, Section 2, Xinhua Avenue  
Chengdu Strait Science and Technology  
Industry Development Park Wenjiang  
District Chengdu Sichuan Province, PRC

The Board regularly reviews shareholders' communication policy to ensure its implementation and effectiveness and to reflect current best practices in communications with the shareholders and the investment community, and considers that the shareholders' communication policy is effective and adequate.

### CONSTITUTIONAL DOCUMENTS

In preparation for the Listing, the Company has conditionally adopted the Memorandum and Articles of Association on 9 December 2021, which became effective on 11 January 2022 (i.e. the date of the Listing) (the "**Listing Date**"). Since then, the Company has not made any changes to its Memorandum and Articles of Association. An up-to-date version of the Company's Memorandum and Articles is also available on the websites of the Company ([www.vanov.cn](http://www.vanov.cn)) and of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

### 向董事會轉達股東查詢的程序

股東可隨時以書面形式向董事會提出查詢及關注事項。聯絡詳情如下：

環龍控股有限公司  
中國四川省  
成都市溫江區  
海峽兩岸科技產業開發園  
新華大道二段519號

董事會定期檢討股東通訊政策，確保其行之有效，並反映與股東及投資者通訊的現行最佳慣例，並認為股東通訊政策屬有效及充分。

### 章程文件

為籌備上市，本公司已於2021年12月9日有條件採納組織章程大綱及細則，並於2022年1月11日（即上市的日期）（「**上市日期**」）生效。自此，本公司並無對其組織章程大綱及細則作出任何修訂。本公司最新版本的組織章程大綱及細則亦可於本公司網站([www.vanov.cn](http://www.vanov.cn))及聯交所網站([www.hkex.com.hk](http://www.hkex.com.hk))閱覽。

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層履歷

### EXECUTIVE DIRECTORS

**Ms. Shen Genlian** (沈根蓮), aged 55, Chairperson, an executive Director and the chairperson of the Nomination Committee of the Company. She is responsible for strategic development and providing advice on the operation and management of the Group. Ms. Shen is also a director of each of Lion Courage Enterprises Limited (“**Lion Courage**”), Vanov Tianhe International Holdings Limited, Virtuous Way Limited, Marvel Dragon Development Limited and Sichuan Huanlong Technology Fabric Co., Ltd.\* (四川環龍技術織物有限公司) (“**Sichuan Huanlong**”), all of which being subsidiaries of the Company. She is the spouse of Mr. Zhou Jun. Ms. Shen obtained a Bachelor Degree in Mechanical Engineering (Instrumentation and Test System) from East China Institute of Technology\* (華東工學院) (currently known as Nanjing University of Science and Technology\* (南京理工大學)) in July 1990 and completed a study of Advanced Studies Course for Postgraduate in Business Administration (企業管理學科專業研究生課程進修班) at Southwestern University of Finance and Economics\* (西南財經大學) in December 2000. Ms. Shen has more than 20 years’ experience in papermaking felts manufacturing industry.

### 執行董事

沈根蓮女士，55歲，本公司主席、執行董事及提名委員會主席。彼負責策略發展及就本集團的營運及管理提供意見。沈女士亦為Lion Courage Enterprises Limited (「**Lion Courage**」)、環龍天和國際控股有限公司、賢途有限公司、億龍發展有限公司及四川環龍技術織物有限公司(「**四川環龍**」)各自的董事，該等公司為本公司附屬公司。彼為周駿先生的配偶。沈女士於1990年7月取得華東工學院(現稱為南京理工大學)機械工程(設備及測試系統)學士學位及於2000年12月完成西南財經大學企業管理學科專業研究生課程進修班課程。沈女士於造紙毛毯製造業擁有逾20年經驗。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷

**Mr. Zhou Jun (周駿)**, aged 59, chief executive officer of the Company, an executive Director and a member of the Remuneration Committee of the Company. He is responsible for overall management, strategic and major decisions on the development and daily operation of the Group. Mr. Zhou is also director of each of Lion Courage, Chengdu Huanlong Funeng Technology Co., Ltd\* (成都環龍賦能科技有限公司) (“**Huanlong Funeng**”), Chengdu Huanlong Lixin Technology Co., Ltd.\* (成都環龍立欣科技有限公司) (“**Huanlong Lixin**”), Sichuan Huanlong and Shanghai Jinxiong Paper Making Net Carpet Co., Ltd.\* (上海金熊造紙網毯有限公司). He is the spouse of Ms. Shen Genlian. Mr. Zhou graduated from the Technical School of China Academy of Engineering Physics\* (中國工程物理研究院技工學校) in July 1982 and completed a study of Advanced Studies Course for Postgraduate (In-service Programme) in Business Administration (企業管理研究生課程進修班(在職學習)) at the Business School of Sichuan University\* (四川大學商學院) in July 2000. Mr. Zhou is a Vice President of the 6th Council of Sichuan Papermaking Industry Association\* (四川省造紙行業協會第六屆理事會副會長), a Vice Chairman of the 6th Council of Sichuan Papermaking Industry Association\* (四川省造紙行業協會第六屆理事會副理事長), a Vice Chairman of the 9th Council of Sichuan Province Papermaking Association\* (四川省造紙學會第九屆理事會副理事長), a Standing Director of the 10th Council of Sichuan Textile Engineering Society\* (四川省紡織工程學會第十屆理事會常務理事), a Standing Vice President of the 2nd Council of Sichuan Papermaking Industry Association Household Paper Branch\* (四川省造紙行業協會生活用紙分會第二屆理事會常務副會長), an Individual Director of the 8th Council of China Technical Association of Paper Industry (中國造紙學會第八屆理事會個人理事) and was a Vice President of the 4th Council of China Nonwovens & Industrial Textiles Association\* (中國產業用紡織品行業協會第四屆理事會副會長). Mr. Zhou has more than 21 years' experience in papermaking felts manufacturing industry.

周駿先生，59歲，本公司行政總裁、執行董事及薪酬委員會成員。彼負責本集團的整體管理及就發展及日常營運作出策略性及重大決策。周先生亦為 Lion Courage、成都環龍賦能科技有限公司(「環龍賦能」)、成都環龍立欣科技有限公司(「環龍立欣」)、四川環龍及上海金熊造紙網毯有限公司各自的董事。彼為沈根蓮女士的配偶。周先生於1982年7月畢業於中國工程物理研究院技工學校，並於2000年7月在四川大學商學院完成企業管理研究生課程進修班(在職學習)課程。周先生為四川省造紙行業協會第六屆理事會副會長、四川省造紙行業協會第六屆理事會副理事長、四川省造紙學會第九屆理事會副理事長、四川省紡織工程學會第十屆理事會常務理事、四川省造紙行業協會生活用紙分會第二屆理事會常務副會長、中國造紙學會第八屆理事會個人理事以及中國產業用紡織品行業協會第四屆理事會副會長。周先生於造紙毛毯製造業擁有逾21年經驗。

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷

**Mr. Xie Zongguo (謝宗國)**, aged 51, an executive Director of the Company. He is responsible for the overall daily operation and research and development management, and participating in decision-making in respect of major matters. Mr. Xie is also a director of Sichuan Huanlong. Mr. Xie obtained a Bachelor Degree in Textile Engineering from the Tianjin Textile Institute\* (天津紡織工學院) (currently known as Tianjin Polytechnic University\* (天津工業大學)) in July 1993. Mr. Xie has more than 20 years' experience in papermaking felts manufacturing industry. He currently serves as general manager and director of Sichuan Huanlong. Mr. Xie is an individual director of the 8th Council of China Technical Association of Paper Industry (中國造紙學會第八屆理事會個人理事) and a technical expert of the PRC papermaking felt industry jointly awarded by the China Non-wovens & Industrial Textile Association, Papermaking Textile Branch\* (中國產業用紡織品行業協會造紙用紡織品分會) and the Dewatering Equipment Profession Committee of China Technical Association of Paper Industry\* (中國造紙學會脫水器材專業委員會).

**Ms. Yuan Aomei (袁傲梅)**, aged 42, an executive Director of the Company. She is responsible for providing advice on the operation and management. Ms. Yuan obtained a graduation certificate of Top-up Undergraduate Degree (專科升本科畢業證書) in Business Administration (part-time) from Southwestern University of Finance and Economics\* (西南財經大學) in July 2010. Ms. Yuan has more than 12 years' experience in business administration. Ms. Yuan joined Huanlong Industrial Group Co. Ltd.\* (環龍工業集團有限公司) in August 2008 and worked as the director of its capital operations management centre\* (資金運營管理中心總監) from 2014 to December 2020. She left Huanlong Industrial Group Co. Ltd.\* (環龍工業集團有限公司) and joined Sichuan Huanlong as head of treasury since January 2021. Before joining the Group, Ms. Yuan worked as office manager of Chengdu Zhishan Tea Cultural Development Ltd.\* (成都至善茶文化發展有限公司) from January 2007 to August 2008, and as capital representative\* (資金外勤) of Chengdu Tianyou Development Ltd.\* (成都天友發展有限公司) from January 2003 to December 2006.

**謝宗國先生**，51歲，本公司執行董事。彼負責整體日常營運與研發管理及參與有關重大事務的決策。謝先生亦為四川環龍的董事。謝先生於1993年7月取得天津紡織工學院(現稱為天津工業大學)的紡織工程學士學位。謝先生於造紙毛毯製造業擁有逾20年經驗。彼現時為四川環龍的總經理及董事。謝先生為中國造紙學會第八屆理事會個人理事及中國產業用紡織品行業協會造紙用紡織品分會與中國造紙學會脫水器材專業委員會聯名頒授的中國造紙毛毯行業技術專家。

**袁傲梅女士**(「袁女士」)，42歲，本公司執行董事。彼負責就營運及管理提供意見。袁女士於2010年7月取得西南財經大學工商管理(兼讀)專科升本科畢業證書。袁女士於工商管理方面擁有逾12年經驗。袁女士自2008年8月起加入環龍工業集團有限公司，並於2014年至2020年12月擔任其資金運營管理中心總監。她於2021年1月離開環龍工業集團有限公司並加入四川環龍。加入本集團前，袁女士於2007年1月至2008年8月擔任成都至善茶文化發展有限公司的辦公室經理，並於2003年1月至2006年12月擔任成都天友發展有限公司的資金外勤。

\* for identification purposes only.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Ip Wang Hoi (葉耘開)**, aged 47, an independent non-executive Director of the Company. He is also the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee of the Company. He is responsible for supervising and providing independent advice on the operation and management of the Group. Mr. Ip obtained his Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong in December 1998 and Master of Business Administration from the University of Chicago Graduate School of Business in March 2008. Mr. Ip has been a member of Hong Kong Institute of Certified Public Accountants since September 2001 and a fellow of CPA Australia since November 2020. Mr. Ip was designated as a Chartered Financial Analyst by the CFA Institute in September 2005. Mr. Ip has more than 20 years' experience in accounting, investment banking and corporate finance. Mr. Ip joined Arthur Andersen in September 1998 and was transferred to PricewaterhouseCoopers with effect from 1 July 2002. Mr. Ip left PricewaterhouseCoopers in April 2004 and his last position was a manager. Mr. Ip was employed by J.P. Morgan Securities (Asia Pacific) Limited from March 2011 to March 2016 and his last position was an executive director in the global investment banking department. Mr. Ip was employed by Tuspark Financial Holdings (HK) Limited from March 2017 to February 2020 and his last position was the chief executive officer of the corporate finance department — TUS Corporate Finance Limited. Mr. Ip has been the responsible officer of Wings Securities Limited since February 2020.

**Mr. Zhang Shenjin (張慎金, formerly known as Zhang Shenlian 張慎蓮)**, aged 52, an independent non-executive Director of the Company. He is also a member of each of the Audit Committee and the Remuneration Committee of the Company. He is responsible for supervising and providing independent advice on the operation and management of the Group. Mr. Zhang has over 14 years of experience in financial news reporting. Mr. Zhang worked for China Business Times Shandong Reporter Station\* (中華工商時報山東記者站) from September 1992 to July 2006 and worked as reporter stationmaster\* (記者站站長) from 1997. Mr. Zhang has served as the fourth secretary-general of China Paper and Pulp Industry Chamber of Commerce\* (中華全國工商業聯合會紙業商會) since November 2017. Mr. Zhang obtained a graduation certificate of Junior College Program (專科畢業證書) in Chinese Language and Literature by correspondence education from Shandong Heze Education University\* (山東省菏澤教育學院) (currently known as Heze University\* (菏澤學院)) in June 1992.

#### 獨立非執行董事

**葉耘開先生**，47歲，本公司獨立非執行董事。彼亦為本公司薪酬委員會主席，以及審核委員會及提名委員會各自的成員。彼負責監察及就本集團的營運及管理提供獨立意見。葉先生於1998年12月取得香港大學工商管理學士(會計及財務)學位，並於2008年3月取得芝加哥大學商學院(University of Chicago Graduate School of Business)工商管理碩士學位。葉先生自2001年9月起成為香港會計師公會會員，並自2020年11月起成為澳洲會計師公會資深會員。葉先生於2005年9月獲特許財務分析師公會(CFA Institute)認可為特許財務分析師。葉先生於會計、投資銀行及企業融資方面擁有逾20年經驗。葉先生於1998年9月加入安達信會計師事務所，於2002年7月1日調往羅兵咸永道會計師事務所。葉先生於2004年4月離開羅兵咸永道會計師事務所，最後職位為經理。葉先生於2011年3月至2016年3月受僱於J.P. Morgan Securities (Asia Pacific) Limited，最後職位為全球投資銀行部執行董事。葉先生於2017年3月至2020年2月受僱於啟迪金融控股(香港)有限公司，最後職位為企業融資部 — TUS Corporate Finance Limited行政總裁。葉先生自2020年2月起擔任永時證券有限公司的負責人。

**張慎金先生(舊名張慎蓮)**，52歲，本公司獨立非執行董事。彼亦為本公司審核委員會及提名委員會各自的成員。彼負責監察及就本集團的營運及管理提供獨立意見。張先生於財經新聞報導方面擁有逾14年經驗。張先生於1992年9月至2006年7月於中華工商時報山東記者站任職，自1997年起擔任記者站站長。張先生自2017年11月起擔任中華全國工商業聯合會紙業商會第四任秘書長。張先生於1992年6月透過函授教育取得山東省菏澤教育學院(現稱菏澤學院)的漢語語言文學專科畢業證書。



## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層履歷

**Mr. Wang Yunchen (王運陳)**, aged 38, an independent non-executive Director of the Company. He is also the chairman of the Audit Committee and a member of the Nomination Committee of the Company. He is responsible for supervising and providing independent advice on the operation and management of the Group. Mr. Wang obtained a Bachelor Degree, a Master Degree and a Doctorate Degree in Financial Management from Southwestern University of Finance and Economics\* (西南財經大學) in June 2007, March 2010 and December 2013, respectively. Mr. Wang was awarded the professorship of Accounting qualification issued by Sichuan Agricultural University (四川農業大學) in December 2020. Mr. Wang has been working for College of Management of Sichuan Agricultural University (四川農業大學) since January 2014 and serves as the head of its department of financial management. Mr. Wang currently serves as a postdoctoral researcher at the Postdoctoral Program Research Station of business administration\* (工商管理博士後科研流動站) at Fudan University. Mr. Wang was awarded the third prize of the 18th Social Science Outstanding Achievement of Sichuan Province\* (四川省第十八次社會科學優秀成果三等獎) in August 2019.

Mr. Wang obtained a listed company senior management training\* (上市公司高級管理人員培訓) graduation certificate issued by the Shenzhen Stock Exchange in March 2017. Mr. Wang served as an independent director of Sichuan Jinyu Automobile City (Group) Co., Ltd.\* (四川金宇汽車城(集團)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000803) from October 2019 to December 2019, an independent director of Chengdu Xingrong Environmental Co., Ltd.\* (成都市興蓉環境股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000598) from April 2017 to August 2020 and an independent director of Sichuan Crun Co., Ltd.\* (四川川潤股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002272) from August 2017 to March 2022.

王運陳先生，38歲，本公司獨立非執行董事。彼亦為本公司審核委員會主席及提名委員會成員。彼負責監察及就本集團的營運及管理提供獨立意見。王先生於2007年6月、2010年3月及2013年12月分別取得西南財經大學財務管理學士學位、碩士學位及博士學位。王先生於2020年12月獲頒授四川農業大學發出的會計學教授資格。王先生自2014年1月起一直在四川農業大學任職，並擔任其財務管理學系主管。王先生目前於復旦大學工商管理博士後科研流動站擔任博士後研究員。王先生於2019年8月獲頒四川省第十八次社會科學優秀成果三等獎。

王先生於2017年3月取得深圳證券交易所頒發的上市公司高級管理人員培訓畢業證書。王先生於2019年10月至2019年12月擔任四川金宇汽車城(集團)股份有限公司(一間於深圳證券交易所上市的公司，股份代號：000803)獨立董事、於2017年4月至2020年8月擔任成都市興蓉環境股份有限公司(一間於深圳證券交易所上市的公司，股份代號：000598)的獨立董事及於2017年8月至2022年3月擔任四川川潤股份有限公司(一間於深圳證券交易所上市的公司，股份代號：002272)的獨立董事。

\* for identification purposes only.

### SENIOR MANAGEMENT

**Mr. Gao Qiang**, aged 48, the sales director of the Group. He is responsible for the creation of sales strategies and the management of sales goals and targets. Mr. Gao has more than 20 years' experience in sales and papermaking felts manufacturing industry. Before joining the Group, Mr. Gao has worked for Huanlong Industrial Group Co. Ltd.\* (環龍工業集團有限公司) as sales manager since December 2001, responsible for the creation of sales strategies and the management of sales goals and targets. Mr. Gao left Huanlong Industrial Group Co. Ltd.\* (環龍工業集團有限公司) and joined Sichuan Huanlong as sales manager in February 2007 and currently serves as the sales director of the Group. Mr. Gao obtained a graduation certificate of Junior College Program (專科畢業證書) in Textile Engineering issued by the Wuhan Textile Industry College\* (武漢紡織工學院) (currently known as Wuhan Textile University\* (武漢紡織大學)) in July 1998.

**Ms. Lin Xiaoyan**, aged 41, the director of the operation department of the Group. She is responsible for the promotion of the operational efficiency and quality for the Group's overall marketing. Ms. Lin has more than 14 years' experience in corporate management and operation. She joined Sichuan Huanlong since its establishment in February 2007 and was promoted to operation director in April 2019. Ms. Lin obtained a graduation certificate of Junior College Program (專科畢業證書) in Industrial Enterprise Management jointly issued by the Southwestern University of Finance and Economics\* (西南財經大學) and the Sichuan Province Higher Education Self-study Examination Committee\* (四川省高等教育自學考試委員會) in December 1999 and a graduation certificate of Specialized Secondary School Program (普通中等專業學校畢業證書) in Pulp and Paper Making Process from the Sichuan Light Industry School\* (四川省輕工業學校) in July 2000.

**Ms. Mak Po Man Cherie**, aged 48, is the company secretary of the Company. Ms. Mak is the Vice President of SWCS Corporate Services Group (Hong Kong) Limited. She has worked for various professional firms and listed companies in Hong Kong, with over 17 years of experience in the fields of audit, accounting, corporate finance, compliance and corporate secretarial. Ms. Mak obtained a Master of Corporate Governance degree from The Hong Kong Polytechnic University in 2017. She has been admitted as an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom in 2017, a member of the Hong Kong Institute of Certified Public Accountants in 2003, and a fellow member of the Association of Chartered Certified Accountants in 2006.

\* for identification purposes only.

### 高級管理層

高強先生，48歲，本集團銷售總監。彼負責制定銷售策略以及管理銷售目標及指標。高先生於銷售及造紙毛毯製造業擁有逾20年經驗。加入本集團前，高先生自2001年12月起於環龍工業集團有限公司擔任銷售經理，負責制定銷售策略以及管理銷售目標及指標。高先生於2007年2月離開環龍工業集團有限公司並加入四川環龍擔任銷售經理，現時為銷售總監。高先生於1998年7月取得武漢紡織工學院(現稱武漢紡織大學)的紡織工程專科畢業證書。

林曉燕女士，41歲，本集團運營部門總監。彼負責提升本集團整體營銷的運營效率及質量。林女士在企業管理及營運方面擁有逾14年經驗。她於2007年2月四川環龍成立時加入，於2019年4月晉升為運營總監。林女士於1999年12月取得西南財經大學及四川省高等教育自學考試委員會聯合頒發的工業企業管理專科畢業證書，並於2000年7月取得四川省輕工業學校紙漿及造紙過程普通中等專業學校畢業證書。

麥寶文女士，48歲，為本公司公司秘書。麥女士為方圓企業服務集團(香港)有限公司的副總監。彼曾在多家專業機構及香港上市公司工作，擁有逾17年工作經驗，範疇包括審計、會計、公司財務、合規及公司秘書。麥女士於2017年獲香港理工大學公司管治碩士學位。彼於2017年獲認可為香港特許公司治理公會及英國特許公司治理公會會員、於2003年獲認可為香港會計師公會會員及於2006年獲認可為英國特許公認會計師公會資深會員。

# DIRECTORS' REPORT

## 董事會報告

The Directors present their annual report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2022.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2022 are set out in the consolidated statement of profit or loss and other comprehensive income on page 74.

The Board has resolved to recommend the payment of a final dividend of 4 HK cents per share for the year ended 31 December 2022 to shareholders whose names appear on the register of members of the Company on 7 July 2023. The final dividend is subject to the approval of the shareholders at the annual general meeting of the Company to be held on 29 June 2023, if approved, it will be paid in cash on or around 30 August 2023.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

### DISTRIBUTABLE RESERVES

As at 31 December 2022, the Company's reserves available for distribution to shareholders amounted to RMB75,768,000, representing the aggregation of the share premium, the contributed surplus and the retained profits.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 164 of the annual report.

董事謹此提呈本公司及本集團截至2022年12月31日止年度的年報及經審核綜合財務報表。

### 主要業務

本公司為投資控股公司。主要附屬公司的主要業務刊載於綜合財務報表附註14。

### 業績及股息

本集團截至2022年12月31日止年度的業績刊載於第74頁的綜合損益及其他全面收益表。

董事會已決議建議向於2023年7月7日名列本公司股東名冊的股東派付截至2022年12月31日止年度的末期股息每股4港仙。末期股息須經股東於2023年6月29日舉行的本公司股東週年大會上批准，如獲批准，將於2023年8月30日或前後以現金方式派付。

概無本公司股東放棄或同意放棄任何股息的安排。

### 可供分派的儲備

於2022年12月31日，本公司可供分派予股東的儲備乃股份溢價、實繳盈餘及保留溢利的總和，合共為人民幣75,768,000元。

### 五年財務概要

本集團最近五個財政年度的業績和資產及負債摘要刊載於年報第164頁。

### PROPERTIES OWNED BY THE GROUP

The Group owns properties in Wenjiang District, Chengdu, Sichuen, the PRC for production (the “**Properties**”). Details of the Properties owned by the Group as at 31 December 2022 are set out on page 162.

### INVESTMENT PROPERTY

One factory building of the Properties was on 5 December 2021 leased to an independent third party in a short term basis for investment purpose. Details of the movements in the investment property of the Group during the year are set out in note 13 to the consolidated financial statements. Details of the major investment property held by the Group as at 31 December 2022 are set out on page 163.

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately RMB89.8 million (2021: RMB75.8 million) for the purpose of expanding its business. Details of the movements in the property, plant and equipment of the Group during the year are set out in note 12 to the consolidated financial statements.

### BUSINESS REVIEW

A fair review of the Group's business and indication of likely future development in the Group's business are provided in the “Chairperson's Statement” and “Management Discussion and Analysis” sections of this annual report. An analysis using key financial performance indicators is set out in “Management Discussion and Analysis” section while the principal risks and uncertainties are contained in the “Notes to the Financial Statements” section of this annual report. Compliance with relevant laws and regulations that have a significant impact on the Group can be found throughout this annual report, in particular, the “Corporate Governance Report”. Discussions on the Group's environmental policies and performance are covered by a separate Environmental, Social and Governance (ESG) Report which will be available on the Company's website under the “Corporate Social Responsibility” section and the website of the Stock Exchange on the same day of this annual report. The above sections form part of this Report of the Directors.

### 本集團所擁有的物業

本集團於中國四川省成都市溫江區擁有物業作生產用途(「物業」)。本集團於2022年12月31日所擁有的物業詳情載於第162頁。

### 投資物業

物業的其中一間廠房於2021年12月5日以短期租賃出租予一名獨立第三方作投資用途。有關本集團於年內的投資物業變動詳情載於綜合財務報表附註13。有關本集團於2022年12月31日所持的主要投資物業詳情載於第163頁。

### 物業、廠房及設備

於年內，本集團為擴展業務而購置物業、廠房及設備的成本約為人民幣89.8百萬元(2021年：人民幣75.8百萬元)。有關本集團物業、廠房及設備於年內的變動詳情刊載於綜合財務報表附註12。

### 業務回顧

有關本集團業務的公正審閱以及本集團業務的未來發展趨勢刊載於本年報「主席報告」及「管理層討論及分析」各節。使用關鍵財務績效指標所作出的任何分析刊載於本年報「管理層討論及分析」一節，而主要風險及不確定因素則刊載於「財務報表附註」一節。本集團所遵守且對本集團具重大影響的相關法律及法規已刊載於本年報各章節(特別是「企業管治報告」)。有關本集團環境政策及表現的討論已單獨載於環境、社會及管治(ESG)報告內，有關報告將於年度報告日期同日在本集團網站「企業社會責任」一欄及聯交所網站可供閱覽。上述各節構成本董事會報告內容的一部分。

# DIRECTORS' REPORT

## 董事會報告

### Key relationships with stakeholders

The Group believes that its success depends on the support from its key stakeholders, namely employees, customers and suppliers.

#### Employees

The Group endeavours to provide better working conditions and attractive remunerations to its employees. The Group offers remuneration package to its employees, which include salary, allowances and payment for welfare contributions, including social insurance contributions and housing provident fund contributions. Based on the performance of each employee, the Group will provide salary increments, bonuses and promotions, so as to encourage the employees' personal developments. The Group provides regular on-the-job training to its employees in order to build up a sound career platform for employees.

#### Customers

The Group has developed strong relationships with its customers. The Group communicates and works closely with its customers during the entire production process to ensure that its products are properly designed and manufactured in accordance with the customers' production needs. For the purpose of strengthening business relationships with customers, the Group's sales and marketing teams will visit customers' production facilities regularly to understand their needs and keep abreast of the latest development and trends of its customers' products. As part of the Group's after-sales service, it issues complimentary technical advisory proposals to the customers analysing the performance of their production machines, in order to provide tailor-made papermaking felts solutions to its customers.

### 與持份者的主要關係

本集團相信成功取決於主要持份者的支持，即僱員、客戶及供應商。

#### 僱員

本集團致力為僱員提供良好工作環境及具吸引力的薪酬待遇。本集團向僱員提供的薪酬待遇包括薪金、津貼及繳付福利供款，其中包括社會保險供款及住房公積金供款。本集團根據每名僱員的表現提供薪酬調升、花紅及晉升機會，以鼓勵僱員的個人發展。本集團定期為僱員提供在職培訓，旨在為僱員建立穩固的事業基礎。

#### 客戶

本集團與客戶建立強大的關係。本集團與客戶於整個生產過程緊密溝通及合作，以確保產品根據客戶的生產需求妥為設計及製造。就鞏固與客戶的業務關係而言，本集團的銷售及營銷團隊定期到訪客戶的生產設施，以了解客戶的需求，緊貼客戶產品需求的最新發展及趨勢。作為售後服務的一部分，本集團向客戶提供免費技術諮詢建議，分析其生產機器的表現，為客戶提供訂製造紙毛毯解決方案。

### Suppliers

The Group maintains good relationships with its key suppliers through the established long-term business relationships with them. The Group carefully selects its suppliers of raw materials and maintains a list of approved suppliers. The approved suppliers are selected based on a number of factors, including product quality, supply capacity, pricing and way of settlement. The Group believes that the established long-term business relationships with these key suppliers enables the Group to have a steady supply of raw materials which are manufactured according to the specifications and timing requested by it and its customers, and such relationships have been built upon a mutual trust and confidence over the years of cooperation between the Group and suppliers.

### RESERVES

Movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity on page 77 and note 30 to the consolidated financial statements respectively.

### SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 28 to the consolidated financial statements.

### BONDS ISSUED

The Company did not have any bonds in issue or existence for the year ended 31 December 2022.

### BORROWINGS

Details of borrowings of the Group during the year ended 31 December 2022 are set out in notes 25 and 26 to the consolidated financial statements.

### 供應商

本集團透過與主要供應商建立長期業務關係維持友好關係。本集團審慎挑選原材料供應商，並設有獲批供應商名單。獲批供應商乃基於多項因素而挑選，包括產品質量、供應能力、價格及結算方式。本集團相信，與主要供應商的長期業務關係使本集團可獲得按照本集團及客戶要求的規格及時間所製造的原材料的穩定供應，而該等關係建基於多年來本集團與供應商合作建立的互信及信心。

### 儲備

本集團及本公司儲備於年內的變動分別載於綜合權益變動表第77頁以及綜合財務報表附註30。

### 股本

本公司股本於年內的變動詳情刊載於綜合財務報表附註28。

### 已發行債券

截至2022年12月31日止年度，本公司概無發行或存續任何債券。

### 借款

有關本集團截至2022年12月31日止年度的借款詳情刊載於綜合財務報表附註25及26。



# DIRECTORS' REPORT

## 董事會報告

### TAXATION

The information on the taxation of the Company and the Group in 2022 is set out in note 8 to the consolidated financial statements.

### DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

#### Executive Directors

Ms. Shen Genlian (Chairperson)  
Mr. Zhou Jun (Chief executive officer)  
Mr. Xie Zongguo  
Ms. Yuan Aomei

#### Independent non-executive Directors

Mr. Ip Wang Hoi  
Mr. Zhang Shenjin  
Mr. Wang Yunchen

The biographical details of the Directors are set out on page 38 to page 43 of this annual report.

Each of the Directors has entered into a service contract ("Directors' service Contract(s)") with the Company for a term of three years commencing from 22 June 2022 which is subject to termination by either party giving not less than three month's written notice. All the Directors, including the independent non-executive Directors, are subject to retirement by rotation at the annual general meetings of the Company pursuant to the Articles of Association.

### 稅項

有關本公司及本集團於2022年的稅項資料刊載於綜合財務報表附註8。

### 董事及董事的服務合約

於年內直至本報告日期的董事如下：

#### 執行董事

沈根蓮女士(主席)  
周駿先生(行政總裁)  
謝宗國先生  
袁傲梅女士

#### 獨立非執行董事

葉耘開先生  
張慎金先生  
王運陳先生

董事履歷詳情刊載於本年報第38頁至43頁。

各董事已與本公司訂立服務合約(「董事服務合約」)，任期由2022年6月22日起為期三年，任何一方均可發出不少於三個月的書面通知終止合約。所有董事，包括獨立非執行董事均須根據組織章程細則於本公司股東週年大會上輪值告退。

Pursuant to Article 84(1) of the Articles of Association, notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Pursuant to Article 84(2) of the Articles of Association, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Accordingly, Ms. Shen Genlian, Mr. Zhou Jun and Mr. Xie Zongguo will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

No director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

根據章程細則第84(1)條之規定，儘管細則有任何其他規定，於每屆股東週年大會上，當時為數三分之一的董事（或如董事人數並非三(3)的倍數，則須為最接近但不少於三分之一之數目）須輪值退任，而每位董事須每三年至少在股東週年大會上輪值退任一次。

根據章程細則第84(2)條規定，退任董事有資格膺選連任及於其退任的整個大會上繼續以董事身份行事。輪流退任的董事須包括（就釐定輪流退任董事的人數而言屬必要）有意退任且不願膺選連任的任何董事。任何其他須如此卸任的董事須為自其上次再當選或獲委任起計，任期最長而須輪換卸任的董事，而對於同日獲委任或上次再當選的董事，則以抽籤決定退任人選（除非彼等就此自行達成協議）。在決定輪席退任的特定董事或董事數目時，任何根據本細則第83(3)條獲董事會委任的董事不應被考慮內。

因此，沈根蓮女士、周駿先生及謝宗國先生將於應屆股東週年大會上輪值告退並合資格膺選連任。

擬於應屆股東週年大會上膺選連任的董事概無與本公司訂立服務合約，禁止本公司於一年內終止合約而毋須作出賠償（法定賠償除外）。

# DIRECTORS' REPORT

## 董事會報告

### CHANGES IN DIRECTORS' OR CHIEF EXECUTIVES' INFORMATION

Pursuant to Rule 13.51B(1), all change and updated information regarding the Directors and chief executive are set out in the section headed "Biographies of Directors and Senior Management". Save as disclosed in the above section, there was no change to any of the information required to be disclosed pursuant to Rule 13.51(2)(a) to (e) and (g).

### DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and five highest paid individuals during the year are set out in note 9 to the consolidated financial statements.

### PERMITTED INDEMNITY

The Articles of Association provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. Such provisions were in force during the course of the year under review and remained in force as of the date of this report.

### 董事及最高行政人員的資料變動

根據第13.51B(1)條規定，有關董事及最高行政人員的所有資料變動及更新刊載於「董事及高級管理層的履歷」一節。除上文所披露者外，概無任何資料變動須根據第13.51(2)(a)條至(e)條和(g)條規定予以披露。

### 董事薪酬及五名最高薪酬人士

有關年內董事薪酬及五名最高薪酬人士的詳情刊載於綜合財務報表附註9。

### 獲准許的彌償

根據組織章程細則，董事按各自的職務執行其職責(或假定職責)時因所作出、同意或遺漏的任何作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可獲本公司的資產及溢利給予補償，並確保其免受損失。有關條款於回顧年度生效，且截至本報告日期仍然生效。

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2022, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or are required to be kept under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

#### (i) Long positions in the Shares

Name of Director	Capacity/Nature	Number of Shares held/ interested in 持有／擁有權益 的股份數目	Approximate percentage of interest in the Company 於本公司權益 的概約百分比
董事姓名	身份／性質		
Ms. Shen Genlian ( <i>Note</i> )	Founder of a discretionary trust; interest of spouse	359,947,200	74.46%
沈根蓮女士( <i>附註</i> )	全權信託創立人；配偶權益		
Mr. Zhou Jun ( <i>Note</i> )	Founder of a discretionary trust; interest of spouse	359,947,200	74.46%
周駿先生( <i>附註</i> )	全權信託創立人；配偶權益		

*Note:* Perfect Angle Limited ("Perfect Angle") and Wonderful Advisor Limited ("Wonderful Advisor") are holding 269,960,400 and 89,986,800 Shares. Each of Perfect Angle and Wonderful Advisor is directly and wholly owned by Vistra Trust (Singapore) Pte. Limited ("Vistra Trust"), the trustee of the SGL Trust and the ZJ Trust. The SGL Trust is an irrevocable discretionary trust established by Fame Attain Limited ("Fame Attain"), which is wholly-owned by Ms. Shen Genlian, as the settlor. The beneficiaries of the SGL Trust are Ms. Shen Genlian and the children of Ms. Shen Genlian. The ZJ Trust is an irrevocable discretionary trust established by South Source Enterprises Limited ("South Source"), which is wholly-owned by Mr. Zhou Jun, as the settlor. The beneficiaries of the ZJ Trust are Mr. Zhou Jun and the children of Ms. Shen Genlian. Ms. Shen Genlian and Mr. Zhou Jun are wife and husband. Accordingly, each of Ms. Shen Genlian and Mr. Zhou Jun is deemed to be interested in the said 269,960,400 and 89,986,800 Shares (in aggregate 359,947,200 Shares) under the SFO.

### 董事於股份、相關股份及債權證中的權益及淡倉

於2022年12月31日，本公司各董事於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉，或根據證券及期貨條例第352條須記錄於登記冊內的權益及淡倉，或根據標準守則須知會本公司及聯交所的權益及淡倉如下：

#### (i) 於股份中的好倉

*附註：* Perfect Angle Limited (「Perfect Angle」) 及 Wonderful Advisor Limited (「Wonderful Advisor」) 持有269,960,400股及89,986,800股股份。Perfect Angle及Wonderful Advisor各自分別由Vistra Trust (Singapore) Pte. Limited (「Vistra Trust」) 直接全資擁有，Vistra Trust為SGL Trust及ZJ Trust的受託人。SGL Trust為譽致有限公司(「譽致」)成立的不可撤銷全權信託，譽致為沈根蓮女士作為財產授予人全資擁有。SGL Trust的受益人為沈根蓮女士以及沈根蓮女士的子女。ZJ Trust為南源企業有限公司(「南源」)成立的不可撤銷全權信託，南源由周駿先生作為財產授予人全資擁有。ZJ Trust的受益人為周駿先生以及沈根蓮女士的子女。沈根蓮女士及周駿先生為夫婦。因此，根據證券及期貨條例，沈根蓮女士及周駿先生各自被視為於上述269,960,400股及89,986,800股股份(合共359,947,200股股份)中擁有權益。

# DIRECTORS' REPORT

## 董事會報告

### (ii) Long position in the ordinary shares of associated corporations

### (ii) 於相聯法團普通股中的好倉

Name of Director	Name of associated corporation	Capacity/Nature	Number of Shares or registered capital held/ interested in 持有／擁有 權益的股份或註 冊資本數目	Approximate percentage of interest 權益概約 百分比
董事姓名	相聯法團名稱	身份／性質		
Ms. Shen Genlian (Note1) 沈根蓮女士(附註1)	Perfect Angle	Founder of a discretionary trust 全權信託創立人	100	100%
Mr. Zhou Jun (Note1) 周駿先生(附註1)	Perfect Angle	Interest of spouse 配偶權益	100	100%
Ms. Shen Genlian (Note2) 沈根蓮女士(附註2)	Huanlong Lixin	Interest in a controlled corporation/interest of spouse 於受控法團的權益／ 配偶權益	RMB10,000 人民幣10,000元	1%
Mr. Zhou Jun (Note2) 周駿先生(附註2)	Huanlong Lixin	Interest of spouse 配偶權益	RMB10,000 人民幣10,000元	1%

### Notes:

1. Perfect Angle is holding 269,960,400 Shares. Perfect Angle is directly and wholly owned by Vistra Trust, the trustee of the SGL Trust. The SGL Trust is an irrevocable discretionary trust established by Fame Attain, which is wholly-owned by Ms. Shen Genlian, as the settlor. The beneficiaries of the SGL Trust are Ms. Shen Genlian and the children of Ms. Shen Genlian. Ms. Shen Genlian and Mr. Zhou Jun are wife and husband. Accordingly, Perfect Angle is a holding company and an associated corporation of the Company, and each of Ms. Shen Genlian and Mr. Zhou Jun is deemed to be interested in the said shares of the associated corporation under the SFO.
2. Huanlong Lixin is an indirect non-wholly owned subsidiary of the Company, the equity interest of which is held as to 99% by Huanlong Funeng, a wholly-owned subsidiary of the Company and 1% by Huanlong Industrial Group Co., Ltd\* (環龍工業集團有限公司), respectively. Huanlong Industrial Group Co., Ltd\* (環龍工業集團有限公司) is held as to 75% by Ms. Shen Genlian and 25% by Mr. Zhou, respectively. Ms. Shen Genlian and Mr. Zhou Jun are wife and husband. Accordingly, Huanlong Lixin is an associated corporation of the Company, and each of Ms. Shen Genlian and Mr. Zhou Jun is deemed to be interested in the equity interest of the associated corporation under the SFO.

Save as disclosed in the foregoing, as at 31 December 2022, none of the Directors or chief executive of the Company or their respective close associates had any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code.

\* for identification purposes only.

## EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year under review or subsisting at the end of the year under review are set out below:

### Share Option Scheme

On 9 December 2021, a share option scheme (the “Share Option Scheme”) was approved and adopted by the shareholders, under which, options may be granted to any Eligible Participants (as defined below) to subscribe for the Shares subject to the terms and conditions stipulated in the Share Option Scheme. The Company has adopted the Share Option Scheme as an incentive to the Directors and the Eligible Participants.

### 附註：

1. Perfect Angle 持有269,960,400股股份。Perfect Angle由Vistra Trust (SGL Trust的受託人)直接全資擁有。SGL Trust為譽致成立的不可撤銷全權信託，譽致由沈根蓮女士作為財產授予人全資擁有。SGL Trust的受益人為沈根蓮女士以及沈根蓮女士的子女。沈根蓮女士及周駿先生為夫婦。因此，根據證券及期貨條例，Perfect Angle為本公司的控股公司及相聯法團，且沈根蓮女士及周駿先生各自被視為於上述相聯法團股份中擁有權益。
2. 環龍立欣為本公司的間接非全資附屬公司，其股權分別由本公司的全資附屬公司環龍賦能持有99%及由環龍工業集團有限公司持有1%。環龍工業集團有限公司分別由沈根蓮女士持有75%及由周駿先生持有25%。沈根蓮女士及周駿先生為夫婦。因此，根據證券及期貨條例，環龍立欣為本公司的相聯法團，且沈根蓮女士及周駿先生各自被視為於相聯法團股權中擁有權益。

除上文所披露者外，於2022年12月31日，本公司概無董事、最高行政人員或彼等各自的緊密聯繫人於本公司或其任何相聯法團的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須記錄於登記冊內的任何權益及淡倉，或根據證券及期貨條例第XV部第7及8分部或根據標準守則須知會本公司及聯交所的權益及淡倉。

## 權益掛鈎協議

有關於回顧年度內訂立或於回顧年末仍存續的權益掛鈎協議詳情刊載如下：

### 購股權計劃

於2021年12月9日，股東批准並採納購股權計劃（「購股權計劃」）。據此，任何合資格參與者（定義見下文）可根據購股權計劃所訂明的條款及條件，獲授予購股權以認購股份。本公司已採納購股權計劃以獎勵董事及合資格參與者。



# DIRECTORS' REPORT

## 董事會報告

The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine to the following persons (the **"Eligible Participants"**): (i) any full-time or part-time employee of any member of the Group; (ii) any consultant or adviser of any member of the Group; (iii) any Director (including executive, non-executive or independent non-executive Directors) of any member of the Group; (iv) any substantial shareholder of any member of the Group; and (v) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, where required under the Listing Rules, the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of the Group.

The maximum number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Company) to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 48,000,000 Shares, being 9.93% of the total number of the Shares in issue as at the date of this annual report.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other scheme of the Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the total number of the Shares in issue for the time being. Any further grant of options in excess of the 1% limit shall be subject to the shareholders' approval in general meeting with such participant and his associates abstaining from voting.

購股權計劃將讓合資格參與者有機會於本公司擁有個人權益，並旨在達成以下目標：(i)鼓勵合資格參與者為本集團的利益而提高其表現效率；及(ii)吸引並挽留合資格參與者或以其他方式與合資格參與者維持長久的業務關係，而該合資格參與者的貢獻乃對或將會對本集團的長遠發展有利。

董事會可酌情決定向以下人士（「合資格參與者」）授出購股權，按董事會釐定的新股份數目作出認購：(i)本集團任何成員公司的全職或兼職僱員；(ii)本集團任何成員公司的諮詢人或顧問；(iii)本集團任何成員公司的董事（包括執行董事、非執行董事或獨立非執行董事）；(iv)本集團任何成員公司的主要股東；及(v)本集團任何成員公司的分銷商、承包商、供應商、代理、客戶、業務夥伴或服務供應商。董事會（或視乎情況根據上市規則規定為獨立非執行董事）將不時根據參與者對本集團的發展及增長所作出或可能作出的貢獻，決定該參與者是否合資格獲授予購股權。

根據本公司購股權計劃及任何其他購股權計劃授出的所有購股權（就此而言，不包括根據本公司購股權計劃及任何其他購股權計劃的條款已失效的購股權），於行使時可獲發行的股份數目上限合共不得超出48,000,000股股份（即於本年報日期已發行股份總數的9.93%）。

於任何12個月期間，根據本公司購股權計劃及任何其他購股權計劃授予各參與者的購股權（包括已行使及尚未行使的購股權）獲行使時，已發行及將會發行的股份總數不得超過當時已發行股份總數的1%。額外授出任何超過1%上限的購股權須經股東於股東大會上批准，且有關參與者及其緊密聯繫人須於會上放棄投票。

An offer for the grant of option must be accepted within seven days from the offer date. Options granted shall be taken up upon payment of HK\$1.00 as consideration for the grant of option. Options may be exercised at any time from the date which option is deemed to be granted and accepted and expired on the date as the Board in its absolute discretion determine and which shall not exceed a period of 10 years from the date on which the share options are deemed to be granted and accepted but subject to the provisions for early termination thereof contained in the Share Option Scheme.

The subscription price for the Shares under the Share Option Scheme shall be determined by the Board and shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 9 December 2021. No share option has been granted by the Company under the Share Option Scheme since its adoption up to the date of this annual report.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 48,000,000, representing approximately 9.93% of the issued Shares as at the date of this annual report.

Other than the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year ended 31 December 2022 or subsisting at the end of the year.

## RETIREMENT BENEFIT PLANS

Details of retirement benefit plans of the Group during the year under review are set out in note 2.20 to the consolidated financial statements.

授出購股權的要約須於要約日期起計七日內接納。已授出的購股權須於支付1.00港元作為授出購股權的代價後方告接納。購股權可自購股權被視為已授出及接納的日期起隨時行使，並於董事會全權酌情釐定的日期屆滿，惟不得超過購股權被視為授出及接納的日期起計10年的期限，但可根據購股權計劃所載條文予以提早終止。

購股權計劃下的普通股認購價將由董事會釐定，且不得低於下列各項中的最高者：(i) 股份於授出日期（須為聯交所開市買賣證券的日子）在聯交所每日報價表所示的收市價；(ii) 緊接授出日期前五個營業日股份在聯交所每日報價表所示的平均收市價；及(iii) 股份面值。

購股權計劃自2021年12月9日起10年內生效及有效。自採納購股權計劃起直至本年報日期，本公司概無授出任何購股權。

於本年報日期，根據購股權計劃可供發行的股份總數為48,000,000股，約佔本年報日期已發行股份的9.93%。

除購股權計劃外，本公司概無於2022年12月31日止年度內訂立或於年末存續其他權益掛鉤協議。

## 退休福利計劃

本集團於回顧年度的退休福利計劃詳情載於綜合財務報表附註2.20。

# DIRECTORS' REPORT

## 董事會報告

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2022, so far as the Directors are aware, the interest and short positions of the persons, other than a Director or chief executive of the Company, in the Shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO and which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO are as follows:

Name	Capacity/Nature	Number of Shares held/ interested in 持有／擁有權益 的股份數目	Approximate percentage of interest 權益概約 百分比
姓名／名稱	身份／性質		
Perfect Angle	Beneficial owner 實益擁有人	269,960,400	55.84%
Wonderful Advisor	Beneficial owner 實益擁有人	89,986,800	18.61%
Vistra Trust (Note) (附註)	Trustee 受託人	359,947,200	74.46%

Note: Vistra Trust is the trustee of the SGL Trust and ZJ Trust and holds 100% issued share capital of both Perfect Angle and Wonderful Advisor, thus Vistra Trust is deemed to be interested in all the Shares held by Perfect Angle and Wonderful Advisor for the purpose of the SFO.

### 主要股東於本公司股份及相關股份中的權益及淡倉

於2022年12月31日，據董事所知，以下人士（本公司董事或最高行政人員除外）於本公司的股份及相關股份中擁有的權益及淡倉，須根據證券及期貨條例第336條記錄於備存登記冊內，及須根據證券及期貨條例第XV部第2及3分部向本公司作出披露：

附註：Vistra Trust為SGL Trust及ZJ Trust的受託人，並持有Perfect Angle及Wonderful Advisor 100%的已發行股本，因此，根據證券及期貨條例，Vistra Trust被視為於Perfect Angle及Wonderful Advisor持有的所有股份中擁有權益。

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the Share Option Scheme as disclosed under the section headed "Share Option Scheme" above, at no time during the year under review was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debts securities (including debentures) of, the Company or any other body corporate.

### 股份或債權證的收購安排

除上文「購股權計劃」一節所披露的購股權計劃外，本公司、其控股公司，或其任何附屬公司或同系附屬公司概無於回顧年度任何時間參與訂立任何安排，致使董事可藉由收購本公司或任何其他法人團體的股份或債券（包括債權證）而獲益。

### CORPORATE GOVERNANCE

The Group is committed to maintaining a high level of corporate governance. Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 19 to 37 of this annual report.

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the related party transactions as disclosed in note 34 to the consolidated financial statements and section headed "Continuing Connected Transactions" below, there were no other transactions, arrangements or contracts that are significant in relation to the business of the Group to which the Company or any of its subsidiary was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 December 2022.

### MANAGEMENT CONTRACTS

Save for employment contracts, no other 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 ended 31 December 2022.

### 企業管治

本集團致力維持高水準的企業管治。有關本公司企業管治措施的詳情刊載於本年報第19至37頁的企業管治報告。

### 委任獨立非執行董事

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出的年度書面確認。本公司認為所有獨立非執行董事均屬獨立人士。

### 董事於重大交易、安排或合約中的權益

除綜合財務報表附註34及下文「持續關連交易」一節所披露的關聯方交易外，截至2022年12月31日止年度內任何時間，本公司或其任何附屬公司概無簽訂對本集團業務而言屬重大的其他交易、安排及合約，亦無董事或其關連實體於其他交易、安排及合約中直接或間接擁有重大權益。

### 管理合約

除僱傭合約外，截至2022年12月31日止年度，概無訂立或存在任何涉及本公司整體或任何重大部分業務的管理及行政合約。

# DIRECTORS' REPORT

## 董事會報告

### TRANSACTIONS BETWEEN SOLE SPONSOR AND INTERMEDIARIES

CMBC International Capital Limited was the sole sponsor (the **"Sole Sponsor"**) for the Global Offering and the Listing. The Sole Sponsor, Grant Thornton Hong Kong Limited, Conyers Dill & Pearman, Loogn & Yeung and SHINEWING Risk Services Limited were appointed as the Compliance Adviser, auditors, legal advisers as to Cayman Island laws, legal advisers as to Hong Kong laws and internal control consultant of the Company, respectively, after the Listing.

Earn Talent International Limited, a Hong Kong company owned by Ms. Shen Genlian and Mr. Zhou Jun as to 50% and 50%, opened a securities account in Forwin Securities Group Limited, one of the underwriters in the Global Offering, for trading of securities, and paid service fees and commissions to Forwin Securities Group Limited in each transaction of securities during the year under review. Perfect Angle opened a securities account in CMBC Securities Company Limited, the Stabilising Manager (as defined in the Prospectus) to deposit the Shares of the Company therein.

Save as: (a) the fees in relation to the services after the Listing and the transactions as disclosed above; and (b) the listing expense in relation to the Listing, there was no transactions between (i) the Company, its Controlling Shareholders (as defined in the Prospectus), subsidiaries, Directors, Senior Management or their respective associates; (ii) any of (aa) the Sole Sponsor, (bb) any of the intermediaries (including the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, underwriting syndicate members, non-syndicate sub-placing agents and distributors (both terms were defined in the Prospectus)) involved in the placing, distribution or underwriting of the Global Offering or (cc) any of the placees under the International Placing (as defined in the Prospectus) (including the ultimate beneficial owners, subsidiaries, directors senior management or the respective associates of the parties referred to in (aa), (bb) and (cc)); and (iii) consultants or advisers involved in the application of the Listing, commencing from the first day of the financial year 2022 and ending on the date of this annual report.

### 獨家保薦人及中介之間的交易

民銀資本有限公司為我們股份的全球發售及上市的獨家保薦人(「獨家保薦人」)。上市後，獨家保薦人、致同(香港)會計師事務所有限公司、康德明律師事務所、龍炳坤、楊永安律師行及信永方略風險管理有限公司分別獲委任為本公司合規顧問、核數師、關於開曼群島法律的法律顧問、關於香港法律的法律顧問及內部監控顧問。

駿得國際有限公司，一間由沈根蓮女士及周駿先生以50%及50%持有的香港公司，於回顧年度在富榮證券集團有限公司(在全球發售的其中一間包銷商)開立了一個證券戶口以買賣證券，每個證券交易會付給富榮證券集團有限公司服務及佣金。Perfect Angle已於民銀證券有限公司(穩定價格操作人，定義見招股章程)開立證券戶口以存置本公司股份。

除：(a)如上述披露上市後有關服務的費用及交易；及(b)有關上市的上市開支，(i)本公司、其控股股東(定義見招股章程)附屬公司、董事、高級管理層或彼等各自的聯繫人；(ii)任何(aa)獨家保薦人、(bb)任何參與全球發售的配售、分銷或包銷的中介(包括獨家全球協調人、聯席賬簿管理人、聯席牽頭經辦人、包銷團成員、非財團分配售代理及分銷商(以上詞彙定義見招股章程))或(cc)國際配售下的任何承配人(定義見招股章程)(包括(aa)、(bb)及(cc)所述各方的最終實益擁有人、附屬公司、董事、高級管理層或各自的聯繫人)；及(iii)於2022財政年度首日開始及本年報結束之日，參與上市申請的諮詢人或顧問，概無訂立任何交易。

### COMPETING INTEREST

Apart from the Group's business, none of the Director, the Controlling Shareholders or any of their respective close associates was engaged in or had any interest in any business that competes or may compete with the principal business of the Group, which would require disclosure under Rule 8.10 of the Listing Rules, or has any other conflict of interest with the Group during the year ended 31 December 2022 and up to the date of this annual report.

### DEED OF NON-COMPETITION

Ms. Shen Genlian and Mr. Zhou Jun (the “Covenantors”) entered into a deed of non-competition (the “**Deed of Non-Competition**”) on 9 December 2021 in favour of the Company (for itself and for the benefit of each other member of the Group), pursuant to that they will not directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with the business of the Group during the period that the Deed of Non-Competition remains effective.

The Company has received the annual confirmation of the Covenantors in respect of their compliance with the non-competition undertakings under the Deed of Non-Competition during the year ended 31 December 2022.

The independent non-executive Directors also reviewed the Covenantors' compliance with the non-competition undertakings. The independent non-executive Directors confirmed that the Covenantors were not in breach of the non-competition undertakings during 31 December 2022.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2022.

### 競爭權益

截至2022年12月31日止年度及直至本年報日期，除本集團業務外，董事、控股股東或彼等各自的緊密聯繫人並無從事與本集團主要業務構成競爭或可能構成競爭的業務，或在當中擁有權益，而導致須根據上市規則第8.10條作出披露，亦無與本集團存在其他利益衝突。

### 不競爭契據

於2021年12月9日，沈根蓮女士及周駿先生（「契諾人」）以本公司為受益人（為其本身及本集團各間其他成員公司的利益）訂立不競爭契據（「**不競爭契據**」）。據此，於不競爭契據生效期間，彼等不會直接或間接從事任何業務活動，從而或會與本集團的業務構成競爭，或於當中持有任何權利或權益，或以其他方式涉及其中。

截至2022年12月31日止年度，本公司已收取契諾人根據不競爭契據遵守不競爭承諾的年度確認。

獨立非執行董事亦已就契諾人有否遵守不競爭承諾作出審查。獨立非執行董事確認，契諾人於2022年12月31日期間並無違反不競爭承諾。

### 購買、出售或贖回證券

截至2022年12月31日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。



# DIRECTORS' REPORT

## 董事會報告

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws 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 relief on taxation available to the shareholders by reason of their holding of the Shares. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

### RELATED PARTY TRANSACTIONS

The related party transactions of the Group made during the year ended 31 December 2022 were disclosed in note 34 to the consolidated financial statements.

### CONTINUING CONNECTED TRANSACTIONS

On 9 December 2021, Sichuen Huanlong entered into a master supply agreement (the “**Huanlong New Material Master Supply Agreement**”) with Sichuan Huanlong New Material Ltd. (四川環龍新材料有限公司) (“**Huanlong New Material**”), pursuant to which, Sichuan Huanlong agreed to sell papermaking felts to Huanlong New Material on a non-exclusive basis for a term commencing from the Listing Date and ending on 31 December 2023.

On 9 December 2021, Sichuen Huanlong entered into a master supply agreement (the “**Huanlong New Material Master Supply Agreement**”) together with the Huanlong New Material Master Supply Agreement, the “**Master Supply Agreements**”) with Sichuan Huanlong Daily Products Ltd.\* (四川環龍生活用品有限公司) (“**Huanlong Daily Products**”), pursuant to which, Sichuan Huanlong agreed to sell papermaking felts to Huanlong Daily Products on a non-exclusive basis for a term commencing from the Listing Date and ending on 31 December 2023.

### 優先認購權

本公司的組織章程細則或開曼群島的法律並無有關優先認購權的條文，規定本公司須按比例向現有股東提呈發售新股份。

### 稅務寬減及豁免

本公司並不知悉任何股東因持有股份而享有任何稅務寬減。股東如對購買、持有、出售、買賣股份或行使任何股份相關權利的稅務影響有任何疑問，務請諮詢彼等的專業顧問。

### 關聯方交易

本集團於2022年12月31日止年度所進行的關聯方交易披露於綜合財務報表附註34。

### 持續關連交易

於2021年12月9日，四川環龍與四川環龍新材料有限公司(「環龍新材料」)訂立一份總供應協議(「環龍新材料總供應協議」)，據此，四川環龍同意向環龍新材料按非獨家基準出售造紙毛毯，合約期由上市日期起至2023年12月31日止。

於2021年12月9日，四川環龍與四川環龍生活用品有限公司(「環龍生活用品」)訂立一份總供應協議(「環龍新材料總供應協議」)，連同環龍新材料總供應協議統稱「該等總供應協議」，據此四川環龍同意向環龍生活用品按非獨家基準出售造紙毛毯，合約期由上市日期起至2023年12月31日止。

The papermaking felts to be supplied by the Group under the Master Supply Agreements are mainly used by Huanlong New Material and Huanlong Daily Products in their manufacturing process as a raw material for the production of various paper related products. Since supply of papermaking felts is in the ordinary and usual course of business of the Group, the transactions under the Master Supply Agreements will provide a steady income of the Group.

Huanlong Daily Products is a wholly-owned subsidiary of Huanlong New Material. Huanlong New Material is held as to approximately 33.44% by Huanlong Industrial Group Co., Ltd\* 環龍工業集團有限公司 (which is in turn owned as to approximately 75% by Ms. Shen Genlian and 25% by Mr. Zhou Jun), approximately 14.26% by New Stream Investment Limited (which is an independent third party), approximately 12.25% by Beijing Sequoia Mingde Equity Investment Center (Limited Partnership)\* (北京紅杉銘德股權投資中心(有限合夥)), an independent third party, approximately 3.48% by Ms. Shen Genlian and the remaining interest of approximately 36.57% by 15 other independent third parties, respectively. Hence Huanlong New Material and Huanlong Daily Products are therefore associates of Ms. Shen Genlian and Mr. Zhou Jun, and connected persons of the Company. The transactions contemplated under the Master Supply Agreements shall be aggregated and treated as if they are one transaction under Rule 14A.81 of the Listing Rules, and the aggregate sales shall be used for calculating the applicable percentage ratios.

As at the date of entering into the Master Supply Agreements, based on the historical sales amounts and expected demand from Huanlong New Materials and Huanlong Daily Products, the estimated aggregate sales under the Master Supply Agreements for each of the three years ending 31 December 2023 would be less than HK\$3.0 million per year. Since all applicable percentage ratios in respect of the transactions contemplated under the Master Supply Agreements were below 5% and the aggregated sales therein were less than HK\$3,000,000 per year, the transactions contemplated under the Master Supply Agreements constituted de minimis continuing connected transactions under Rule 14A.76(1)(c) of the Listing Rules, and were exempt from reporting, annual review, announcement and the Company's independent shareholders' approval requirements at the time being. No annual cap was therefore set for the transactions contemplated under the Master Supply Agreements.

本集團根據該等總供應協議供應的造紙毛毯主要由環龍新材料及環龍生活用品於其製造過程中用作生產各種紙相關產品的原材料。由於造紙毛毯供應於本集團的一般及日常業務過程中進行，故該等總供應協議項下交易將為本集團提供穩定收入。

環龍生活用品為環龍新材料的全資附屬公司。環龍新材料分別由環龍工業集團有限公司持有約33.44%（該公司由沈根蓮女士持有約75%權益及由周駿先生持有25%權益）、由獨立第三方New Stream Investment Limited持有約14.26%、由獨立第三方北京紅杉銘德股權投資中心(有限合夥)持有約12.25%、由沈根蓮女士持有約3.48%及由其他15名獨立第三方持有餘下約36.57%的權益。因此，環龍新材料及環龍生活用品為沈根蓮女士及周駿先生的聯繫人，亦為本公司的關連人士。根據上市規則第14A.81條，該等總供應協議項下擬進行的交易將合併計算，並視作一項交易處理，且總銷售額將用於計算適用百分比率。

於該等總供應協議訂立日期，根據環龍新材料及環龍生活用品的過往銷售金額及預期需求，截至2023年12月31日止三個年度各年該等總供應協議項下的估計銷售總額將少於每年3.0百萬港元。由於該等總供應協議項下擬進行交易相關的所有適用百分比率低於5%以及有關總銷售額低於每年3,000,000港元，該等總供應協議項下擬進行的交易構成上市規則第14A.76(1)(c)條項下的最低限度的持續關連交易，目前獲豁免遵守申報、年度審查、公告及獨立股東批准的規定。因此，概無為該等總供應協議項下擬進行的交易設定年度上限。

# DIRECTORS' REPORT

## 董事會報告

Due to the increasing demand of the papermaking felts by Huanlong New Material after the expansion of its production site and the commencement of operation of its new papermaking machines in 2022, Huanlong New Material and Huanlong Daily Products increased its purchase of papermaking felts from the Group and exceeded the de minimis threshold unintentionally and amounted to approximately HK\$4.5 million. Due to an inadvertent oversight by the Company that it was not alerted when the aggregate sales under the Master Supply Agreements exceeded HK\$3.0 million in 2022. On 6 April 2023, A new annual cap of the Master Supply Agreements of not more than HK\$6.0 million (the **"New Annual Cap"**) was set for the year ending 31 December 2023.

As the highest applicable Percentage Ratio for the New Annual Cap is less than 25% and the New Annual Cap is less than HK\$10,000,000, the aggregate sales under the Master Supply Agreements is subject to the reporting, announcement and annual review requirements, but exempted from the circular and the Company's independent shareholders' approval under Rule 14A.76(2)(b) of the Listing Rules.

The independent non-executive Directors have reviewed the Group's continuing connected transactions and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or better, and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In respect of the aggregated sales under the Master Supply Agreements exceeding the de minimis threshold, the Company has made an announcement on 6 April 2023. Save as disclosed above, the Company has complied with the relevant requirements under Chapter 14A of the Listing Rules from time to time in respect of the continuing connected transactions of the Group disclosed above.

由於2022年環龍新材料擴張其生產基地及新造紙機器投產後對造紙毛毯的需求增加，環龍新材料及環龍生活用品增加對本集團的造紙毛毯採購量，並無意中超過最低限度，合共約為4.5百萬港元。由於本公司無意疏忽，於2022年該等總供應協議項下的總銷售額超過3.0百萬港元時未接獲通知。於2023年4月6日，已就截至2023年12月31日止年度設定該等總供應協議的新年度上限為低於6.0百萬港元（「**新年度上限**」）。

由於新年度上限之最高適用百分比率低於25%及新年度上限低於10,000,000港元，故根據上市規則第14A.76(2)(b)條，該等總供應協議項下的交易須遵守申報、公告及年度審查規定，惟獲豁免遵守通函及本公司獨立股東批准的規定。

獨立非執行董事已檢討本集團的持續關連交易，並確認該等持續關連交易乃(i)於本集團一般及日常業務過程中訂立；(ii)按正常或更佳商業條款訂立；及(iii)根據規管該等交易的相關協議按公平合理且符合本公司股東整體權益的條款訂立。

就該等總供應協議項下超出最低限度的總銷售額而言，本公司已於2023年4月6日刊發公告。除上文所披露者外，本公司已就上文所披露的本集團持續關連交易不時遵守上市規則第14A章的相關規定。

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing the findings and conclusions in respect of the continuing connected transactions of the Group as disclosed above in accordance with Rule 14A.56 of the Listing Rules. Save for the qualified conclusion in respect of the exceeding of the de minimis threshold, the auditor has confirmed that nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions:

- (i) have not been approved by the Company's Board of Directors;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group; and
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

In order to avoid the reoccurrence of incident, the Company has adopted various monitoring measures. For details, please refer to the announcement of the Company dated 6 April 2023.

\* for identification purposes only.

本公司核數師已獲委聘根據香港會計師公會頒佈之香港核證委聘準則第3000號(經修訂)「對過往財務資料進行審核或審閱以外之核證委聘」及參考實務指引第740號(經修訂)「關於香港上市規則所述持續關連交易之核數師函件」對本集團的持續關連交易作出報告。核數師已根據上市規則第14A.56段發出函件，當中載有其有關上述本集團所披露的持續關連交易的發現及結論。除有關超出最低限度豁免門檻的保留結論外，核數師已確認並無發現任何事項致使其相信已披露持續關連交易：

- (i) 未獲本公司董事會批准；
- (ii) 在所有重大方面未有按照本集團的定價政策進行；及
- (iii) 在所有重大方面未有按照規管該等交易的相關協議進行。

本公司已經向聯交所提交核數師函件副本。

為避免再次發生有關事件，本公司已採納眾多監察措施。有關詳情，請參閱本公司日期為2023年4月6日的公告。

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in section headed "Continuing Connected Transactions" above, there was no transactions, arrangements and contracts of significance, to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### CONTRACTS BETWEEN THE COMPANY AND ITS CONTROLLING SHAREHOLDERS

Save as the sections headed "Related Party Transactions" and "Continuing Connected Transactions" above and note 34 to the consolidated financial statements, there is no contract of significance whether for provision of service or otherwise, between the Company or any of its subsidiaries and the Controlling Shareholders or any of the Controlling Shareholders' subsidiaries at any time during the year under review.

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the aggregate sales attributable to the Group's five largest customers accounted for approximately 15.6% of the Group's total sales for the year and the sales to the largest customer included therein amounted to approximately 6.7%. The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 78.6% of the Group's total purchases for the year and the largest supplier included therein amounted to approximately 49.3%.

None of the Directors, their associates or any shareholder which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital had any interest in the share capital of any of the Group's five largest suppliers or customers.

### SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules as at the latest practicable date prior to the issue of this annual report.

### 董事於重大交易、安排或合約中的權益

除上文「持續關連交易」一節所披露者外，於年末或年內任何時間，本公司、其控股公司，或其任何附屬公司或同系附屬公司概無訂立重大交易、安排及合約，亦無董事於其中直接或間接擁有重大權益。

### 本公司與控股股東的合約

除上文「關聯方交易」及「持續關連交易」各節及綜合財務報表附註34所述者外，於回顧年度內任何時間，本公司或其任何附屬公司概無與控股股東或控股股東任何附屬公司訂立提供服務或其他方面的重大合約。

### 主要客戶及供應商

於回顧年度內，本集團五大客戶應佔銷售總額佔本集團年內銷售總額約15.6%，最大客戶的銷售額則佔約6.7%。本集團五大供應商應佔採購總額佔本集團年內採購總額約78.6%，最大供應商則佔約49.3%。

據董事所深知，概無董事、彼等的聯繫人或任何股東擁有超過5%的本公司已發行股本或於本集團的五大供應商或客戶中擁有任何股本權益。

### 充足的公眾持股量

根據本公司可得的公開資料及據董事所知，於刊發本年報前的最後實際可行日期，本公司始終按上市規則的規定維持充足的公眾持股量。

### REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Wang Yunchen, Mr. Zhang Shenjin and Mr. Ip Wang Hoi. This 2022 annual report has been reviewed by the Audit Committee.

### AUDITORS

Grant Thornton Hong Kong Limited, the auditors of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the AGM to be held on 29 June 2023 to seek the shareholders' approval on the reappointment of Grant Thornton Hong Kong Limited as auditors of the Company until the conclusion of the next AGM and to authorise the Board to fix their remuneration.

### ANNUAL GENERAL MEETING

The Company will hold the AGM on Thursday, 29 June 2023. A notice convening the AGM will be published and despatched to shareholders in due course.

### CLOSURE OF REGISTER OF MEMBERS

#### For determining the eligibility to attend and vote at the 2023 AGM

The register of members of the Company will be closed from Monday, 26 June 2023 to Thursday, 29 June 2023 (both days inclusive) for the purpose of determining the entitlement of attending and voting at the AGM to be held on Thursday, 29 June 2023. The record date will be Thursday, 29 June 2023. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 23 June 2023.

### 審核委員會的審閱

本公司的審核委員會由三名獨立非執行董事組成，包括王運陳先生、張慎金先生及葉耘開先生。2022年報乃經由審核委員會審閱。

### 核數師

本公司的核數師，致同(香港)會計師事務所有限公司，將於本公司的應屆股東週年大會結束時退任，並合資格膺選連任。將於2023年6月29日舉行的股東週年大會上將提呈決議案，以尋求股東批准續聘致同(香港)會計師事務所有限公司為本公司的核數師，直至下屆股東週年大會結束為止，以及授權董事會釐定其酬金。

### 股東週年大會

本公司將於2023年6月29日(星期四)舉行股東週年大會。召開股東週年大會的通告將適時刊發並寄發予股東。

### 暫停辦理股份過戶登記手續

#### 為釐定出席2023年股東週年大會並於會上投票的權利

本公司將自2023年6月26日(星期一)起至2023年6月29日(星期四)止(包括首尾兩日)暫停辦理股份過戶登記手續，以釐定出席於2023年6月29日(星期四)舉行的股東週年大會並於會上投票的資格。記錄日期將為2023年6月29日(星期四)。為符合資格出席股東週年大會並於會上投票，所有股份過戶文件(連同相關股票)必須不遲於2023年6月23日(星期五)下午四時三十分送達本公司於香港的股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。



# DIRECTORS' REPORT

## 董事會報告

### Entitlement to the proposed final dividend

The register of members of the Company will be closed from Wednesday, 5 July 2023 to Friday, 7 July 2023 (both days inclusive) for the purpose of determining the entitlement of receiving the final dividend for the year ended 31 December 2022. The record date will be Friday, 7 July 2023. In order to qualify for receiving the final dividend, all transfers accompanied by the relevant share certificate must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 4 July 2023.

### EVENTS AFTER THE REPORTING PERIOD

No significant events of the Group occurred after 31 December 2022 and up to the date of this annual report.

On behalf of the Board

**Shen Genlian**  
*Chairperson*

Hong Kong, 30 March 2023

### 獲派發建議末期股息的權利

本公司將自2023年7月5日(星期三)起至2023年7月7日(星期五)止(包括首尾兩日)暫停辦理股份過戶登記手續，以釐定可享截至2022年12月31日止年度末期股息的資格。記錄日期將為2023年7月7日(星期五)。為符合資格獲派末期股息，所有股份過戶文件(連同相關股票)必須不遲於2023年7月4日(星期二)下午四時三十分送達本公司於香港的股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712–1716號舖。

### 期後事件

於2022年12月31日後直至本年報日期，概無發生任何重大事件。

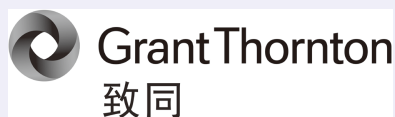
代表董事會

**沈根蓮**  
*主席*

香港，2023年3月30日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**To the members of Vanov Holdings Company Limited**  
(incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Vanov Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 74 to 161, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**致環龍控股有限公司的成員公司**  
(於開曼群島註冊成立的有限公司)

### 意見

吾等已審核第74至161頁所載環龍控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於2022年12月31日的綜合財務狀況表，及截至該日止年度的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，以及載有重大會計政策概要的綜合財務報表附註。

吾等認為，該等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」)，真實而中肯地反映貴集團於2022年12月31日的綜合財務狀況，及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露要求妥為編製。

### 意見的基礎

吾等已根據香港會計師公會頒佈的《香港審核準則》(「香港審核準則」)進行審核。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)，吾等獨立於貴集團，並已履行守則中的其他職業道德責任。吾等相信，吾等所獲得的審核憑證足夠且適合作為審核意見的基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.

#### Revenue recognition for sales of papermaking felts

銷售造紙毛毯的收益確認

Refer to Notes 2.16 and 4 to the consolidated financial statements

請參閱綜合財務報表附註2.16及4。

#### Key Audit Matter

關鍵審核事項

Revenue principally comprises revenue from the design, manufacture and sales of papermaking felts.

收益主要包括設計、製造及銷售造紙毛毯所得收益。

Sales of papermaking felts are recognised when control of the goods has been transferred to the customers, being at the point in time when the goods are delivered.

造紙毛毯的銷售於貨品的控制權轉移至顧客後(即交付貨品時)予以確認。

We identified the recognition of revenue as a key audit matter because of its significance to the Group and revenue is one of the key performance indicators of the Group, therefore it is a significant audit risk area.

收益確認已獲吾等確定為關鍵審核事項，因為其對貴集團屬重大，且收益乃貴集團的關鍵績效指標之一，因此收益屬重大的審核風險範疇。

### 關鍵審核事項

關鍵審核事項乃吾等根據專業判斷，認為對本期間綜合財務報表的審核最為重大的事項。吾等於審核整體綜合財務報表及出具意見時處理該等事項。吾等不會對該等事項提供單獨的意見。

#### How our audit addressed the Key Audit Matter

吾等的審核如何處理關鍵審核事項

Our audit procedures to assess the recognition of revenue included:

吾等評估收益確認的審核程序包括：

- obtaining an understanding of the processes and internal control in relation to recognition of revenue from sales of papermaking felts;
- 了解銷售造紙毛毯時確認收益的過程及內部監控；
- assessing the appropriateness of judgment made by management on revenue recognition on the sales of papermaking felts by reviewing the sales contracts, on a sample basis, with reference to HKFRS 15;
- 參照香港財務報告準則第15號抽樣審閱銷售合約，以評估管理層確認銷售造紙毛毯收益時所作出的判斷是否恰當；
- testing the revenue recognised from sales of papermaking felts, on a sample basis, against sales contracts or orders, and customer acknowledgement of delivery to evaluate whether the control of the papermaking felts has passed to the customers;
- 抽樣對照銷售合約或訂單和顧客的交付回執(用作評估造紙毛毯的控制權是否已移交顧客)，以測試銷售造紙毛毯所確認的收益；
- performing analysis of revenue, gross profit trend and their fluctuation; and
- 分析收益，毛利趨勢及其波幅；及
- assessing the adequacy of the Group's disclosure with respect to revenue recognised.
- 評估貴集團就收益確認所作出的披露是否足夠。

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Impairment assessment of trade receivables

貿易應收款項的減值評估

Refer to Notes 2.9, 18 and 36.5 to the consolidated financial statements

請參閱綜合財務報表附註2.9、18及36.5。

Key Audit Matter

關鍵審核事項

The Group's net trade receivables amounting to approximately RMB151,342,000 has been net off with lifetime expected credit losses ("ECL") on trade receivables amounted to approximately RMB4,312,000 as at 31 December 2022.

於2022年12月31日，貴集團的貿易應收款項淨額約為人民幣151,342,000元，且已扣除貿易應收款項的全期預期信貸虧損（「預期信貸虧損」）約人民幣4,312,000元。

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating ECL of the Group's trade receivables at the end of the reporting period.

貿易應收款項的減值評估已獲吾等確定為關鍵審核事項，因為貿易應收款項對貴集團的綜合財務狀況屬重大，加上評估貴集團於報告期末的貿易應收款項預期信貸虧損時涉及管理層的主觀判斷及估計。

How our audit addressed the Key Audit Matter

吾等的審核如何處理關鍵審核事項

Our audit procedures to assess the impairment assessment of trade receivables included:

吾等評估貿易應收款項減值評估的審核程序包括：

- obtaining an understanding of management's processes and internal control regarding the collection and the assessment of the recoverability of trade receivables;
- 了解管理層收回貿易應收款項的過程及內部監控，以及就貿易應收款項可否回收作出的評估；
- testing the accuracy of the trade receivables ageing analysis, on a sample basis, by checking to the source documents;
- 檢查原始文件，以抽樣測試貿易應收款項的賬齡分析是否準確；
- evaluating the management's assessment on the ECL of trade receivables, including their identification of credit-impaired receivables and the reasonableness of management's grouping of the remaining trade receivables into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix, with reference to the historical payment records, public available information and credit history of the Group's customers and the correspondence with customers; and
- 參照過往付款記錄、公開可得資料以及貴集團顧客的信貸記錄及相關通訊，以評核管理層就貿易應收款項預期信貸虧損作出的測試，包括確定信貸減值的應收款項、管理層有否合理地按撥備矩陣內的不同類別為剩餘的貿易應收款項分組，以及撥備矩陣內各類別用作為基準的估計虧損率；及
- Evaluating the disclosures regarding the impairment assessment of trade receivables to the consolidated financial statements.
- 評核綜合財務報表就貿易應收款項減值評估作出的披露。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2022 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### RESPONSIBILITIES OF THE DIRECTORS 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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

### 其他資料

董事須對其他資料負責。其他資料包括 貴公司 2022年報內的所有資料，惟不包括綜合財務報表及吾等的核數師報告。

吾等對於綜合財務報表的意見並不涉及其他資料，吾等亦不會對該等其他資料發表任何形式的鑒證結論。

就吾等對綜合財務報表的審核而言，吾等的責任乃閱覽其他資料，藉以考慮其他資料是否與綜合財務報表或吾等於審核時所了解的情況出現重大抵觸，又或是否存在重大錯誤陳述。基於吾等已執行的工作，倘若吾等認為其他資料存在重大錯誤陳述，則吾等須如實報告。就此而言，吾等並無任何報告事項。

### 董事就綜合財務報表須承擔的責任

根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，董事有責任編製真實而中肯的綜合財務報表，亦須對其認為屬必要的內部監控負責，以避免編製綜合財務報表時因欺詐或錯誤而引致重大錯誤陳述。

於編製綜合財務報表時，董事有責任評估 貴集團持續經營的能力，於適用情況下披露有關持續經營的事項，並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 貴集團的財務報告過程的責任。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

Our 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, in accordance with our agreed terms of engagements and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

### 核數師就審核綜合財務報表須承擔的責任

吾等旨在就綜合財務報表整體是否不存在因欺詐或錯誤而引致的重大錯誤陳述作出合理鑒證，並出具載有吾等意見的核數師報告。吾等按照所協定的委聘條款僅向閣下(作為整體)報告吾等的意見，除此之外本報告別無其他目的。吾等概不就本報告的內容向任何其他人士負上或承擔任何責任。

合理鑒證屬高水平的保證，惟無法保證按照香港審核準則作出的審核將能一直發現存在重大錯誤陳述。倘錯誤陳述可在合理預期情況下影響綜合財務報表的個別或整體使用者根據該等報表作出經濟決定，則有關錯誤陳述視作重大。

根據香港審核準則進行審計的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別並評估因欺詐或錯誤而引致綜合財務報表存在重大錯誤陳述的風險，設計並執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而引致重大錯誤陳述的風險高於未能發現因錯誤而引致重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對貴集團內部監控是否有效發表意見。
- 評估董事所採用的會計政策是否恰當、作出的會計估計及相關披露是否合理。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

### 核數師就審核綜合財務報表須承擔的責任 (續)

- 就董事採用的持續經營會計基礎是否恰當作出結論。根據所獲取的審核憑證，確定是否存在有關事項或情況的重大不確定因素，從而可能導致貴集團的持續經營能力產生重大疑慮。倘若吾等認為存在重大不確定因素，則有必要於核數師報告中提請使用者注意綜合財務報表中的相關披露。倘若相關披露不足，則吾等應修改意見。吾等的結論按照截至核數師報告日期止所取得的審計憑證為基準。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容(包括披露資料)，以及綜合財務報表有否中肯地反映相關交易和事項。
- 就貴集團當中的實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。吾等負責貴集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與審核委員會溝通(其中包括)審計的計劃範圍、時間安排、重大審核發現，包括吾等於審核時所確定的任何內部監控重大缺陷。

吾等亦向審核委員會發出聲明，說明吾等已符合有關獨立性的相關專業道德要求，及告知彼等一切有可能影響吾等獨立性的關係及其他事項，以及相關防範措施(如適用)。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

11th Floor, Lee Garden Two  
28 Yun Ping Road  
Causeway Bay  
Hong Kong

30 March 2023

#### **Lau Kwong Kei**

Practising Certificate No.: P07578

### 核數師就審核綜合財務報表須承擔的責任 (續)

與審核委員會溝通的事項當中，吾等確定哪些事項對於本期綜合財務報表的審核最為重大，屬關鍵審核事項。除非法律法規禁止公開披露該等事項，又或於極端罕見的情況下，吾等認為在吾等報告內發佈某事項造成合理預期的負面後果超過發佈所帶來的公眾利益，否則吾等將於核數師報告中敘述該等事項。

#### **致同(香港)會計師事務所有限公司**

*執業會計師*

香港  
銅鑼灣  
恩平道28號  
利園二期11樓

2023年3月30日

#### **劉廣基**

執業證書編號：P07578

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

For the year ended 31 December 2022 截至2022年12月31日止年度

			2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
		Notes 附註		
<b>Revenue</b>	<b>收益</b>	<b>4</b>	<b>217,756</b>	213,668
Cost of sales	銷售成本		(100,939)	(100,046)
<b>Gross profit</b>	<b>毛利</b>		<b>116,817</b>	113,622
Other income	其他收入	5	20,102	5,509
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值虧損	19	(1)	—
Selling and distribution expenses	銷售及分銷開支		(21,595)	(19,855)
Administrative and other operating expenses	行政及其他經營開支		(40,345)	(31,587)
Finance costs	財務成本	6	(10,536)	(8,229)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>7</b>	<b>64,442</b>	59,460
Income tax expense	所得稅開支	8	(11,442)	(8,770)
<b>Profit and total comprehensive income for the year</b>	<b>年內溢利及全面收益總額</b>		<b>53,000</b>	50,690
<b>Profit and total comprehensive income attributable to:</b>	<b>以下各方應佔溢利及全面收益總額：</b>			
Equity holders of the Company	本公司權益持有人		52,437	50,136
Non-controlling interests	非控股權益		563	554
			<b>53,000</b>	50,690
			2022 2022年 RMB cents 人民幣分	2021 2021年 RMB cents 人民幣分
<b>Earnings per share attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔每股盈利</b>			
Basic and diluted	基本及攤薄	10	10.93	13.71

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2022 於2022年12月31日

			2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
	Notes 附註			
<b>ASSETS AND LIABILITIES</b>		<b>資產及負債</b>		
<b>Non-current assets</b>		<b>非流動資產</b>		
Property, plant and equipment	12	物業、廠房及設備	176,718	92,360
Investment property	13	投資物業	40,296	40,952
Land lease prepayment	15	土地租賃預付款項	5,180	5,518
Intangible assets	16	無形資產	69,019	61,341
Prepayment of acquisition for property, plant and equipment and intangible assets		收購物業、廠房及設備及無形資產的預付款項	88,137	35,784
Deposit		按金	2,100	2,100
Deferred tax assets	27	遞延稅項資產	760	720
			<b>382,210</b>	<b>238,775</b>
<b>Current assets</b>		<b>流動資產</b>		
Inventories	17	存貨	17,333	11,903
Trade and other receivables	18	貿易及其他應收款項	181,543	153,477
Financial assets at fair value through profit or loss	19	按公平值計入損益的金融資產	984	—
Cash and cash equivalent	20	現金及現金等價物	85,618	12,609
			<b>285,478</b>	<b>177,989</b>
<b>Current liabilities</b>		<b>流動負債</b>		
Contract liabilities	21	合約負債	486	512
Trade and other payables	22	貿易及其他應付款項	48,534	58,793
Lease liabilities	23	租賃負債	3,460	1,338
Amount due to a related party	34(c)	應付關聯方款項	—	20
Discounted bills financing	24	貼現票據融資	—	3,821
Bank borrowings	25	銀行借款	57,500	105,000
Other borrowings	26	其他借款	24,381	8,326
Income tax payable		應付所得稅	14,557	7,483
			<b>148,918</b>	<b>185,293</b>
<b>Net current assets/(liabilities)</b>		<b>流動資產／(負債)淨額</b>	<b>136,560</b>	<b>(7,304)</b>
<b>Total assets less current liabilities</b>		<b>總資產減流動負債</b>	<b>518,770</b>	<b>231,471</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2022 於2022年12月31日

		Notes	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債	23	6,673	—
Other borrowings	其他借款	26	29,122	14,208
Bank borrowings	銀行借款	25	104,500	—
Deferred tax liabilities	遞延稅項負債	27	5,121	2,281
			145,416	16,489
<b>Net assets</b>	<b>資產淨值</b>		<b>373,354</b>	<b>214,982</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	28	3,949	1
Reserves	儲備	29	366,409	212,548
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		370,358	212,549
Non-controlling interests	非控股權益		2,996	2,433
<b>Total equity</b>	<b>總權益</b>		<b>373,354</b>	<b>214,982</b>

The notes on pages 80 to 161 are an integral part of these consolidated financial statements.

第80至161頁所載的附註構成此等歷史財務報表的一部分。

The consolidated financial statements on pages 74 to 161 were approved by the Board of Directors on 30 March 2023 and were signed on its behalf.

第74至161頁的綜合財務報表於2023年3月30日經董事會批准，並由以下人士代為簽署。

**Shen Genlian**  
沈根蓮  
Director  
董事

**Xie Zongguo**  
謝宗國  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2022 截至2022年12月31日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔						Non-controlling interests 非控股權益	Total 總計
		Share capital 股本 RMB'000 人民幣千元	Share premium* 股份溢價* RMB'000 人民幣千元 (Note 29) (附註29)	Capital reserve* 資本儲備* RMB'000 人民幣千元 (Note 29) (附註29)	Statutory reserve* 法定儲備* RMB'000 人民幣千元 (Note 29) (附註29)	Retained profits* 保留溢利* RMB'000 人民幣千元	Subtotal 小計 RMB'000 人民幣千元		
As at 1 January 2021	於2021年1月1日	1	—	43,841	28,903	89,668	162,413	1,879	164,292
Profit and total comprehensive income for the year	年內溢利及全面收益總額	—	—	—	—	50,136	50,136	554	50,690
Transfer	轉撥	—	—	—	4,409	(4,409)	—	—	—
As at 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	1	—	43,841	33,312	135,395	212,549	2,433	214,982
Profit and total comprehensive income for the year	年內溢利及全面收益總額	—	—	—	—	52,437	52,437	563	53,000
Transfer	轉撥	—	—	—	11,358	(11,358)	—	—	—
Capitalisation Issue (Note 28(a))	資本化發行 (附註28(a))	2,990	(2,990)	—	—	—	—	—	—
Issue of new shares on 11 January 2022 (Note 28(b))	於2022年1月11日發行新股份(附註28(b))	930	112,547	—	—	—	113,477	—	113,477
Issue of new shares on 8 February 2022 (Note 28(c))	於2022年2月8日發行新股份(附註28(c))	28	3,401	—	—	—	3,429	—	3,429
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	—	(11,534)	—	—	—	(11,534)	—	(11,534)
As at 31 December 2022	於2022年12月31日	3,949	101,424	43,841	44,670	176,474	370,358	2,996	373,354

\* The reserves accounts comprise the Group's reserves of RMB\$366,409,000 (2021: RMB\$212,548,000) in the consolidated statement of financial position.

\* 儲備賬目包括綜合財務狀況表內的本集團儲備人民幣366,409,000元(2021年:人民幣212,548,000元)。



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2022 截至2022年12月31日止年度

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before income tax	除所得稅前溢利	64,442	59,460
Adjustments for:	就下列各項作出調整：		
Amortisation of intangible assets	無形資產攤銷	3,225	2,075
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9,848	9,724
Depreciation of investment property	投資物業折舊	2,004	164
Depreciation of land lease prepayment	土地租賃預付款項折舊	338	338
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	82	610
Reversal of provisions for inventories	存貨撥備撥回	(377)	(475)
Reversal of provision of legal claim	法律申索撥備撥回	—	(358)
Provision of/(Reversal of) allowance on trade and bills receivables, net	貿易應收款項及應收票據撥備／(撥回)淨額	823	(2)
Provision for warranty	保養撥備	4,579	4,115
Interest income	利息收入	(997)	(151)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值虧損	1	—
Unrealised exchange gain, net	未變現匯兌收益	(6,138)	—
Finance costs	財務成本	10,536	8,229
Operating cash flows before working capital changes	營運資金變動前的經營現金流量	88,366	83,729
Increase in inventories	存貨增加	(5,053)	(1,394)
Increase in trade and other receivables	貿易及其他應收款項增加	(28,889)	(11,700)
Decrease in amounts due from related parties	應收關聯方款項減少	—	205
Increase in trade and other payables	貿易及其他應付款項增加	4,786	13,881
Decrease in contract liabilities	合約負債減少	(26)	(227)
Decrease in amount due to a related party	應付關聯方款項減少	(20)	(7)
Cash generated from operations	經營所得現金	59,164	84,487
Income tax paid	已付所得稅	(1,568)	(6,040)
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>57,596</b>	<b>78,447</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2022 截至2022年12月31日止年度

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
	Note 附註		
<b>Investing activities</b>	<b>投資活動</b>		
Acquisition of property, plant and equipment	收購物業、廠房及設備	(84,009)	(57,508)
Acquisition of intangible assets	收購無形資產	(10,903)	(12,308)
Additions of subsequent expenditures on investment property	投資物業的其後支出的增加	(1,348)	—
Interest received	已收利息	997	151
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	339	150
Decrease in restricted bank deposit	受限制銀行存款減少	—	1,000
Purchase of financial assets at fair value through profit or loss	購買按公平值計入其他全面收益之金融資產	(985)	—
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(95,909)</b>	<b>(68,515)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds of bank borrowings	銀行借款所得款項	162,300	105,000
Repayment of bank borrowings	償還銀行借款	(105,300)	(115,000)
Repayment of other borrowings	償還其他借款	(18,367)	(4,415)
Repayment of lease liabilities	償還租賃負債	(4,840)	(1,545)
Interest paid	已付利息	(10,536)	(8,229)
Listing expenses paid	已付上市開支	(19,624)	(6,730)
(Decrease)/Increase in discounted bills financing	貼現票據融資(減少)/增加	(3,821)	3,821
Proceeds from issue of new shares	發行新股份所得款項	116,906	—
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	(11,534)	—
<b>Net cash from/(used in) financing activities</b>	<b>融資活動所得/(所用)現金淨額</b>	<b>105,184</b>	<b>(27,098)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加/(減少)淨額</b>	<b>66,871</b>	<b>(17,166)</b>
Cash and cash equivalents at beginning of year	年初現金及現金等價物	12,609	29,775
Effect of foreign exchange rate changes	匯率變動影響	6,138	—
<b>Cash and cash equivalents at end of year</b>	<b>年末現金及現金等價物</b>	<b>85,618</b>	<b>12,609</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1. GENERAL INFORMATION

#### 1.1 General information

Vanov Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 5 November 2018 as an exempted company with limited liability under the Companies Act, Cap.22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its headquarter is situated at No.519, Section 2, Xinhua Avenue, Chengdu Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan Province, the People’s Republic of China (the “PRC”).

The Company is an investment holding company and its subsidiaries are principally engaged in the design, manufacture and sales of papermaking felts.

The Company’s immediate holding company is Perfect Angle Limited (“Perfect Angle”), a company incorporated in the British Virgin Islands (“BVI”). The Company’s ultimate controlling parties are Ms. Shen Genlian (“Ms. Shen”) and Mr. Zhou Jun (“Mr. Zhou”), the Spouse of Ms. Shen (together, the “Controlling Shareholders”).

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 11 January 2022.

These consolidated financial statements for the year ended 31 December 2022 were approved for issue by the board of directors (the “Board”) on 30 March 2023.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

### 1. 一般資料

#### 1.1 一般資料

環龍控股有限公司(「本公司」)於2018年11月5日根據開曼群島公司法第22章(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限責任公司，註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands，而其總部位於中華人民共和國(「中國」)四川省成都市溫江區海峽兩岸科技產業開發園新華大道二段519號。

本公司為一間投資控股公司，連同其附屬公司主要從事造紙毛毯的設計、製造及銷售。

本公司的直接控股公司為Perfect Angle Limited (「Perfect Angle」)，該公司於英屬處女群島(「英屬處女群島」)註冊成立。本公司的最終控制方為沈根蓮女士(「沈女士」)及周駿先生(「周先生」)(沈女士的配偶)(統稱為「控股股東」)。

本公司股份於2022年1月11日在香港聯合交易所有限公司(「聯交所」)主板上市。

截至2022年12月31日止年度的此等綜合財務報表於2023年3月30日經董事會(「董事會」)批准刊發。

### 2. 重大會計政策概要

#### 2.1 編製基準

本綜合財務報表乃按照香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則僅為一個統稱，當中包括香港會計師公會(「香港會計師公會」)頒佈的所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋，以及香港一般公認的會計原則。綜合財務報表亦符合香港公司條例的適用披露規定及包括香港聯合交易所有限公司證券上市規則(「上市規則」)的適用披露規定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

The significant accounting policies that have been used in the preparation of this consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in Note 2.2.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets which are stated at fair values.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

## 2. 重大會計政策概要(續)

### 2.1 編製基準(續)

編製本綜合財務報表所採用的重大會計政策概述於下文。除非另有說明，否則該等政策已貫徹應用於呈列的所有年度。新訂或經修訂香港財務報告準則的採用以及對本集團財務報表的影響(如有)於附註2.2披露。

綜合財務報表乃按歷史成本基礎編製，惟若干按公平值呈列的金融資產除外。

務請注意，編製綜合財務報表時會使用會計估計及假設。儘管該等估計乃基於管理層對目前事件及行動的最佳理解及判斷作出，惟實際結果最終可能與該等估計有異。涉及較高程度判斷或複雜性之範圍，或假設及估計對綜合財務報表而言屬重大之範圍於附註3披露。

於本年度，本集團首次應用以下由香港會計師公會頒佈的經修訂香港財務報告準則，有關準則與本集團的營運有關及適用於2022年1月1日開始的年度期間本集團的綜合財務報表：

香港財務報告準則第3號(修訂本)	參照概念框架
香港會計準則第16號(修訂本)	物業、廠房及設備 — 作擬定用途前的所得款項
香港會計準則第37號(修訂本)	虧損性合同 — 履行合同的成本
香港財務報告準則(修訂本)	2018年至2020年香港財務報告準則的年度改進
會計指引第5號(經修訂)	共同控制合併的合併會計法

採納經修訂香港財務報告準則對本期間及過往期間的業績及財務狀況的編製及呈列方法並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.2 Adoption of new and amended HKFRSs

##### *Issued but not yet effective HKFRSs*

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective date not yet determined

### 2. 重大會計政策概要(續)

#### 2.2 採用新訂或經修訂香港財務報告準則

##### *已頒佈但尚未生效的香港財務報告準則*

於本綜合財務報表授權日期，若干新訂及經修訂香港財務報告準則已頒佈但尚未生效，且本集團並無提早採納。

香港財務報告準則第17號	保險合約及相關修訂 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或投入 <sup>3</sup>
香港財務報告準則第16號(修訂本)	售後租回之租賃負債 <sup>2</sup>
香港會計準則第1號(修訂本)	將負債分類為流動或非流動及對香港詮釋第5號的相關修訂 <sup>2</sup>
香港會計準則第1號(修訂本)	附帶契諾的非流動負債 <sup>2</sup>
香港會計準則第1號及香港財務報告準則實務公告第2號(修訂本)	會計政策的披露 <sup>1</sup>
香港會計準則第8號(修訂本)	會計估計的定義 <sup>1</sup>
香港會計準則第12號(修訂本)	單一交易產生之資產及負債之相關遞延稅項 <sup>1</sup>

<sup>1</sup> 於2023年1月1日或之後開始之年度生效

<sup>2</sup> 於2024年1月1日或之後開始之年度生效

<sup>3</sup> 生效日期尚未確定

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Adoption of new and amended HKFRSs (Continued)

#### *Issued but not yet effective HKFRSs (Continued)*

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group 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. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

## 2. 重大會計政策概要(續)

### 2.2 採用新訂或經修訂香港財務報告準則 (續)

#### *已頒佈但尚未生效的香港財務報告準則 (續)*

董事預期，所有聲明將於本集團於該等聲明生效日期或之後開始的首個期間的會計政策中採納。預期新訂及經修訂香港財務報告準則的資料將對本集團會計政策造成的影響如下。預期其他新訂及經修訂香港財務報告準則將不會對本集團之綜合財務報表造成重大影響。

### 2.3 合併基準

綜合財務報表載有本公司及其所有附屬公司截至每年12月31日的財務報表。

附屬公司為本集團所控制的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。於評估本集團對實體是否擁有權力時，僅考慮(由本集團及他人持有)與實體有關的實質權利。

本集團的綜合財務報表載有附屬公司自本集團取得其控制權當日起至失去其控制權當日止期間的收入及開支。集團內公司間交易、結餘及集團公司之間交易的未變現收益及虧損於編製綜合財務報表時抵銷。

倘集團內公司間資產銷售的未變現虧損於綜合入賬時撥回，則相關資產亦從本集團的角度進行減值測試。附屬公司財務報表的申報金額已作必要調整，以確保本集團採用的會計政策一致。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.3 Basis of consolidation (Continued)

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

In the Company's statements of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

### 2. 重大會計政策概要(續)

#### 2.3 合併基準(續)

非控股權益是指並非由本公司直接或間接擁有於附屬公司的股權，本集團未有對非控股權益持有人同意任何符合金融負債定義的法定義務的額外條款。本集團對各企業合併可以選擇按附屬公司的可認定淨資產的公平值或以其相應的比例計量任何非控股權益。

非控股權益在綜合財務狀況表的權益項目內區別於本公司擁有人應佔權益而單獨列示。非控股權益應佔本集團的業績作為本年度損益及綜合全面收益總額在非控股權益及本公司擁有人之間分配，並於綜合收益表及綜合全面收益表中列示。

本集團於附屬公司的權益變動倘不會引致喪失控制權，則以權益交易入賬，並據此對綜合權益中控股權益的金額作調整，以反映相關權益的變動，惟不會調整商譽及確認盈虧。

除非附屬公司乃持作出售或計入出售組別，否則於本公司的財務狀況表中，附屬公司按成本扣除任何減值虧損列賬。調整成本以反映或然代價修訂產生之代價變動。成本亦包括投資直接應佔成本。

附屬公司的業績由本公司按報告期末已收及應收股息為基準入賬。不論所收取股息是以投資對象的收購前或收購後溢利作出，全部股息均於本公司的損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Foreign currency translation

The consolidated financial statements is presented in RMB, which is also the functional currency of the Company.

In the individual financial statements of the combined entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rate at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the reporting date. Income and expenses have been converted into the RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

## 2. 重大會計政策概要(續)

### 2.4 外幣換算

綜合財務報表以人民幣呈列，人民幣本公司的功能貨幣。

於合併實體的獨立財務報表中，外幣交易乃按交易當日適用的匯率換算為個別實體的功能貨幣。於報告日期，以外幣計值的貨幣資產及負債乃按該日期的匯率換算。因結算該等交易及於報告日期重新換算的貨幣資產及負債所產生的外匯損益均於損益中確認。

以外幣計值且按公平值呈列的非貨幣項目乃按公平值釐定當日適用的匯率重新換算。按歷史成本以外幣計量的非貨幣項目不作重新換算(即僅採用交易日期的匯率換算)。當非貨幣項目的損益在其他全面收益中確認時，該損益的任何交換部分都在其他全面收益中確認。

於綜合財務報表中，原以本集團呈報貨幣以外的貨幣呈列的海外業務的所有獨立財務報表均已換算為人民幣。資產及負債已按報告日期的收市匯率換算為人民幣。收入與支出按交易日適用的匯率，或按報告期間的平均匯率換算為人民幣(假設匯率並無重大波動)。任何因此程序產生的差額已於其他全面收益中確認並於權益內的換算儲備單獨累計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.5 Property, plant and equipment

Property, plant and equipment (other than construction-in-progress as described below and cost of right-of-use assets as described in Note 2.13) are initially recognised at acquisition cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management), and subsequently stated at cost less accumulated depreciation and impairment losses, if any.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Costs include professional fees. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on property, plant and equipment is provided to write off the cost less their residual values, if any, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Building	20 years or shorter of the lease term
Leasehold improvements	5 years or shorter of the lease term
Plant and machinery	5–12 years
Furniture and fixtures	3–5 years
Motor vehicles	5 years

Accounting policy for depreciation of right-of-use assets is set out in Note 2.13.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

### 2. 重大會計政策概要(續)

#### 2.5 物業、廠房及設備

物業、廠房及設備(下文所述的在建工程除外及附註2.13所述的使用權資產成本除外)最初按收購成本確認(包括將資產移至使資產能夠按照本集團管理層的預期運作的必要地點及條件直接歸屬的任何成本)，隨後按成本減去累計折舊及減值虧損後列示(如有)。

在建工程包括作生產或自用用途的在建物業、廠房及設備。在建工程按成本扣除任何已確認減值虧損列賬。成本包括專業費用。在建工程於落成及可供作擬定用途時分類至物業、廠房及設備的適當類別。當資產可供作擬定用途時，該等資產開始按其他物業資產的相同基準折舊。

物業、廠房及設備折舊以直線法於其估計可使用年內按下列年率作出撥備，以撇銷成本減其剩餘價值(如有)：

樓宇	20年或租期 (以較短者為準)
租賃裝修	5年或租期 (以較短者為準)
廠房及機器	5至12年
傢俱及固定裝置	3至5年
汽車	5年

使用權資產折舊的會計政策載於附註2.13。

資產的剩餘價值、折舊方法及使用年期於各報告日期進行檢討及於適當時作出調整。

報廢或出售所產生的收益或虧損按出售所得款項與相關資產的賬面值之間的差額釐定，並於損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to the profit or loss during the financial period in which they are incurred.

### 2.6 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see Note 2.13) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Such properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on the straight-line basis over the expected useful life and after taking into account of their estimated residual value. The principal expected useful life for this purpose are as follows:

Building	20 years
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Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss and other comprehensive income in the year of the retirement or disposal.

## 2. 重大會計政策概要(續)

### 2.5 物業、廠房及設備(續)

後續成本計入資產的賬面值或於適當時確認為一項個別資產，前提條件為與該項目相關的未來經濟利益極有可能流入本集團及該項目成本能可靠計量。終止確認已重置部分的賬面值。所有其他成本(如維修及保養成本)於該等成本產生的財務期間自損益內扣除。

### 2.6 投資物業

投資物業指根據租賃權益(見附註2.13)擁有或持作賺取租金收入及／或資本增值的土地及／或樓宇，包括未確定未來用途的持有土地以及正在建造或發展以供日後作投資物業用途的物業。

該等物業按成本初步計量。初步確認之後，投資物業按成本減累計折舊及累計減值虧損(如有)列賬。折舊乃以直線法按預期可使用年期，並經計及其剩餘價值計算。就此而言，主要的預期可使用年期如下：

樓宇	20年
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報廢或出售投資物業的任何收益或虧損於報廢或出售年度在綜合損益及其他全面收益表當中予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.7 Intangible assets (other than goodwill) and research and development activities

##### *Intangible assets (other than goodwill)*

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Trademark	10 years
Computer software	5 years
Capitalised development costs	10 years

Intangible assets with indefinite useful lives (i.e. trademarks) are carried at cost less any subsequent accumulated impairment losses.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets, with finite and indefinite useful lives, are tested for impairment as described below in Note 2.19.

##### *Research and development costs*

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product for internal use or sale;
- there is intention to complete the intangible asset and use or sell it;

### 2. 重大會計政策概要(續)

#### 2.7 無形資產(不包括商譽)及研發活動

##### *無形資產(不包括商譽)*

已收購無形資產初步按成本值確認。於初步確認後，具有有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期的無形資產於估計可使用年期內以直線法攤銷。無形資產於可供使用時開始攤銷。可使用年期的應用如下：

商標	10年
電腦軟件	5年
資本化開發成本	10年

具無限可使用年期的無形資產(即商標)按成本減任何後續累計減值虧損列賬。

資產攤銷法及可使用年期於各報告日期檢討並於適當時作出調整。

具有有限及無限可使用年期的無形資產按下文附註2.19所述進行減值測試。

##### *研發成本*

與研究活動有關的成本乃於其產生時於損益內支銷。直接歸屬於開發活動的成本乃確認為無形資產，惟其須符合以下確認規定：

- 證明開發該供內部使用或銷售的準產品技術上可行；
- 有意完成該無形資產並加以使用或將其出售；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Intangible assets (other than goodwill) and research and development activities (Continued)

#### *Research and development costs (Continued)*

- the Group's ability to use or sell the intangible asset is demonstrated;
- the intangible asset will generate probable economic benefits through internal use or sale;
- sufficient technical, financial and other resources are available for completion; and
- the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or knowhow that meet the above recognition criteria are recognised as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

### 2.8 Financial instruments

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

## 2. 重大會計政策概要(續)

### 2.7 無形資產(不包括商譽)及研發活動(續)

#### *研發成本(續)*

- 證明本集團有能力使用或出售該無形資產；
- 透過內部使用或銷售該無形資產將產生可能的經濟利益；
- 具備充足技術、財務及其他資源以供完成；及
- 該無形資產的應佔開支能可靠地計量。

直接成本包括因開發活動產生的僱員成本連同有關日常開支的適當部分。內部生成的軟件、產品或技術知識並符合上述確認標準的開發成本均確認為無形資產，並採用與所收購無形資產相同的後續計量方法。

所有其他開發成本均於產生時支銷。

### 2.8 金融工具

#### *確認及終止確認*

倘本集團成為金融工具合約條文的訂約方，則確認金融資產及金融負債。

當收取金融資產的現金流量的合約權利屆滿，或金融資產及金融資產的絕大部分風險及回報已被轉移時，則終止確認金融資產。金融負債於其消除、解除、註銷或到期時終止確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.8 Financial instruments (Continued)

##### *Financial assets*

##### *Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are classified into the following categories:

- amortised cost;
- FVTPL; or
- fair value through other comprehensive income ("FVOCI").

The classification is determined by both the entity's business model for managing the financial asset; and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, or other income, except for expected credit losses ("ECL") of trade and bills receivables which is presented within administrative and other operating expenses.

### 2. 重大會計政策概要(續)

#### 2.8 金融工具(續)

##### *金融資產*

##### *金融資產的分類及初步計量*

除該等不包含重大融資成分且按照香港財務報告準則第15號按交易價格計量的貿易應收款項外，所有金融資產初步按公平值計量，倘如金融資產並非按公平值計入損益(「按公平值計入損益」)，加上直接歸屬於收購該金融資產的交易成本。

金融資產分為以下類別：

- 攤銷成本；
- 按公平值計入損益；或
- 按公平值計入其他全面收益(「按公平值計入其他全面收益」)。

分類乃根據實體管理金融資產的業務模式；及金融資產的合約現金流量特徵釐定。

與於損益中確認的金融資產有關的所有收入及開支於財務成本或其他收入內呈列，惟於行政及其他經營開支內呈列的貿易應收款項及應收票據的預期信貸虧損(「預期信貸虧損」)除外。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Financial instruments (Continued)

#### *Subsequent measurement of financial assets*

##### *Debt investments*

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables, amounts due from related parties and cash and cash equivalent fall into this category of financial instruments.

##### Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under HKFRS 9 apply.

## 2. 重大會計政策概要(續)

### 2.8 金融工具(續)

#### 金融資產的後續計量

##### 債務工具

##### 按攤銷成本計量的金融資產

倘金融資產符合以下條件(且並非指定為按公平值計入損益)，則該資產按攤銷成本計量：

- 以持有金融資產及收取合約現金流量為目的的經營模式下持有的金融資產；及
- 金融資產的合約條款產生的現金流量純粹為支付本金及未償還本金的利息。

於初始確認後，該等金融資產使用實際利率法按攤銷成本計量。來自該等金融資產的利息收入計入損益中的其他收入。倘貼現影響微乎其微，則貼現可忽略不計。本集團的貿易及其他應收款項、應收關聯方款項以及現金及現金等價物均屬於此類金融工具。

##### 按公平值計入損益之金融資產

於「持作收取」或「持作收取及出售」以外之不同業務模型持有之金融資產分類為按公平值計入損益。此外，不論何種業務模型，合約現金流並非僅為本金及利息付款之金融資產入賬列為按公平值計入損益。所有衍生財務工具屬於此類別，惟指定及有效作為對沖工具之財務工具除外，該等工具乃應用香港財務報告準則第9號下之對沖會計處理規定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Financial instruments (Continued)

#### *Financial liabilities*

##### *Classification and measurement of financial liabilities*

The Group's financial liabilities include bank borrowings, other borrowing, lease liabilities, trade and other payables, amount due to a related party and discounted bills financing.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs.

Accounting policies of lease liabilities are set out in Note 2.13.

##### *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value 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 twelve months after the reporting date.

## 2. 重大會計政策概要(續)

### 2.8 金融工具(續)

#### *金融負債*

##### *金融負債的分類及計量*

本集團金融負債包括銀行借款、其他借款、租賃負債、貿易及其他應付款項、應付關聯方款項及貼現票據融資。

金融負債(租賃負債除外)初步按公平值計量，及(倘適用)就交易成本進行調整。

隨後，金融負債(租賃負債除外)使用實際利率法按攤銷成本計量。

所有利息相關費用均計入財務成本。

租賃負債的會計政策載於附註2.13。

##### *借款*

借款初步按公平值扣除產生的交易成本確認。借款其後按攤銷成本列賬；借款所得款項(扣除交易成本)與贖回價值之間的任何差額按實際利率法於借款期內於損益中確認。

除非本集團有無條件權利將負債的償還期限遞延至報告日期後最少十二個月，否則借款分類為流動負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Financial instruments (Continued)

#### *Financial liabilities (Continued)*

##### *Other financial liabilities*

Other financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

### 2.9 Impairment of financial assets

HKFRS 9's impairment requirements use forward-looking information to recognise ECL — the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

## 2. 重大會計政策概要(續)

### 2.8 金融工具(續)

#### *金融負債(續)*

##### *其他金融負債*

其他金融負債初步按其公平值確認，隨後採用實際利率法按攤銷成本計量。

### 2.9 金融資產減值

香港財務報告準則第9號的減值規定採用更具前瞻性的資料確認預期信貸虧損——「預期信貸虧損模式」。屬於該範疇的工具包括按攤銷成本計量的貸款及其他債務類金融資產以及根據香港財務報告準則第15號確認及計量的貿易應收款項。

本集團在評估信貸風險及計量預期信貸虧損時考慮更廣泛的資料，包括過往事件、當前狀況、影響工具未來現金流量預期可收回性的合理且言之有據的預測。

於應用該前瞻性方法時，須對下列各項作出區別：

- 自初始確認以來信貸質量未顯著惡化或信貸風險較低的金融工具(「第一階段」)；及
- 自初始確認以來信貸質量顯著惡化且信貸風險不低的金融工具(「第二階段」)。

「第三階段」將涵蓋於報告日期具有客觀減值證據的金融資產。

「12個月預期信貸虧損」於第一階段類別內確認，而「全期預期信貸虧損」於第二階段類別內確認。

預期信貸虧損的計量於金融工具預計存續期內按信貸虧損的概率加權估計釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.9 Impairment of financial assets (Continued)

##### *Trade receivables*

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix with appropriate groupings and/or individually assessed for debtors with significant balances, that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

##### *Other financial assets measured at amortised cost*

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets 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.

### 2. 重大會計政策概要(續)

#### 2.9 金融資產減值(續)

##### *貿易應收款項*

就貿易應收款項而言，本集團採用簡化方法計算預期信貸虧損，並於各報告日期基於全期預期信貸虧損確認虧損撥備。考慮到金融資產存續期內任何時間點均可能出現違約事件，該等為合約現金流量的預期缺口。於計算預期信貸虧損時，本集團已用適當的分類及／或對有重大餘額的債務人進行單獨評估，以建立基於其過往信貸虧損經驗及外部指標的撥備矩陣，並根據債務人特定前瞻性因素及經濟環境作調整。

於計量預期信貸虧損時，貿易應收款項已根據共同信貸風險特徵及逾期天數分類。

##### *按攤銷成本計量的其他金融資產*

本集團按相等於12個月預期信貸虧損計量其他應收款項的虧損撥備，除非自初始確認以來信貸風險大幅增加，則本集團確認全期預期信貸虧損。評估應否確認全期預期信貸虧損乃基於自初始確認以來發生違約風險的可能性的大幅增加。

於評估信貸風險是否自初始確認以來已大幅增加時，本集團比較金融資產於報告日期出現違約的風險與該金融資產於初始確認日期出現違約的風險。作此評估時，本集團會考慮合理及有據的定量及定性資料，包括歷史經驗及毋須花費過度成本或精力即可獲得的前瞻性資料。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Impairment of financial assets (Continued)

#### *Other financial assets measured at amortised cost (Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- 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, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions or technology environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and 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.

## 2. 重大會計政策概要(續)

### 2.9 金融資產減值(續)

#### *按攤銷成本計量的其他金融資產(續)*

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外部市場指標的重大惡化，例如信貸息差、債務人的信貸違約掉期價大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的監管、業務、財務、經濟狀況或技術環境的現有或預測不利變動；及
- 債務人經營業績的實際或預期重大惡化。

不論上述評估的結果如何，本集團認為，當合約付款逾期超過30天，則自初始確認以來信貸風險已大幅增加，除非本集團有合理有據的資料證明。

儘管如此，倘於各報告期末釐定債務工具的信貸風險較低，則本集團假設該債務工具的信貸風險自初始確認以來並無顯著增加。倘該債務工具違約風險較低、借款人近期具充分償付合約現金流量負債的能力及長期而言經濟及業務狀況的不利變動未必降低借款人償付合約的現金流量負債的能力，債務工具被釐定為具有較低的信貸風險。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.9 Impairment of financial assets (Continued)

##### *Other financial assets measured at amortised cost (Continued)*

For internal credit risk management, the Group considers an event of default occurs when (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group); (ii) the financial asset is 90 days past due.

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in Note 36.5.

#### 2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost, which comprises all cost of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, and is determined by using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

#### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2. 重大會計政策概要(續)

#### 2.9 金融資產減值(續)

##### *按攤銷成本計量的其他金融資產(續)*

就內部信貸風險管理而言，本集團認為，違約事件在(i)內部制訂或來自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時；及(ii)金融資產已逾期90天時發生。

有關貿易應收款項及按攤銷成本計量的其他金融資產的預期信貸虧損評估的詳細分析載於附註36.5。

#### 2.10 存貨

存貨以成本與可變現淨值兩者中較低者列賬。成本包括所有購買成本及(倘適用)將存貨移至現址及達致現況而產生的其他成本，並採用加權平均法釐定。可變現淨值為日常營業過程中的估計售價減估計完工成本及適用銷售開支。

#### 2.11 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行活期存款及原定到期日為三個月或以下、可隨時兌換為已知數額現金且價值變動風險較低的短期高度流動性投資。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 2.16). 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 (see Note 2.8).

### 2.13 Lease

#### *Definition of a lease*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

## 2. 重大會計政策概要(續)

### 2.12 合約負債

合約負債乃本集團確認相關收益前在客戶支付代價時確認(見附註2.16)。倘本集團在本集團確認相關收益前有無條件收取代價的權利，則亦確認合約負債。在此情況下，亦會確認相應應收款項(見附註2.8)。

### 2.13 租賃

#### *租賃定義*

於合約訂立時，本集團會考慮一項合約是否或有無包含租賃。租賃乃定義為一項合約或合約的一部分，給予權利在一段時間內使用已識別資產(相關資產)以換取代價。為應用該定義，本集團評估合約是否符合三項主要評估：

- 合約是否包含已識別資產，其於合約中明確識別或透過於資產可供本集團使用時識別以暗示方式指定；
- 本集團是否有權於整個使用期取得使用已識別資產的絕大部分經濟利益，考慮本集團於合約界定的範圍內的權利；及
- 本集團是否有權於整個使用期內主導使用已識別資產。本集團評估其是否有權於整個使用期主導資產的「使用方式及目的」。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.13 Lease (Continued)

##### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

### 2. 重大會計政策概要(續)

#### 2.13 租賃(續)

##### *作為承租人計量及確認租賃*

於租賃開始日期，本集團於綜合財務狀況報表確認使用權資產及租賃負債。使用權資產按成本計量，成本由租賃負債初始計量、本集團產生任何初始直接成本、任何於租賃屆滿時拆卸及移除相關資產的成本估計及任何於租賃開始日期前作出的預付租賃款項(減任何已收取的租賃優惠)組成。

本集團將使用權資產由租賃開始日期至使用權資產使用年期完結前或租賃年期屆滿(除本集團合理肯定於租賃年期屆滿時取得擁有權外)時(以較早者為準)按直線法折舊。本集團亦於該等指標出現時評估使用權資產減值。

於開始日期，本集團按當日未支付租賃付款之現值計量租賃負債，並使用租賃中隱含的利率予以貼現，或倘該利率不容易釐定，則採用本集團的增量借貸利率予以貼現。

計量租賃負債計入的租賃付款為固定付款(包括實物固定付款)減任何應收租賃優惠、按指數或價格計量的可變付款及根據剩餘價值保證應付的預期金額。

於初始計量後，負債將按已付租賃付款減少，並按租賃負債利息成本增加。其將重新計量為反映任何重新評估或租賃修訂、或倘實物固定付款出現變動。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.13 Lease (Continued)

#### *Measurement and recognition of leases as a lessee (Continued)*

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification. The only exception is any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16 "Leases". In such cases, the Group took advantage of the practical expedient set out in paragraph 46A of HKFRS 16 and recognised the change in consideration as if it were not a lease modification.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

Right-of-use assets that do not meet the definition of investment property have been included in property, plant and equipment. The prepaid lease payments for leasehold land are presented as "land lease prepayment" under non-current assets.

Refundable rental deposits paid are accounted for 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.

## 2. 重大會計政策概要(續)

### 2.13 租賃(續)

#### *作為承租人計量及確認租賃(續)*

就未作為單獨租賃入賬的租賃修改而言，本集團按透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款的經修改租賃的租期重新計量租賃負債。唯一的例外是因新型冠狀病毒疫情而直接產生的任何租金優惠，而其符合香港財務報告準則第16號「租賃」第46B段所載的條件。在該等情況下，本集團利用香港財務報告準則第16號第46A段所載的實際權宜方法，確認代價變動，猶如其並非租賃修改。

當租賃重新計量時，相關的調整將反映於使用權資產，或倘使用權資產已減至零時於損益中反映。

本集團選擇使用可行權宜處理短期租賃入賬。有關該等租賃的付款於租期內按直線法於損益中確認為開支，而非確認使用權資產及租賃負債。短期租賃為租期為12個月或以下的租賃。

不符合投資物業定義的使用權資產已計入物業、廠房及設備。租賃土地的預付租賃付款於非流動資產項下呈列為「土地租賃預付款項」。

已支付的可退還租賃按金根據香港財務報告準則第9號入賬並按公平值初始計量。對初始確認的公平值作出的調整被視為額外租賃付款並計入使用權資產成本。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.13 Lease (Continued)

##### *Measurement and recognition of leases as a lessor*

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

For a transfer that does not satisfy requirements as a sale in accordance with HKFRS 15, the transaction is in substance a financing arrangement under HKFRS 9. Therefore, the Group as a seller-lessee accounts for the proceeds received as “other borrowings” within the scope of HKFRS 9.

#### 2.14 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### 2. 重大會計政策概要(續)

#### 2.13 租賃(續)

##### *作為出租人計量及確認租賃*

作為出租人，本集團將其租賃分類為經營租賃或融資租賃。

當租賃轉移相關資產擁有權附帶的絕大部分風險及回報時，則該租賃分類為融資租賃；否則分類為經營租賃。

本集團通過其投資物業的經營租賃賺取租金收入。租金收入按租期以直線法予以確認。

就不符合香港財務報告準則第15號銷售規定的轉讓而言，交易實質為香港財務報告準則第9號項下的融資安排。因此，本集團作為賣方—承租人所收取的所得款項符合香港財務報告準則第9號的「其他借款」。

#### 2.14 撥備及或然負債

倘本集團因過往事件而承擔現時責任(法定或推定)，而履行該責任很可能需要有經濟利益的流出，且能可靠地估計有關責任的金額，則確認撥備。倘金額的時間價值重大，則撥備乃按預期履行責任所需開支的現值列賬。

所有撥備乃於各報告日期審核並作出調整以反映目前最佳估計。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.14 Provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 2.15 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

### 2.16 Revenue recognition

Revenue is recognised to depict the transfer of promised goods and services to customers in an amount that reflect the consideration to which the Group expects to be entitled in exchange for those goods and services. Specially, the Group uses a 5-step approach for revenue recognition.

- |         |   |
|---------|---|
| Step 1: | Identify the contract(s) with a customer                                      |
| Step 2: | Identify the performance obligations in the contract                          |
| Step 3: | Determine the transaction price   |
| Step 4: | Allocate the transaction price to the performance obligations in the contract |
| Step 5: | Recognise revenue when (or as) the entity satisfies a performance obligation  |

## 2. 重大會計政策概要(續)

### 2.14 撥備及或然負債(續)

倘經濟利益流出的可能性不大，或金額無法可靠估計，該責任乃披露為或然負債，除非經濟利益流出的可能性極低則另作別論。除非經濟利益流出的可能性極低，否則視乎某宗或多宗並非完全在本集團控制範圍內的未來事件是否發生方可確定是否存在的潛在責任，亦會披露為或然負債。

### 2.15 股本

普通股乃分類為權益。倘交易成本為股本交易直接應佔的遞增成本，則股本按已發行股份的代價金額確認，當中扣除與發行股份相關的任何交易成本(扣除任何相關所得稅利益)。

### 2.16 收益確認

收益乃確認以說明向客戶轉讓已承諾貨品及服務，其金額反映本集團預期就交換該等貨品及服務而有權獲得的代價。具體而言，本集團採用5步法進行收益確認。

- |      |                    |
|------|--------------------|
| 第1步： | 識別與客戶的合約           |
| 第2步： | 識別合約中的履約責任         |
| 第3步： | 釐定交易價              |
| 第4步： | 就合約中的履約責任分配交易價     |
| 第5步： | 當(或在)實體達成履約責任時確認收益 |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.16 Revenue recognition (Continued)

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the Group performs;
- the Group's performance creates and enhances an asset that customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

Revenue from sales of papermaking felts products are recognised at a point in time when the legal title of the finished good is transferred and the Group has present right to payment and the collection of the consideration is probable. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Sales-related warranties associated with papermaking felts cannot be purchased separately and are served as an assurance that the products sold comply with agreed-upon specifications (i.e. assurance-type warranties). Accordingly, the Group accounts for warranties in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

### 2. 重大會計政策概要(續)

#### 2.16 收益確認(續)

當(或在)達成履約責任時，即當特定履約責任相關的貨品或服務的「控制權」轉移予客戶時，本集團即確認收益。

對貨品或服務的控制權可隨時間或於某時間點轉移。倘出現以下情況，貨品或服務的控制權將隨時間轉移：

- 客戶於本集團履約時同時接受及使用實體履約所提供的利益；
- 於本集團履約時創造及加強客戶所控制的資產；或
- 當本集團履約時並無創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款具有可強制執行的權利。

倘對貨品或服務的控制權隨時間轉移，則收益乃參照履約責任圓滿完成的進度於合約期間確認。否則，收益於客戶獲得對貨品或服務的控制權的時間點確認。

銷售造紙毛毯產品的收益於轉移成品的法定所有權的時間點，且本集團擁有收取款項之現有權利並極有可能收取代價時確認。此通常被視為貨品交付及客戶接收貨品的時間。

與造紙毛毯有關的銷售相關保養不能單獨購買，並作為所售產品符合商定規格(即保證型保養)的保證。因此，本集團根據香港會計準則第37號「撥備、或然負債及或然資產」入賬列作擔保。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.16 Revenue recognition (Continued)

Rental income from letting the Group's investment property is recognised on a straight-line basis over the lease term.

Interest income is recognised on a time proportion basis using the effective interest rate method.

### 2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Government grants relating to income is presented in gross under "Other income" in the consolidated statement of profit or loss and other comprehensive income.

### 2.18 Borrowing costs

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

### 2.19 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets), investment property, intangible assets, land lease prepayment and investments in subsidiaries in the Company's statements of financial position are subject to impairment testing. Intangible assets with indefinite useful lives and that are not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. Others are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

## 2. 重大會計政策概要(續)

### 2.16 收益確認(續)

租賃本集團投資物業所得的租金收入按租期以直線法予以確認。

利息收入使用實際利率法按時間比例確認。

### 2.17 政府撥款

倘能夠合理地保證政府撥款將可收取，且本集團將遵守所有附帶條件，來自政府的撥款按其公平值確認。政府撥款遞延入賬，並按擬補償的成本配合其所需期間於損益確認。有關購買資產的政府撥款從資產的賬面金額中扣除，因此通過減少折舊開支在資產的使用年限內於損益中有效確認。

與收入相關的政府撥款乃於綜合損益及其他全面收益表內「其他收入」項內合計呈列。

### 2.18 借款成本

借款成本於產生期間在損益中確認。

### 2.19 非金融資產減值

在本公司財務狀況表的物業、廠房及設備(包括使用權資產)、投資物業、無形資產、土地租賃預付款項及於附屬公司的投資須進行減值測試。尚未可供使用的具無限可使用年期的無形資產不論有否出現減值跡象均須每年進行減值測試。當有跡象顯示其他資產的賬面值可能無法收回時，則對有關其他資產進行減值測試。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.19 Impairment of non-financial assets (Continued)

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment loss is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 2.20 Employee benefits

##### *Retirement benefits*

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contributions retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

### 2. 重大會計政策概要(續)

#### 2.19 非金融資產減值(續)

減值虧損按資產之賬面值超出其可收回金額的差額，即時確認為開支。可收回金額為公平值(反映市場狀況減出售成本)與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量以稅前貼現率貼現至現值，以反映現時市場對金錢時間值及該資產的特定風險的評估。

為評估減值，倘資產未能產生很大程度上獨立於其他資產的現金流入，可收回金額則按獨立產生現金流入的最小組別資產(即現金產生單位)釐定。因此，部分資產個別進行減值測試，另有部分資產則按現金產生單位水平測試。

減值虧損乃按比例計入現金產生單位內的資產，惟資產賬面值不會減少至低於其個別公平值減銷售或使用價值(倘可予釐定)則除外。

倘用以釐定資產可收回金額的估計出現有利變動，減值虧損予以撥回，並僅以資產賬面值不超過在並無確認減值虧損的情況下應予釐定的賬面值(扣除折舊或攤銷)為限。

#### 2.20 僱員福利

##### *退休福利*

根據中國的規則及法規，本集團的中國僱員參與由中國相關市級及省級政府組織的各類界定供款退休福利計劃，據此本集團及中國僱員須按僱員薪金的計算比例(不超過上限)按月向該等計劃供款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.20 Employee benefits (Continued)

#### *Retirement benefits (Continued)*

The municipal and provincial governments undertake to assure the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The contributions are recognised as employee benefit expenses when they are due.

#### *Short-term employee benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

### 2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the profit or loss.

## 2. 重大會計政策概要(續)

### 2.20 僱員福利(續)

#### *退休福利(續)*

市級及省級政府承諾確保根據上述計劃中應付的所有現時及未來已退休中國僱員的退休福利責任。除每月供款外，本集團並無向其僱員支付退休及其他退休後福利的其他責任。該等計劃的資產由中國政府管理的獨立管理基金保管，與本集團的資產分開持有。

供款於到期時確認為僱員福利開支。

#### *短期僱員福利*

僱員應得的年假於其應享有時確認。就截至報告日期僱員已提供服務所產生的年假的估計負債計提撥備。

病假及產假等非累計有薪休假於正式告假時方予以確認。

### 2.21 所得稅會計處理

所得稅包括當期稅項及遞延稅項。

當期所得稅資產及／或負債包括就目前或以往報告期(且於報告日尚未繳付)向財政部門履行的責任或其提出的申索，乃基於年內應課稅溢利，根據有關財政年度適用的稅率及稅法計算。當期稅項資產或負債的所有變動均於損益確認為稅項開支的一部分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.21 Accounting for income taxes (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in the profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2. 重大會計政策概要(續)

#### 2.21 所得稅會計處理(續)

遞延稅項採用負債法就於報告日期綜合財務報表中資產及負債的賬面值與其各自稅基間的暫時差額計算。遞延稅項負債一般按所有應課稅暫時差額確認。遞延稅項資產則一般按所有可扣稅暫時差額、可結轉稅項虧損以及其他未動用稅項抵免確認，惟以可能錄得應課稅溢利(包括現有應課稅暫時差額)用作抵銷可扣稅暫時差額、未動用稅項虧損及未動用稅項抵免為限。

倘暫時差額來自交易(不影響應課稅或會計溢利或虧損)中初步確認的資產及負債，則不會確認遞延稅項資產及負債。

於附屬公司的投資所產生的應課稅暫時差額確認為遞延稅項負債，惟倘本集團可以控制暫時差額的撥回，而暫時差額可能不會於可預見將來撥回則除外。

遞延稅項按於報告日期已經或大致上已實施預期於償付負債或變現資產期間適用的稅率計算，毋須貼現。

倘遞延稅項資產或負債的變動與自其他全面收益或直接於權益中扣除或計入的項目有關，則該等遞延稅項資產或負債的變動於損益或於其他全面收益或直接於權益內確認。

當期稅項資產及當期稅項負債僅在以下情況以淨額呈列：

- (a) 本集團依法有強制執行權可以抵銷確認金額；及
- (b) 擬以淨額基準結算，或變現該資產，同時結清該負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Accounting for income taxes (Continued)

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.22 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and if that person:
  - (i) has control or joint control over of the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

## 2. 重大會計政策概要(續)

### 2.21 所得稅會計處理(續)

本集團僅在以下情況以淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 該實體依法有強制執行權可以將當期稅項資產與當期稅項負債對銷；及
- (b) 遞延稅項資產及遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
  - (i) 同一應課稅實體；或
  - (ii) 計劃於各未來期間(而預期在有關期間內將結清或收回巨額的遞延稅項負債或資產)以淨額基準結算當期稅項負債及資產或同時變現資產及結清負債的不同應課稅實體。

### 2.22 關聯方

就本綜合財務報表而言，倘下列情況適用，則一方被視為與本集團相關連：

- (a) 該方為一名人士或該名人士的近親家族成員且倘該人士：
  - (i) 對本集團有控制權或共同控制權；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司主要管理層成員。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.22 Related parties (Continued)

(b) the party is an entity and if any of the following conditions applies:

- (i) the entity and the Group are members of the same group.
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) the entity and the Group are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a company of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 2. 重大會計政策概要(續)

#### 2.22 關聯方(續)

(b) 該方為一個實體且倘下列情況適用：

- (i) 該實體及本集團屬同一集團的成員。
- (ii) 一個實體為另一實體的聯營公司或合資公司(或為某一集團的成員的聯營公司或合資公司，而該另一實體為此集團的成員)。
- (iii) 該實體及本集團皆為相同第三方的合資公司。
- (iv) 一個實體為第三實體的合資公司及另一實體為第三實體的聯營公司。
- (v) 該實體乃為本集團或與本集團有關連的實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)所識別的人士控制或共同控制。
- (vii) 於(a)(i)所識別的人士對實體有重大影響，或為該實體(或實體的母公司)主要管理層成員。
- (viii) 該實體或其所屬公司的任何成員，向本集團或本集團的母公司提供主要管理人員服務。

有關人士的近親家族成員為預期於實體交易時將影響該人士或受該人士影響的家族成員。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.23 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker ("CODM") for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

### 3.1 Sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Warranty provision*

The Group provides warranty to certain customers. The provision for warranty is estimated based on expected warranty work to be performed for goods under the warranty period and labor charges expected to be incurred. As historical maintenance and service record may not resemble the future maintenance and service of the products sold, differences between the actual amount and the estimated amount of this provision may affect future profit or loss. The carrying amount of the Group's warranty provision at the end of each reporting period is set out in Note 22 to the consolidated financial statements.

## 2. 重大會計政策概要(續)

### 2.23 分部呈報

本集團識別經營分部，並根據定期呈報予主要經營決策者(「主要經營決策者」)以供彼等決定本集團業務部分的資源分配及審閱該等部分表現的內部財務資料編製分部資料。

## 3. 關鍵會計估計及判斷

### 3.1 估計不明朗因素的來源

本集團對未來作出估計及假設。就會計估計的結果而言，顧名思義，絕少會與有關實際結果相同。有極高風險導致下個財政年度的資產及負債的賬面值出現重大調整的估計及假設討論如下：

#### *保養撥備*

本集團為若干客戶提供保養。保養撥備乃根據保養期內就貨品進行的預期保養工作及預計將產生的勞工費用估計。由於過往維護及服務記錄未必與已售出產品的未來維護及服務相同，該撥備的實際金額與估計金額的差異可能會影響未來損益。本集團於各報告期末的保養撥備賬面值載於綜合財務報表附註22。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

#### 3.1 Sources of estimation uncertainty (Continued)

##### *Estimation of impairment of trade and other receivables*

The Group follows the guidance of HKFRS 9 to determine when a receivable is impaired. In making this estimation and judgment, the Group evaluate, among other factors, the ageing analysis of receivables, the financial healthiness and collection history of the individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, existing market conditions and change in macro-economic indicators, etc at the end of each reporting period as set out in Note 36.5.

The carrying amount of the Group's trade and other receivables as at 31 December 2022 amounted to approximately RMB181,894,000 (2021: RMB150,560,000) and ECL allowance amounted to approximately RMB4,312,000 (2021: RMB3,639,000). Details of the trade and other receivables are disclosed in Note 18 to the consolidated financial statements.

##### *Useful lives of property, plant and equipment, investment property and intangible assets*

The Group's management determines the estimated useful lives and related depreciation and amortisation for its property, plant and equipment, investment property and intangible assets. The estimates are based on the historical experience of the actual economic lives of property, plant and equipment, investment property and intangible assets of similar nature and functions. Actual economic lives may differ from estimated useful lives. Management will adjust the depreciation and amortisation where the useful lives are estimated to be different from the previous estimates. Periodic reviews could result in a change in useful lives and therefore depreciation and amortisation expense in future periods. The carrying amounts of property, plant and equipment, investment property and intangible assets at the end of each reporting period is set out in Notes 12, 13 and 16 to the consolidated financial statements.

### 3. 關鍵會計估計及判斷(續)

#### 3.1 估計不明朗因素的來源(續)

##### *估計貿易及其他應收款項減值*

本集團遵循香港財務報告準則第9號的指引釐定應收款項於何時減值。誠如附註36.5所載，在作出該估計及判斷時，本集團於各報告末評估(其中包括)應收款項的賬齡分析、個別債務人的財務穩健性及收款記錄以及信貸風險的預期未來變動，包括考慮總體經濟表現、當時市況及宏觀經濟指標變動等因素。

於2022年12月31日，本集團貿易及其他應收款項賬面值約為人民幣181,894,000元(2021年：人民幣150,560,000元)，而預期信貸虧損撥備則約為人民幣4,312,000元(2021年：人民幣3,639,000元)。貿易及其他應收款項的詳情於綜合財務報表附註18披露。

##### *物業、廠房及設備、投資物業及無形資產的可使用年期*

本集團管理層釐定物業、廠房及設備、投資物業及無形資產的估計可使用年期及相關折舊及攤銷。該等估計乃根據性質及功能相若的物業、廠房及設備、投資物業及無形資產實際經濟壽命期的過往經驗而定。實際經濟壽命期可能有別於估計可使用年期。當可使用年期估計有別於原先估計，則管理層將調整折舊及攤銷。定期審查可能導致可使用年期出現變動，繼而導致未來期間的折舊及攤銷開支出現變動。物業、廠房及設備、投資物業及無形資產於各報告期末的賬面值載於綜合財務報表附註12、13及16。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

#### 3.1 Sources of estimation uncertainty (Continued)

##### *Provision for inventories*

The Group reviews the carrying amount of inventories based on consideration of obsolescence of raw materials and the net realisable value of finished goods. The identification of inventory obsolescence and estimated selling price in the ordinary course of business require the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of inventories in the period in which such estimate has been changed. During the year ended 31 December 2022, reversal for inventories of RMB377,000 (2021: reversal of RMB475,000) was recognised. The carrying amount of inventories is set out in Note 17 to the consolidated financial statements.

#### 3.2 Critical accounting judgments

In the process of applying the Group's accounting policies, management has made the following accounting judgments:

##### *Current income tax*

The Group is subject to Enterprise Income Tax ("EIT") in the PRC. Significant judgment is required in determining the provision for EIT. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such differences will impact the current income tax and deferred tax provision in the period in which such determination is made.

### 3. 關鍵會計估計及判斷(續)

#### 3.1 估計不明朗因素的來源(續)

##### *存貨撥備*

本集團基於對原材料過時及成品的可變現淨值的考慮，審查存貨的賬面值。於日常業務過程中確定存貨過時及估計售價須採用判斷及估算。倘預期有別於原先估計，該差額將影響有關估計變更期間的存貨賬面值。於截至2022年12月31日止年度期間已確認存貨撥回人民幣377,000元(2021年：撥回人民幣475,000元)。存貨賬面值載於綜合財務報表附註17。

#### 3.2 關鍵會計判斷

在應用本集團會計政策的過程時，管理層已作出以下會計判斷：

##### *當期所得稅*

本集團須繳納中國企業所得稅(「企業所得稅」)。釐定企業所得稅撥備須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘該等事項的最終稅務結果有別於最初錄得的款項，有關差額將影響釐定期間的當期所得稅及遞延稅項撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

#### 3.2 Critical accounting judgments (Continued)

##### *Research and development activities*

Careful judgment by the Company's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the best information available at the end of each reporting period. In addition, all internal activities related to the research and development of new products or know how are continuously monitored by the Company's management.

### 3. 關鍵會計估計及判斷(續)

#### 3.2 關鍵會計判斷(續)

##### *研發活動*

本公司管理層於決定開發成本是否已達到確認要求時作出審慎判斷。由於任何產品開發能否取得經濟效益尚未明朗，及於確認時可能會受制於未來技術問題，故此屬必要之舉。判斷基於各報告期末可獲得的最佳資料作出。此外，有關研發新產品的所有內部活動由本公司管理層持續監督。

### 4. REVENUE AND SEGMENT REPORTING

#### 4.1 Revenue

The Group was engaged in the design, manufacture and sales of papermaking felts. An analysis of the Group's revenue by products during the year is as follows:

##### *Recognised at a point in time:*

### 4. 收益及分部呈報

#### 4.1 收益

本集團從事造紙毛毯的設計、製造及銷售。以下為本集團年內按產品劃分的收益分析：

##### *於一個時間點確認：*

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Packaging papermaking felts	包裝紙造紙毛毯	151,700	147,437
Specialty papermaking felts	特種紙造紙毛毯	26,934	39,047
Printing papermaking felts	印刷造紙毛毯	14,244	11,440
Household papermaking felts	生活紙造紙毛毯	12,591	10,955
Pulp papermaking felts	漿板造紙毛毯	12,287	4,789
		<b>217,756</b>	<b>213,668</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. REVENUE AND SEGMENT REPORTING (Continued)

#### 4.1 Revenue (Continued)

##### *Remaining performance obligations*

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Within one year	一年內	15,264	11,362

#### 4.2 Segment information

Information reported to the CODM (i.e. the board of directors) for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available.

No segment of assets and liabilities are presented as no discrete financial information is available.

##### *Geographical information*

The following table sets out information on the geographical locations of the Group's revenue determined based on geographical region of the customers.

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
The PRC	中國	203,125	204,010
Overseas	海外	14,631	9,658
		217,756	213,668

As at 31 December 2022 and 2021, all of the non-current assets of the Group were located in the PRC.

### 4. 收益及分部呈報(續)

#### 4.1 收益(續)

##### *剩餘履約責任*

下表載列預期未來將確認有關未履行(或部分履行)的履約責任的收益:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Within one year	一年內	15,264	11,362

#### 4.2 分部資料

由於本集團的資源已整合，且並無任何獨立財務資料，故就資源分配及表現評估而向主要營運決策者(即董事會)報告的資料集中於本集團整體的經營業績。

由於並無獨立財務資料，故不呈列資產及負債分部。

##### *地理資料*

下表載列本集團根據客戶地區釐定收益的地理位置資料。

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
The PRC	中國	203,125	204,010
Overseas	海外	14,631	9,658
		217,756	213,668

於2022年及2021年12月31日，本集團的所有非流動資產均位於中國。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. REVENUE AND SEGMENT REPORTING (Continued)

#### 4.2 Segment information (Continued)

##### Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's total revenue for the years ended 31 December 2022 and 2021, no information about major customers in accordance with HKFRS 8 "Operating Segments" is presented.

### 5. OTHER INCOME

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	997	151
Sales of scrap materials	銷售廢料	2,133	2,385
Government subsidies (note)	政府補貼(附註)	5,813	2,385
Rental income	租金收入	1,924	175
Exchange gains, net	匯兌收益淨額	8,804	—
Reversal of provision for legal claims	法律申索撥備撥回	—	358
Sundry income	雜項收入	431	55
		<b>20,102</b>	<b>5,509</b>

Note: The amount represents unconditional government subsidies received from the local government authorities for the purpose of research and development and supporting its operation.

附註：該款項指收取地方政府機關為研究及開發及支持其營運所給予的無條件政府補貼。

### 6. FINANCE COSTS

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Interest expenses on:	以下各項的利息開支：		
Discounted bills financing	貼現票據融資	30	44
Bank borrowings	銀行借款	6,646	6,795
Other borrowings	其他借款	3,790	1,287
Lease liabilities	租賃負債	70	103
		<b>10,536</b>	<b>8,229</b>

### 4. 收益及分部呈報(續)

#### 4.2 分部資料(續)

##### 有關主要客戶的資料

由於本集團於截至2022年及2021年12月31日止年度並無單一客戶的銷售額佔本集團總收益的10%或以上，故並無根據香港財務報告準則第8號「經營分部」呈列有關主要客戶的資料。

### 5. 其他收入

### 6. 財務成本

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7. PROFIT BEFORE INCOME TAX

### 7. 除所得稅前溢利

Profit before income tax is arrived at after charging/(crediting):

除所得稅前溢利於扣除／(計入)以下各項後釐定：

		2022	2021
		2022年	2021年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amortisation of intangible assets	無形資產攤銷	3,225	2,075
Depreciation of land lease prepayment	土地租賃預付款項折舊	338	338
Cost of inventories recognised as expenses	已確認為開支的存貨成本	58,820	61,808
Depreciation of owned assets	自有資產折舊	8,095	8,080
Depreciation of right-of-use asset	使用權資產折舊	1,753	1,644
Depreciation of investment property	投資物業折舊	2,004	164
Exchange (gains)/losses, net	匯兌收益淨額	(8,804)	231
Listing expenses	上市開支	6,350	3,245
Lease charges on short term leases	短期租約租賃費用	510	337
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	82	610
Provision of/(Reversal of) ECL allowance on trade and bills receivables, net	貿易應收款項及應收票據預期信貸虧損撥備／(撥回)淨額	823	(2)
Reversal of provision for legal claim	法律申索撥備撥回	—	(358)
Provision for warranty	保養撥備	4,579	4,115
Research and development costs	研發成本	8,165	7,049
Reversal of provisions for inventories	存貨撥備撥回	(377)	(475)
Auditor's remuneration	核數師酬金	1,200	800
Rental income from investment property	投資物業所得租金收入	(1,924)	(175)
<b>Staff cost (including directors' remuneration)</b>	<b>員工成本(包括董事薪酬)</b>		
Salaries, wages and other benefits	薪金、工資及其他福利	31,808	30,618
Contributions to defined contribution plans	界定供款計劃供款	5,942	5,213

During the years ended 31 December 2022 and 2021, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2022 and 2021, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contribution.

於截至2022年及2021年12月31日止年度，就供款全數歸屬前經已退出計劃的僱員而言，本集團概無代該等僱員沒收任何有關供款，亦無動用有關沒收供款以降低未來供款。於2022年及2021年12月31日，概無沒收供款可供本集團使用以降低現有供款水平。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8. INCOME TAX EXPENSE

### 8. 所得稅開支

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
<b>Current tax</b>	<b>當期稅項</b>		
PRC EIT	中國企業所得稅	8,642	7,067
Over-provision in prior year	過往年度超額撥備	—	(130)
		<b>8,642</b>	<b>6,937</b>
<b>Deferred tax</b>	<b>遞延稅項</b>		
Current year (Note 27)	本年度(附註27)	2,800	1,833
Income tax expense	所得稅開支	<b>11,442</b>	<b>8,770</b>

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

根據開曼群島規則及法規，本公司毋須在開曼群島繳納任何所得稅。

No provision for Hong Kong Profits Tax was made in the consolidated financial statements as the Group had no assessable profits subject to Hong Kong Profits Tax during the year ended 31 December 2022 (2021: nil).

由於本集團於截至2022年12月31日止年度並無須繳納香港利得稅的應課稅溢利(2021年：無)，故並無在綜合財務報表中就香港利得稅計提撥備。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for subsidiary established in the PRC.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國企業所得稅按在中國境內成立附屬公司應課稅溢利的25%計算。

Pursuant to the relevant laws and regulations in the PRC, a subsidiary of the Group, Sichuan Huanlong Technology Fabric Co., Ltd. ("Sichuan Huanlong"), is qualified as a company under the development strategy of the PRC's western region to enjoy a preferential income tax rate of 15% from 1 January 2021 to 31 December 2030, therefore it is entitled to a preferential income tax rate of 15% for the years ended 31 December 2022 and 2021.

根據中國相關法律法規，本集團附屬公司四川環龍技術織物有限公司(「四川環龍」)合資格成為中國西部大開發項下公司，並可自2021年1月1日起至2030年12月31日享有15%的優惠所得稅稅率，因此合資格於截至2022年及2021年12月31日止年度享有15%的優惠所得稅稅率。

The Company's subsidiary, Shanghai Jinxiong Paper Making Net Carpet Co., Ltd. ("Shanghai Jinxiong") was accredited as High and New Technology Enterprise by the relevant authorities in Sichuan for a term of three years which will be expired in November 2023, therefore it is entitled to a preferential tax rate of 15% for the years ended 31 December 2022 and 2021.

本公司的附屬公司上海金熊造紙網毯有限公司(「上海金熊」)獲四川相關機構評定為高新技術企業，為期三年，於2023年11月到期，因此於截至2022年及2021年12月31日止年度享有15%的優惠稅率。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8. INCOME TAX EXPENSE (Continued)

In addition, both Sichuan Huanlong and Shanghai Jinxiang are eligible for tax deduction up to 200% (2021: 200%) and 200% (2021: 175%) of approved research and development costs incurred for the years ended 31 December 2022 and 2021 respectively.

Reconciliation between income tax expense and accounting profit at applicable tax rate:

### 8. 所得稅開支(續)

此外，四川環龍及上海金熊分別於截至2022年及2021年12月31日止年度產生的核准研發成本均合資格享有最高200% (2021年：200%) 和200% (2021年：175%) 的稅收減免。

所得稅開支與按適用稅率計算的會計溢利對賬如下：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	64,443	59,460
Tax at the applicable income tax rate of 25% (2021: 25%)	適用所得稅25%的稅項 (2021年：25%)	16,111	14,865
Tax effects of non-deductible expenses (note)	不可扣減開支的稅務影響(附註)	1,403	1,820
Utilisation of temporary differences previously not recognised	使用先前未確認的暫時性差異	821	(83)
Additional deduction for research and development expenses	就研發開支額外扣減	(2,655)	(2,258)
Over-provision in prior year	過往年度超額撥備	—	(130)
PRC dividend withholding tax (Note 27)	中國股息預扣稅(附註27)	1,960	—
Effect of income taxed at concessionary rate	按優惠稅率計算的所得稅影響	(6,198)	(5,444)
Income tax expense	所得稅開支	11,442	8,770

Note: Non-deductible expenses mainly included listing expenses and certain entertainment expenses.

附註：不可扣減開支主要包括上市開支及若干招待開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

### 9. 董事酬金及五大最高薪酬人士

#### 9.1 Directors' emolument

#### 9.1 董事酬金

		Year ended 31 December 2022 截至2022年12月31日止年度				
		Fees	Salaries, allowances and benefits	Bonus	Contributions to retirement benefit schemes	Total
		袍金	薪金、津貼及福利	花紅	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Zhou	周先生	—	800	—	—	800
Ms. Shen	沈女士	—	—	—	—	—
Mr. Xie Zongguo ("Mr. Xie")	謝宗國先生(「謝先生」)	—	700	400	63	1,163
Ms. Yuan Aomei ("Ms. Yuan") (note a)	袁傲梅女士(「袁女士」) (附註a)	—	240	47	47	334
<b>Independent non-executive directors (note b):</b>	<b>獨立非執行董事 (附註b)：</b>					
Mr. Ip Wang Hoi	葉耘開先生	117	—	—	—	117
Mr. Zhang Shenjin	張慎金先生	117	—	—	—	117
Mr. Wang Yunchen	王運陳先生	117	—	—	—	117
		<b>351</b>	<b>1,740</b>	<b>447</b>	<b>110</b>	<b>2,648</b>

		Year ended 31 December 2021 截至2021年12月31日止年度				
		Fees	Salaries, allowances and benefits	Bonus	Contributions to retirement benefit schemes	Total
		袍金	薪金、津貼及福利	花紅	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive directors:</b>	<b>執行董事：</b>					
Mr. Zhou	周先生	—	800	—	—	800
Ms. Shen	沈女士	—	—	—	—	—
Mr. Xie	謝先生	—	700	400	61	1,161
Ms. Yuan (note a)	袁女士(附註a)	—	184	—	39	223
		<b>—</b>	<b>1,684</b>	<b>400</b>	<b>100</b>	<b>2,184</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

#### 9.1 Directors' emolument (Continued)

Notes:

- (a) Ms. Yuan was redesignated as executive director on 14 April 2021.
- (b) The appointments of Mr. Ip Wang Hoi, Mr. Zhang Shenjin and Mr. Wang Yunchen as independent non-executive directors of the Company took effect upon listing on 11 January 2022. During the year ended 31 December 2021, the independent non-executive directors have not yet been appointed and have not received any directors' remuneration in the capacity of independent non-executive directors.

Bonus are discretionary and are based on the performance of the Group.

#### 9.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2022 include two (2021: two) directors whose emoluments are disclosed in Note 9.1. The aggregate of the emoluments of the three (2021: three) individuals for the year ended 31 December 2022 are as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Salaries, allowances and benefits	薪金、津貼及福利	2,725	2,378
Contributions to retirement benefit schemes	退休福利計劃供款	155	158
		<b>2,880</b>	<b>2,536</b>

The above individuals' emoluments are within the following band:

		2022 2022年	2021 2021年
Nil to HK\$1,000,000	零至1,000,000港元	1	3
HK\$1,000,001–HK\$1,500,000	1,000,001港元至1,500,000港元	2	—

No director or the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2022 (2021: nil). No director or the five highest paid individuals has waived or agreed to waive any emoluments during the year ended 31 December 2022 (2021: nil).

### 9. 董事酬金及五大最高薪酬人士(續)

#### 9.1 董事酬金(續)

附註：

- (a) 袁女士於2021年4月14日獲調任為執行董事。
- (b) 葉耘開先生、張慎金先生及王連陳先生獲委任為本公司獨立非執行董事，並已於2022年1月11日上市後生效。截至2021年12月31日止年度，概無獨立非執行董事獲委任，並以獨立非執行董事身份收取任何董事薪酬。

花紅屬酌情性質且根據本集團的表現而發放。

#### 9.2 五名最高薪酬人士

截至2022年12月31日止年度，本集團五名最高薪酬人士包括兩名(2021年：兩名)董事，其酬金於附註9.1披露。截至2022年12月31日止年度，三名(2021年：三名)人士的酬金合計如下：

上述人士的酬金屬於以下範圍：

		2022 2022年	2021 2021年
Nil to HK\$1,000,000	零至1,000,000港元	1	3
HK\$1,000,001–HK\$1,500,000	1,000,001港元至1,500,000港元	2	—

截至2022年12月31日止年度，董事或五名最高薪酬人士概無向本集團收取任何酬金(2021年：無)，作為吸引其加入或於加入本集團時的誘因或作為離職的補償。截至2022年12月31日止年度，董事或五名最高薪酬人士概無放棄或同意放棄任何酬金(2021年：無)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

Earnings	盈利	2022 2022年	2021 2021年
Profit for the year attributable to equity holders of the Company (in RMB'000)	本公司權益持有人應佔年內溢利 (人民幣千元)	52,437	50,136
Number of ordinary shares for the purpose of calculating basic earnings per share	用作計算每股基本盈利的普通 股數目	479,632,581	365,800,000
Earnings per share (in RMB cents)	每股盈利(人民幣分)	10.93	13.71

As at 31 December 2022, the total shares of the Company in issue were 483,442,000 ordinary shares. The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that (i) the Reorganisation and the Capitalisation Issue (as defined in Note 28) of 365,788,000 ordinary shares had been effective on 1 January 2021; and (ii) 113,832,581 ordinary shares, representing the weighted average of 117,642,000 new ordinary shares issued pursuant to the initial public offering of shares of the Company (Note 28) during the year ended 31 December 2022.

As at 31 December 2021, the total shares of the Company in issue were 12,000 ordinary shares. The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and the Capitalisation Issue of 365,788,000 ordinary shares had been effective on 1 January 2021.

Diluted earnings per share is the same as basic earnings per share for years ended 31 December 2022 and 2021 as there were no dilutive potential ordinary shares in issue during the years.

### 11. DIVIDEND

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2022 of 4 HK cents (2021: nil) per ordinary share, in an aggregate amount of approximately HK\$19,338,000 (2021: nil), has been proposed by the board of directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

### 10. 每股盈利

本公司權益持有人應佔每股基本盈利乃根據下文所列計算得出：

於2022年12月31日，本公司的已發行股份總數為483,442,000股普通股。用作計算每股基本盈利的普通股數目乃基於(i)重組及資本化發行(定義見附註28)365,788,000股普通股已於2021年1月1日生效；及(ii)113,832,581股普通股，即於截至2022年12月31日止年度根據本公司首次公開發售股份所發行的117,642,000股新普通股的加權平均數(附註28)的假設而釐定。

於2021年12月31日，本公司的已發行股份總數為12,000股普通股。用作計算每股基本盈利的普通股數目乃基於重組及資本化發行365,788,000股普通股已於2021年1月1日生效的假設而釐定。

由於截至2022年及2021年12月31日止年度概無已發行的潛在攤薄普通股，因此該等期間的每股攤薄盈利與每股基本盈利一致。

### 11. 股息

報告期末後，就截至2022年12月31日止年度派發末期股息每股普通股4港仙(2021年：零)，總額約為19,338,000港元(2021年：零)，已由本公司董事會提議，並須經本公司股東在即將召開的股東週年大會上批准。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 12. PROPERTY, PLANT AND EQUIPMENT

### 12. 物業、廠房及設備

		Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
		樓宇	租賃裝修	廠房及機器	傢俱及固定裝置	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost</b>	<b>成本</b>							
As at 1 January 2021	於2021年1月1日	47,261	981	78,487	2,675	658	17,673	147,735
Additions	添置	—	895	1,094	192	641	72,971	75,793
Transfers	轉撥	40,892	—	9,908	877	—	(51,677)	—
Transfer to investment property	轉入投資物業	(41,443)	—	—	—	—	—	(41,443)
Disposals/Written-off	出售／撇銷	(9,397)	—	(1,220)	(17)	(86)	—	(10,720)
<b>As at 31 December 2021</b>	<b>於2021年12月31日</b>	<b>37,313</b>	<b>1,876</b>	<b>88,269</b>	<b>3,727</b>	<b>1,213</b>	<b>38,967</b>	<b>171,365</b>
As at 1 January 2022	於2022年1月1日	37,313	1,876	88,269	3,727	1,213	38,967	171,365
Additions	添置	8,804	601	478	156	—	79,757	89,796
Modification	修改	4,831	—	—	—	—	—	4,831
Transfers	轉撥	—	—	3,833	13	—	(3,846)	—
Disposals/Written-off	出售／撇銷	—	—	(2,219)	(103)	(4)	—	(2,326)
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>	<b>50,948</b>	<b>2,477</b>	<b>90,361</b>	<b>3,793</b>	<b>1,209</b>	<b>114,878</b>	<b>263,666</b>
<b>Accumulated depreciation</b>	<b>累計折舊</b>							
As at 1 January 2021	於2021年1月1日	23,998	684	47,293	2,460	606	—	75,041
Charge for the year	年內支出	3,853	188	5,478	181	24	—	9,724
Transfer to investment property	轉入投資物業	(327)	—	—	—	—	—	(327)
Written back on disposals/written-off	出售／撇銷時撥回	(4,304)	—	(1,031)	(17)	(81)	—	(5,433)
<b>As at 31 December 2021</b>	<b>於2021年12月31日</b>	<b>23,220</b>	<b>872</b>	<b>51,740</b>	<b>2,624</b>	<b>549</b>	<b>—</b>	<b>79,005</b>
As at 1 January 2022	於2022年1月1日	23,220	872	51,740	2,624	549	—	79,005
Charge for the year	年內支出	3,133	329	5,949	310	127	—	9,848
Written back on disposals/written-off	出售／撇銷時撥回	—	—	(1,812)	(90)	(3)	—	(1,905)
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>	<b>26,353</b>	<b>1,201</b>	<b>55,877</b>	<b>2,844</b>	<b>673</b>	<b>—</b>	<b>86,948</b>
<b>Net book amount</b>	<b>賬面淨值</b>							
As at 31 December 2021	於2021年12月31日	14,093	1,004	36,529	1,103	664	38,967	92,360
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>	<b>24,595</b>	<b>1,276</b>	<b>34,484</b>	<b>949</b>	<b>536</b>	<b>114,878</b>	<b>176,718</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 12. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2022, the Group's property, plant and equipment with aggregate net book amount of RMB128,884,000 (2021: RMB70,769,000), including construction in progress amounting RMB98,826,000 (2021: RMB29,998,000), were pledged to secure the bank and other borrowings granted to the Group (Note 35).

Included in the net carrying amount of property, plant and equipment is right-of-use assets as follows:

Buildings	樓宇	13,234	1,352
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The above right-of-use assets is depreciated on a straight-line basis over their estimated useful life or lease term as follows:

Buildings	5% or shorter of the lease term
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During the year ended 31 December 2022, the total additions, modification adjustment and depreciation charge to right-of-use assets included in property, plant and equipment amounting to RMB8,804,000 (2021: nil), RMB4,831,000 (2021:nil) and RMB1,753,000 (2021: RMB1,644,000), respectively.

### 12. 物業、廠房及設備(續)

本集團已抵押總賬面淨值人民幣128,884,000元(2021年:人民幣70,769,000元)的物業、廠房及設備,包括人民幣98,826,000元(2021年:人民幣29,998,000元)的在建工程,以取得授予本集團的銀行及其他借款(附註35)。

計入物業、廠房及設備的賬面值淨額內的使用權資產如下:

2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
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上述使用權資產的估計可使用年期或租期以直線法減值如下:

樓宇	5%或租期較短者
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截至2022年12月31日止年度,計入物業、廠房及設備的使用權資產添置、修訂調整及折舊費用總額分別為人民幣8,804,000元(2021年:零)、人民幣4,831,000元(2021年:零)及人民幣1,753,000元(2021年:人民幣1,644,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13. INVESTMENT PROPERTY

### 13. 投資物業

RMB'000  
人民幣千元

<b>Cost</b>	<b>成本</b>	
At 1 January 2021	於2021年1月1日	—
Transfer from property, plant and equipment	轉出物業、廠房及設備	41,443
At 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	41,443
Additions — subsequent expenditures	添置 — 其後支出	1,348
<b>At 31 December 2022</b>	<b>於2022年12月31日</b>	<b>42,791</b>
<b>Accumulated depreciation</b>	<b>累計折舊</b>	
At 1 January 2021	於2021年1月1日	—
Transfer from property, plant and equipment	轉出物業、廠房及設備	327
Charge for the year	年內支出	164
At 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	491
Charge for the year	年內支出	2,004
<b>At 31 December 2022</b>	<b>於2022年12月31日</b>	<b>2,495</b>
<b>Net book amount</b>	<b>賬面淨值</b>	
At 31 December 2021	於2021年12月31日	40,952
<b>At 31 December 2022</b>	<b>於2022年12月31日</b>	<b>40,296</b>

Details the Group's investment property and information about the fair value hierarchy as at the end of the reporting period are as follows. The levels are based on the observability and significance of inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability.

於報告期末，本集團的投資物業及有關公平值層級資料的詳情如下。以下各等級乃基於輸入值在計量時可否觀察及是否重大劃分：

- 第一級：相同資產及負債在活躍市場未經調整的報價。
- 第二級：除第一級包括的報價外，可直接或間接觀察的資產或負債輸入值，且並無涉及重大不可觀察的輸入值。
- 第三級：重大不可觀察的資產或負債輸入值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13. INVESTMENT PROPERTY (Continued)

### 13. 投資物業(續)

As at 31 December 2022

於2022年12月31日

	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Recurring fair value measurement</b>				
— Factory building in the PRC	—	—	42,000	42,000

經常性公平值計量

— 於中國的廠房

As at 31 December 2021

於2021年12月31日

	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Recurring fair value measurement</b>				
— Factory building in the PRC	—	—	42,000	42,000

經常性公平值計量

— 於中國的廠房

The Group's investment property was revalued at 31 December 2022 and 2021 by an independent professional qualified valuer. The Group's management has discussion with the valuer on the valuation assumptions when the valuation is performed at the end of reporting period.

本集團的投資物業於2022年及2021年12月31日獲獨立合資格專業估值師重新估值。於報告期末進行估值時，本集團的管理層已就估值的假設與估值師展開討論。

The fair value of the factory building in the PRC is estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rents, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy level, the terms of leases and expectations for rentals from future leases over the remaining economic life of the properties.

於中國的廠房採用收入法估計公平值，即使用相似物業於近期交易時的隱含市場孳息率得出的折現率，將估計的租金收入流扣除預測經營成本後撥充資本。當實際租金與估計租金出現重大差異時，估計租金值則會作出調整。估計租金流經計及當前出租率、估計的未來空置率、租賃條款，以及按物業的剩餘經濟壽命預測未來租賃的租金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14. INTERESTS IN SUBSIDIARIES

As at the date of this report, the Company had direct and indirect interest in the following subsidiaries, all of which are private limited liability companies, and the particulars of which are set out below:

Company name	Place of incorporation and operation 註冊成立及經營地點	Registered/Issued and paid up capital 已註冊/已發行及繳足資本	As at 31 December 於12月31日		Principal activities 主要業務
			2022 2022年	2021 2021年	
<b>Directly held:</b>					
直接持有：					
Lion Courage Enterprises Limited	The BVI	USD100	100%	100%	Investment holding
Lion Courage Enterprises Limited	英屬處女群島	100美元			投資控股
Virtuous Way Limited	The BVI	USD100	100%	100%	Investment holding
賢途有限公司	英屬處女群島	100美元			投資控股
<b>Indirectly held:</b>					
間接持有：					
Vanov Tianhe International Holdings Limited	Hong Kong	HKD10,000	100%	100%	Investment holding
環龍天和國際控股有限公司	香港	10,000港元			投資控股
Chengdu Huanlong Funeng Technology Co., Ltd.*#	The PRC	RMB1,000,000	100%	100%	Investment holding
成都環龍賦能科技有限公司	中國	人民幣1,000,000元			投資控股
Chengdu Huanlong Lixin Technology Limited**	The PRC	RMB1,000,000	99%	99%	Investment holding
成都環龍立欣科技有限公司	中國	人民幣1,000,000元			投資控股
Marvel Dragon Development Limited	Hong Kong	HKD 100	100%	100%	Investment holding
億龍發展有限公司	香港	100港元			投資控股
Sichuan Huanlong Technology Fabric Co., Ltd.	The PRC	RMB40,650,000	99%	99%	Manufacturing and sales of papermaking felts
四川環龍技術織物有限公司	中國	人民幣40,650,000元			造紙毛毯的製造及銷售
Shanghai Jinxiong Paper Making Net Carpet Co., Ltd.*#	The PRC	RMB35,601,960 (2021: RMB 35,590,000)	99%	99%	Manufacturing and sales of papermaking felts
上海金熊造紙網毯有限公司	中國	人民幣35,601,960元 (2021年：人民幣35,590,000元)			造紙毛毯的製造及銷售

\* The translation of name in English is for identification purposes only.

# The company is a limited liability company.

The above table includes subsidiaries of the Company which principally affected the results for the year or formed a substantial portion of the net assets of the Group.

### 14. 於附屬公司的權益

於本報告日期，本公司於以下附屬公司(均為私人有限責任公司)擁有直接及間接權益，詳情載列如下：

\* 英文譯名僅供識別。

# 該公司為有限責任公司。

上表載列的本公司附屬公司乃對本集團年度業績構成主要影響，或組成本集團資產淨值主要部分的附屬公司。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. LAND LEASE PREPAYMENT

### 15. 土地租賃預付款項

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
The Group's land lease prepayments comprise:	本集團的土地租賃 預付款項包括：		
The PRC, held on:	中國，以下列租約持有：		
— Leases of between 10 to 50 years	— 10至50年的租約	5,180	5,518
Carrying amount at the beginning of the year	年初賬面值	5,518	5,856
Depreciation	折舊	(338)	(338)
Carrying amount at the end of the year	年末賬面值	5,180	5,518

The leasehold land is situated in the PRC and held under medium lease. As at 31 December 2022, the Group's land lease prepayment with a carrying amount of RMB5,180,000 (2021: RMB5,518,000) were pledged to a bank to secure bank borrowings granted to the Group (Note 35).

租賃土地位於中國，並以中期租約持有。於2022年12月31日，本集團向銀行抵押賬面值為人民幣5,180,000元(2021年：人民幣5,518,000元)的土地租賃預付款項，以取得授予本集團的銀行借款(附註35)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16. INTANGIBLE ASSETS

### 16. 無形資產

		Trademarks 商標 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Capitalised development costs 資本化開發成本 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>					
As at 1 January 2021	於2021年1月1日	32,454	711	12,344	8,118	53,627
Additions	添置	—	199	—	699	898
Additions from internal developments	內部開發添置	—	—	—	11,410	11,410
Transfer	轉撥	—	—	14,556	(14,556)	—
<b>As at 31 December 2021</b>	<b>於2021年12月31日</b>	<b>32,454</b>	<b>910</b>	<b>26,900</b>	<b>5,671</b>	<b>65,935</b>
As at 1 January 2022	於2022年1月1日	32,454	910	26,900	5,671	65,935
Additions	添置	180	—	—	102	282
Additions from internal developments	內部開發添置	—	—	—	10,621	10,621
Transfer	轉撥	—	—	10,045	(10,045)	—
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>	<b>32,634</b>	<b>910</b>	<b>36,945</b>	<b>6,349</b>	<b>76,838</b>
<b>Accumulated amortisation</b>	<b>累計攤銷</b>					
As at 1 January 2021	於2021年1月1日	—	80	2,439	—	2,519
Charge for the year	年內支出	—	65	2,010	—	2,075
<b>As at 31 December 2021</b>	<b>於2021年12月31日</b>	<b>—</b>	<b>145</b>	<b>4,449</b>	<b>—</b>	<b>4,594</b>
As at 1 January 2022	於2022年1月1日	—	145	4,449	—	4,594
Charge for the year	年內支出	3	88	3,134	—	3,225
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>	<b>3</b>	<b>233</b>	<b>7,583</b>	<b>—</b>	<b>7,819</b>
<b>Net book amount</b>	<b>賬面淨值</b>					
As at 31 December 2021	於2021年12月31日	32,454	765	22,451	5,671	61,341
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>	<b>32,631</b>	<b>677</b>	<b>29,362</b>	<b>6,349</b>	<b>69,019</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16. INTANGIBLE ASSETS (Continued)

Intangible assets mainly represent:

- (1) the trademarks with carrying amounts of RMB32,454,000 (2021: RMB32,454,000) were acquired from the non-controlling shareholder of a subsidiary. The trademarks were regarded as having indefinite useful lives because in opinion of the directors of the Group, they are capable of being renewed indefinitely at insignificant cost;
- (2) the trademark with carrying amount of RMB177,000 (2021: nil) was acquired from an independent third party with estimated useful life of 10 years;
- (3) computer software were acquired from third parties; and
- (4) capitalised development costs generated through internal research and developments and capitalised technical know-hows by the Group.

The Group assesses the useful lives capitalised developments costs by considering the economic life cycles, continuous technological advancement of the patents, the experience on previous products of the Group and contractual legal rights of the patents, it is concluded that the useful lives of these patents are 10 years.

The amortisation charge for the year ended 31 December 2022 and 2021 is included in "Administrative and other operating expenses" in the profit or loss.

#### Impairment testing

The trademarks with indefinite useful lives and the intangible assets that under construction in progress which not yet available for use have been allocated to the relevant cash-generating units (the "CGU") which is the same for impairment testing.

The recoverable amount of the CGU has been determined based on value in use calculations, covering a detailed five-year budget plan, followed by an extrapolation of expected cash flows at the average growth rates of 4% (2021: 4%).

### 16. 無形資產(續)

無形資產主要指：

- (1) 自附屬公司的非控股股東收購所得賬面值為人民幣32,454,000元(2021年：人民幣32,454,000元)的商標。商標被視為具有無限可使用年期，因為本集團董事認為該等商標能夠以極低成本無限重續；
- (2) 自估計可使用年期為10年的獨立第三方收購所得賬面值為人民幣177,000元(2021年：零)的商標；
- (3) 自第三方購入的電腦軟件；及
- (4) 本集團通過內部研發及資本化技術知識產生的資本化開發成本。

本集團透過考慮經濟生命週期、專利的持續技術進步、本集團過往產品的經驗及專利的合約合法權利，以評估資本化開發成本的可使用年期，本集團認為該等專利的可使用年期為10年。

截至2022年及2021年12月31日止年度，攤銷費用已計入損益表的「行政及其他經營開支」。

#### 減值測試

具無限可使用年期的商標及尚未可供使用的在建無形資產已分配至作相同減值測試的相關現金產生單位(「現金產生單位」)。

現金產生單位的可收回金額按使用價值計算而釐定，涵蓋一個詳細的五年預算計劃，隨後按4%(2021年：4%)的平均增長率外推預期現金流量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16. INTANGIBLE ASSETS (Continued)

#### Impairment testing (Continued)

As at 31 December 2022, the discount rates applied to the cash flow projections were 14.6% (2021: 13.9%). The key assumptions for the Group have been determined by the Group's management based on past performance and its expectations for the industry development. The discount rates used are pre-tax and reflects specific risks relating to the segment.

Based on the above key assumptions, as at 31 December 2022 the recoverable amount would exceed the carrying amounts of the CGU by not less than approximately RMB42.9 million (2021: RMB49.3 million). If the growth rate decreased by 1%, the recoverable amount of the relevant CGU would be dropped by approximately RMB5.3 million (2021: RMB7.1 million) as at 31 December 2022. If the discount rate (pre-tax) increased by 1%, the recoverable amount of the relevant CGU would be dropped by approximately RMB7.1 million (2021: RMB9.2 million) as at 31 December 2022.

In the opinion of the directors of the Company, a reasonably possible change in key parameters would not cause the carrying amount of the relevant CGU to exceed the recoverable amount. If the growth rate decreased by 24% or discount rate increased by 11% as at 31 December 2022 (as at 31 December 2021: the growth rate decreased by 25% or discount rate increased by 12%), the recoverable amount of the relevant CGU would be approximated to its carrying amount.

In the opinion of the directors, there is no reasonably possible change in the key assumptions on which the recoverable amount of the trademarks is based that would cause the carrying amounts to exceed the recoverable amount.

### 16. 無形資產(續)

#### 減值測試(續)

現金流量預測所應用貼現率於2022年12月31日為14.6% (2021年: 13.9%)。本集團的主要假設由本集團管理層根據過去表現及對行業發展的預期釐定。所使用貼現率未計及稅項，反映分部相關的具體風險。

根據上述主要假設，於2022年12月31日，可收回金額分別將超過現金產生單位的賬面值不少於約人民幣42.9百萬元(2021年: 人民幣49.3百萬元)。倘增長率減少1%，則於2022年12月31日相關現金產生單位的可收回金額將減少約人民幣5.3百萬元(2021年: 人民幣7.1百萬元)。倘貼現率(除稅前)增加1%，則於2022年12月31日相關現金產生單位的可收回金額將減少約人民幣7.1百萬元(2021年: 人民幣9.2百萬元)。

本公司董事認為，主要參數的合理可能變動不會導致相關現金產生單位的賬面值超過可收回金額。倘於2022年12月31日的增長率減少24%或貼現率增加11%(2021年12月31日: 增長率減少25%或貼現率增加12%)，則相關現金產生單位的可收回金額將與其賬面值相若。

董事認為，為商標可收回金額基礎的主要假設並無合理可能變動，導致賬面值超出可收回金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 17. INVENTORIES

### 17. 存貨

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Raw materials	原材料	7,851	5,636
Work-in-progress	在建工程	4,885	4,596
Finished goods	成品	4,912	2,363
		17,648	12,595
Less: provision for inventories	減：存貨撥備	(315)	(692)
		17,333	11,903

Analysis of the provision for inventory write down is as below:

存貨撇減撥備的分析如下：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
At the beginning of the year	於年初	692	1,167
Reversal for the year	年內撥回	(377)	(475)
At the end of the year	於年末	315	692

During the years ended 31 December 2021 and 2022, the reversal of provision for inventory arose from sale of obsolete inventory.

截至2021年及2022年12月31日止年度，存貨撥備撥回乃由於出售過時存貨產生。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. TRADE AND OTHER RECEIVABLES

### 18. 貿易及其他應收款項

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Trade receivables	貿易應收款項		
— Third parties	— 第三方	152,282	135,298
— Related parties	— 關聯方	3,372	710
Bills receivables	應收票據	19,907	15,553
Less: ECL allowance provision	減：預期信貸虧損撥備	(4,312)	(3,639)
		171,249	147,922
Prepayments	預付款項	1,379	844
Prepaid listing expenses	預付上市開支	—	3,805
Refundable deposits (note)	可退還按金(附註)	8,140	—
Other receivables	其他應收款項	775	906
		10,294	5,555
		181,543	153,477

*Note:* The refundable deposits were paid for (i) the consultancy work on potential acquisition of investment targets amounting to RMB4,522,000 (2021: nil). If no acquisition is completed within the contract period, the deposit will be refunded to the Group; and (ii) operation system upgrade to strengthen the Group's Huanlong Paper Machine Efficiency Operation System amounting to RMB3,618,000 (2021: nil). If the work cannot meet the target timeline completed within the contract period, the deposit will be refunded to the Group.

*附註：* 可退還按金乃就以下各項而支付：(i) 投資目標的潛在收購諮詢工作，金額為人民幣4,522,000元(2021年：零)。倘於合約期內並無收購完成，則按金將退還予本集團；及(ii) 運營系統升級以加強本集團的造紙機運營效率優化服務數字平台系統，金額為人民幣3,618,000元(2021年：零)。倘於合約期內升級工作未能於目標時間內完成，則按金將退還予本集團。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. TRADE AND OTHER RECEIVABLES (Continued)

The directors considered that the fair values of trade and other receivables are not materially different from their carrying amounts.

As at each reporting date, the ageing analysis of trade receivables based on the delivery date is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
0 – 90 days	90天內	94,527	92,081
91 – 180 days	91天至180天	20,204	25,505
181 – 365 days	181天至365天	22,543	11,724
Over 365 days	365天以上	18,380	6,698
		155,654	136,008

The bills represent promissory notes issued by banks received by the Group from customers who discharge their liabilities to pay the Group for the goods or services invoiced. These bills are endorsable, unsecured, non-interest bearing and matured within one year.

As at 31 December 2022, included in the balances, bills receivables of nil (2021: RMB3,821,000) were discounted with recourse. These bills receivables were not derecognised as the title of these bills receivables were not transferred to the counterparties. On the other hand, as at 31 December 2022, discounted bills financing of nil (2021: RMB3,821,000) was recognised for the cash received (Note 24).

### 18. 貿易及其他應收款項(續)

董事認為貿易及其他應收款項的公平值與其賬面值並無重大差異。

於各報告日期，根據交付日期作出的貿易應收款項賬齡分析如下：

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
0 – 90 days	94,527	92,081
91 – 180 days	20,204	25,505
181 – 365 days	22,543	11,724
Over 365 days	18,380	6,698
	155,654	136,008

票據指本集團從客戶收取由銀行發出的承兌票據，有關客戶就發票貨品或服務履行向本集團的付款責任。該等票據為可背書、無抵押、不計息及於一年內到期。

於2022年12月31日，計入結餘的應收票據中，人民幣零元(2021年：人民幣3,821,000元)已貼現並具有追索權。該等應收票據尚未被終止確認，乃由於該等應收票據的所有權並未轉移至對手方。另一方面，於2022年12月31日，已就收取的現金確認貼現票據融資人民幣零元(2021年：人民幣3,821,000)(附註24)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of bills receivables presented based on issue date at the end of each reporting period is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
0 – 90 days	90天內	12,146	10,184
91 – 180 days	91天至180天	7,301	4,839
181 – 365 days	181天至365天	460	530
		19,907	15,553

#### Bills receivables endorsed

Not included in the years end balances, during the year ended 31 December 2022, the Group has transferred bills receivables amounted to RMB100,933,910 (2021: RMB106,335,000) to settle its payables through endorsing the bills to its suppliers. In accordance with the Law of Negotiable Instruments in the PRC, the endorsee of the bills has a right of recourse against the endorser if the issuing banks default. For those endorsed to its suppliers, the Group has derecognised these bills receivables and the trade and other payables in their entirety. In the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills to the endorsee. The Group has limited exposure in respect of the settlement obligation of these bills receivables under relevant PRC rules and regulations should the issuing banks failed to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the risk of non-settlement by the issuing banks on maturity is insignificant.

### 18. 貿易及其他應收款項(續)

根據各報告期末發行日期呈列的應收票據賬齡分析如下：

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
0 – 90 days	12,146	10,184
91 – 180 days	7,301	4,839
181 – 365 days	460	530
	19,907	15,553

#### 已背書應收票據

不計入年末結餘，於截至2022年12月31日止年度，本集團已轉讓應收票據人民幣100,933,910元(2021年：人民幣106,335,000元)，以向其供應商透過背書該等票據結算其應付款項。根據中國票據法，如發出票據的銀行違約，票據的被背書人可向背書人行使追索權。就向其供應商背書的票據而言，本集團已悉數終止確認該等應收票據及貿易及其他應付款項。本公司董事認為，本集團已將該等票據所有權的絕大部分風險及回報轉移至有關被背書人。根據中國相關規則及法規，倘發行銀行未能於到期日結算票據，本集團就該等應收票據承受的結算責任之風險有限。本集團認為票據發行銀行具良好信貸質量，且發行銀行於到期時未能結算的風險屬微不足道。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. TRADE AND OTHER RECEIVABLES (Continued)

#### Bills receivables endorsed (Continued)

As at 31 December 2022, the maximum exposure to loss, which is same as the amount payable by the Group to the endorsee in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date amounted to RMB100,933,910 (2021: RMB106,335,000). All the bills receivables endorsed have a maturity date of less than one year from the end of each reporting period.

The movement in the ECL allowance of trade and bills receivables is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
At the beginning of the year	於年初	3,639	5,724
Amounts written off	已撇銷金額	(150)	(2,083)
Provision/(Reversal) of ECL allowance	預期信貸虧損撥備／(撥備撥回)	823	(2)
At the end of the year	於年末	4,312	3,639

As at 31 December 2022, included in the balance of ECL allowance provision are individually impaired trade receivables with an aggregate balance of RMB1,821,000 (2021: RMB1,187,000), with reference to the historical experience of these receivables, the collection of these receivables may not be recoverable. The Group does not hold any collateral over these balances.

Further details of the Group's credit policy and credit risk arising from trade and other receivables are set out in Note 36.5.

### 18. 貿易及其他應收款項(續)

#### 已背書應收票據(續)

於2022年12月31日，倘發行銀行未能於到期日償付票據，則最大虧損風險相等於本集團就已背書票據應付有關被背書人的金額為人民幣100,933,910元(2021年：人民幣106,335,000元)。所有已背書應收票據之到期日自報告期末起計均少於一年。

貿易應收款項及應收票據的預期信貸虧損撥備變動如下：

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
於年初	3,639	5,724
已撇銷金額	(150)	(2,083)
預期信貸虧損撥備／(撥備撥回)	823	(2)
於年末	4,312	3,639

於2022年12月31日，預期信貸虧損撥備結餘包括個別減值的貿易應收款項的總結餘為人民幣1,821,000元(2021年：人民幣1,187,000元)，而參考該等應收款項的過往經驗，該等應收款項未必可收回。本集團並無就該等結餘持有任何抵押品。

本集團的信貸政策及貿易及其他應收款項產生的信貸風險詳情載於附註36.5。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 19 按公平值計入損益的金融資產

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Listed equity securities and warrants — Hong Kong	上市股本證券及權證 — 香港	984	—

The fair value of the Group's investments in listed equity securities and warrants has been measured as described in Note 36.7.

本集團於上市股本證券及權證的投資人之公平值乃按照附註36.7釐定。

### 20. CASH AND CASH EQUIVALENT

### 20 現金及現金等價物

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Cash and bank balances	現金及現金等價物	85,618	12,609

Cash at banks earns interests at floating rates based on daily bank deposit rates.

銀行現金按根據每日銀行存款利率計算的浮動利率賺取利息。

Included in bank and cash balances of the Group is RMB10,654,000 (2021: RMB12,602,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

本集團的銀行及現金結餘包括存放在中國境內的以人民幣(「人民幣」)計值的銀行結餘人民幣10,654,000元(2021年：人民幣12,602,000元)。人民幣不可自由兌換。根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准通過授權開展外匯業務的銀行將人民幣兌換成外幣。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 21. CONTRACT LIABILITIES

### 21 合約負債

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Amount received in advance for sales of papermaking felts products expected to be recognise:	預期就銷售造紙毛毯產品預 先收取的款項將於以下期 間確認：		
— within one year	— 一年內	486	512

Contract liabilities represent the deposits received from the customers in advance of the transfer of papermaking felts to the customers.

合約負債即就向客戶轉移造紙毛毯前的已收客戶按金。

Contract liabilities outstanding at the beginning of the year amounting to RMB110,000 (2021: RMB200,000) have been recognised as revenue during the year.

於年初未償還合約負債人民幣110,000元(2021年：人民幣200,000元)已於年內確認為收益。

### 22. TRADE AND OTHER PAYABLES

### 22. 貿易及其他應付款項

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
<b>Trade payables</b>	<b>貿易應付款項</b>		
— Third parties	— 第三方	20,768	25,016
<b>Other payables</b>	<b>其他應付款項</b>		
Other payables	其他應付款項	3,585	4,460
Construction payables	應付工程款項	905	4,547
Accrued salaries	應計工資款項	5,824	5,411
Receipt in advance from a tenant	預收租戶款項	700	1,225
Accruals	應計款項	3,334	1,334
Accrued listing expenses	應計上市開支	—	5,604
Warranty provision	保養撥備	4,699	4,605
Other tax payables	其他應付稅項	8,719	6,591
		27,766	33,777
		48,534	58,793

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 22. TRADE AND OTHER PAYABLES (Continued)

The Group is granted by its suppliers a credit periods of 30 to 90 days (2021: 30 to 90 days). Based on the invoice dates, the ageing analysis of the trade payables is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
0 – 30 days	0至30天	9,285	11,289
31 – 60 days	31天至60天	4,450	6,961
61 – 90 days	61天至90天	2,804	2,585
91 – 180 days	91天至180天	2,919	1,622
181 – 365 days	180天至365天	901	1,049
Over 365 days	365天以上	409	1,510
		<b>20,768</b>	<b>25,016</b>

The carrying values of trade and other payables are considered to be reasonable approximation of their fair values.

The movement in the warranty provision is as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
At beginning of year	於年初	4,605	3,932
Provision for the year	年內撥備	4,579	4,115
Utilisation for the year	年內使用	(4,485)	(3,442)
At end of year	年末	<b>4,699</b>	<b>4,605</b>

The warranty provision represents management's best estimate of the Group's liability under 45 to 120 days warranty granted on papermaking felts, based on prior experience and industry averages for defective products.

### 22. 貿易及其他應付款項(續)

本集團獲其供應商授予30至90天(2021年: 30至90天)的信貸期。根據發票日期,貿易應付款項的賬齡分析如下:

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
0 – 30 days	9,285	11,289
31 – 60 days	4,450	6,961
61 – 90 days	2,804	2,585
91 – 180 days	2,919	1,622
181 – 365 days	901	1,049
Over 365 days	409	1,510
	<b>20,768</b>	<b>25,016</b>

貿易及其他應付款項的賬面值被視為合理地與其公平值相若。

保養撥備的變動如下:

	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
At beginning of year	4,605	3,932
Provision for the year	4,579	4,115
Utilisation for the year	(4,485)	(3,442)
At end of year	<b>4,699</b>	<b>4,605</b>

保養撥備指管理層對本集團就造紙毛毯提供45至120天保養(根據過往經驗及有關缺陷產品的行業常規得出)所承擔責任的最佳估計。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23. LEASE LIABILITIES

### 23. 租賃負債

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Total minimum lease payment due:	應付最低租賃付款總額：		
— Within one year	— 一年內	3,866	1,367
— In the second to fifth years	— 於第二至第五年	6,971	—
		10,837	1,367
Future finance charges on leases liabilities	租賃負債未來融資費用	(704)	(29)
Present value of lease liabilities	租賃負債現值	10,133	1,338
		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Present value of minimum lease payments:	最低租賃付款現值：		
— Within one year	— 一年內	3,460	1,338
— In the second to fifth years	— 於第二至第五年	6,673	—
		10,133	1,338
Less: Portion due within one year included under current liabilities	減：流動負債項下的一年內到期部分	(3,460)	(1,338)
Portion due after one year included under non-current liabilities	非流動負債項下的一年後到期部分	6,673	—

The Group leases properties for operation and these lease liabilities were measured at the present value of the lease payments that are not yet paid. All leases are entered at fixed prices and typically made for fixed periods of one to three years (2021: one to five years), lease terms are negotiated on an individual basis.

本集團就經營而租用物業，該等租賃負債按尚未支付的租賃付款的現值計量。所有租賃均以固定價格及一般以一至三年(2021年：一至五年)的固定租期訂立。租期乃按個別基準磋商而定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23. LEASE LIABILITIES (Continued)

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The total cash outflows for leases including the payments of lease liabilities for the year ended 31 December 2022 were RMB5,420,000 (2021: RMB1,985,000).

### 23. 租賃負債(續)

本集團並無就有關其租賃負債面對重大流動資金風險。本集團的庫務部門監察租賃負債。

截至2022年12月31日止年度，租賃的現金流出總額(包括租賃負債的付款)為人民幣5,420,000元(2021年：人民幣1,985,000元)。

### 24. DISCOUNTED BILLS FINANCING

The balance represents borrowings from banks by discounting, with recourse, bills receivables to the Group which were endorsed by third parties. The Group continues to recognise the carrying amount of the underlying bills receivables, as presented in Note 18, since the title of receivables was not transferred to the counterparties.

### 24. 貼現票據融資

該結餘指通過貼現本集團具追索權的應收票據而取得的銀行借款，該等借款由第三方背書。由於應收款項的所有權並無轉移至對手方，因此本集團繼續確認附註18所呈列相關應收票據的賬面值。

### 25. BANK BORROWINGS

Bank borrowings were carried at amortised cost, secured and repayable within one year.

### 25. 銀行借款

銀行借款乃按攤銷成本列賬、已抵押及須於一年內償還。

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Bank loans, secured:	銀行貸款，有抵押：		
— repayable within one year	— 須於一年內償還	57,500	105,000
— repayable in the second year to fifth year inclusive	— 須於第二年至第五年(包括首尾兩年)償還	104,500	—
		<b>162,000</b>	<b>105,000</b>

As at 31 December 2022, the effective interest rate of the bank borrowings was 4.72% (2021: 6.06%) per annum.

於2022年12月31日，銀行借款的實際年利率為4.72% (2021年：6.06%)。

The bank borrowings were secured by pledged assets as at set out in Note 35.

銀行借款由已抵押資產擔保(附註35)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26. OTHER BORROWINGS

### 26. 其他借款

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Other borrowings	其他借款		
— repayable within one year	— 須於一年內償還	24,381	8,326
— repayable in the second to fifth year inclusive	— 須於第二至第五年 (包括首尾兩年)償還	29,122	14,208
		53,503	22,534

During the year ended 31 December 2022, the Group entered into sale and leaseback agreements amounting to RMB49,336,000 (2021: RMB26,949,000) with leasing companies for acquisition of machinery and equipment and motor vehicle ("Secured Assets") amounting to RMB66,554,000 (2021: RMB36,926,000) for a period of three years (2021: one to three years). On loan drawdown date, the amount of RMB49,336,000 (2021: RMB26,949,000) was directly transferred from the leasing companies to the suppliers of the Secured Assets. Upon maturity, the Group will be entitled to purchase the Secured Assets.

As at 31 December 2021, one of the sale and leaseback agreement amounting to RMB400,000 (2022: nil) has been settled before maturity and the related Secured Assets amounting to RMB506,000 (2022: nil) has been purchased by the Group.

The effective interest rates underlying the contract is 7.2% (2021: 7.2%) per annum.

As at 31 December 2022, sale and leaseback obligation of RMB53,503,000 was secured by the Group's construction in progress with carrying amount of RMB98,826,000 (Note 12).

As at 31 December 2021, sale and leaseback obligation of RMB22,534,000 was secured by the Group's construction in progress with carrying amount of RMB29,998,000 (Note 12) and the personal guarantee provided by the Controlling Shareholders. Such personal guarantee has been released during the year ended 31 December 2022 upon listing of the Company.

截至2022年12月31日止年度，本集團與租賃公司訂立金額為人民幣49,336,000元(2021年：人民幣26,949,000元)的售後回租協議，以獲得人民幣66,554,000元(2021年：人民幣36,926,000元)的機器及設備以及汽車(「抵押資產」)，為期三年(2021年：一至三年)。於貸款提取日期，人民幣49,336,000元(2021年：人民幣26,949,000元)由該租賃公司直接轉讓予抵押資產的供應商。於到期時，本集團將有權購買有抵押資產。

於2021年12月31日，其中一份價值人民幣400,000元(2022年：零)的售後回租協議已於到期前解除，且本集團已購買人民幣506,000元(2022年：零)的有關抵押資產。

合約的相關實際年利率為7.2% (2021年：7.2%)。

於2022年12月31日，售後回租責任為人民幣53,503,000元，由本集團賬面價值為人民幣98,826,000(附註12)元的在建工程作抵押。

於2021年12月31日，售後回租責任為人民幣22,534,000元，由本集團賬面價值為人民幣29,998,000元(附註12)的在建工程及控股股東提供的個人擔保作抵押。有關個人擔保已於截至2022年12月31日止年度本公司上市後解除。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 27. DEFERRED TAX

The movements in deferred tax assets/(liabilities) are as follows:

#### Deferred Tax Assets

		Provision for inventories 存貨撥備 RMB'000 人民幣千元	Provision of allowance on receivable 應收款項撥備 RMB'000 人民幣千元	Unrealised profit in inventories 未變現存貨溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2021	於2021年1月1日	175	859	52	1,086
Credited/(Charged) to profit or loss (Note 8)	於損益計入/(扣除) (附註8)	(71)	(313)	18	(366)
As at 31 December 2021 and 1 January 2022	於2021年12月31日及 2022年1月1日	104	546	70	720
Credited/(Charged) to profit or loss (Note 8)	於損益計入/(扣除) (附註8)	(57)	101	(4)	40
As at 31 December 2022	於2022年12月31日	47	647	66	760

#### Deferred Tax Liabilities

		Accelerated tax depreciation 加速稅項折舊 RMB'000 人民幣千元	Withholding on undistributed profits 未分派溢利的 預扣稅 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2021	於2021年1月1日	(648)	—	(166)	(814)
Charged to profit or loss (Note 8)	於損益計入(附註8)	(1,466)	—	(1)	(1,467)
As at 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	(2,114)	—	(167)	(2,281)
Charge to profit or loss (Note 8)	於損益計入(附註8)	(409)	(1,960)	(471)	(2,840)
As at 31 December 2022	於2022年12月31日	(2,523)	(1,960)	(638)	(5,121)

As at 31 December 2022, deferred tax liabilities have not been recognised on the aggregate amount of temporary differences associated with the undistributed profits of Sichuan Huanlong for the withholding taxes that would be payable on the unremitted earnings of approximately RMB191,979,000 (2021: RMB166,253,000) that are subject to withholding taxes. The Company controls the dividend policy of Sichuan Huanlong and it is not probable that the temporary differences will reverse in the foreseeable future. During the year ended 31 December 2022, withholding tax of RMB1,960,000 (2021: nil) was charged to profit or loss for the dividends declared by Sichuan Huanlong.

### 27. 遞延稅項

遞延稅項資產/(負債)的變動如下：

#### 遞延稅項資產

		Provision for inventories 存貨撥備 RMB'000 人民幣千元	Provision of allowance on receivable 應收款項撥備 RMB'000 人民幣千元	Unrealised profit in inventories 未變現存貨溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2021	於2021年1月1日	175	859	52	1,086
Credited/(Charged) to profit or loss (Note 8)	於損益計入/(扣除) (附註8)	(71)	(313)	18	(366)
As at 31 December 2021 and 1 January 2022	於2021年12月31日及 2022年1月1日	104	546	70	720
Credited/(Charged) to profit or loss (Note 8)	於損益計入/(扣除) (附註8)	(57)	101	(4)	40
As at 31 December 2022	於2022年12月31日	47	647	66	760

#### 遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊 RMB'000 人民幣千元	Withholding on undistributed profits 未分派溢利的 預扣稅 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2021	於2021年1月1日	(648)	—	(166)	(814)
Charged to profit or loss (Note 8)	於損益計入(附註8)	(1,466)	—	(1)	(1,467)
As at 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	(2,114)	—	(167)	(2,281)
Charge to profit or loss (Note 8)	於損益計入(附註8)	(409)	(1,960)	(471)	(2,840)
As at 31 December 2022	於2022年12月31日	(2,523)	(1,960)	(638)	(5,121)

於2022年12月31日，尚未就四川環龍未分配利潤與未匯出收入應繳預扣稅相關的暫時性差異總額確認遞延稅項負債，需要繳納預扣稅的未匯出收入約為人民幣191,979,000元(2021年：人民幣166,253,000元)。本公司控制四川環龍的股息政策，故該暫時性差異於可見將來不大可能逆轉。截至2022年12月31日止年度，四川環龍宣派股息預扣稅人民幣1,960,000元(2021年：無)已計入損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28.SHARE CAPITAL

### 28.股本

		No. of shares 股份數目	RMB'000 人民幣千元
<b>Authorised:</b>	<b>法定：</b>		
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
As at 1 January 2021, 31 December 2021 and 1 January 2022	於2021年1月1日、2021年 12月31日以及2022年1月1日	38,000,000	335
Increase in authorised share capital	增加法定股本	1,962,000,000	24,020
As at 31 December 2022	2022年12月31日	2,000,000,000	24,355
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
As at 1 January 2021 and 31 December 2021 and 1 January 2022	於2021年1月1日及2021年 12月31日以及2022年1月1日	12,000	1
Capitalisation Issue ( <i>note a</i> )	資本化發行(附註a)	365,788,000	2,990
Issue of shares on 11 January 2022 ( <i>note b</i> )	於2022年1月11日發行的股份 (附註b)	114,200,000	930
Issue of shares on 8 February 2022 ( <i>note c</i> )	於2022年2月8日發行的股份 (附註c)	3,442,000	28
As at 31 December 2022	於2022年12月31日	483,442,000	3,949

#### Notes:

- (a) Pursuant to the resolutions of the shareholders passed on 9 December 2021, subject to the share premium account of the Company being credited as a result of the global offering, the directors were authorised to allot and issue a total of 365,788,000 shares credited as fully paid at par to the holders of the shares on the register of members of the Company at the close of business on 8 December 2021 in proportion to their shareholdings by way of capitalisation of the sum of HK\$3,657,880 (equivalents to approximately RMB2,990,000) standing to the credit of the share premium account of the Company (the "Capitalisation Issue"). The Capitalisation Issue is effective upon listing on 11 January 2022 and the shares allotted and issued rank pari passu in all respects with the existing issued shares.

#### 附註：

- (a) 根據股東於2021年12月9日通過的決議案，就本公司的股份溢價賬因全球發售而出現進賬，董事獲授權透過將本公司股份溢價賬進賬3,657,880港元(相當於約人民幣2,990,000元)撥充資本，根據2021年12月8日結束營業時名列本公司股東名冊的股份持有人所持的股權比例，向彼等配發及發行按面值入賬列作繳足的合共365,788,000股股份(「資本化發行」)。資本化發行自2022年1月11日上市起生效，而所配發及發行的股份於各方面與現存已發行股份享有同等地位。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28.SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) On 11 January 2022, the Company issued 114,200,000 new shares at HK\$1.22 per share for total gross proceeds of HK\$139,324,000 (equivalents to approximately RMB113,477,000) by way of initial public offering of the Company on the Stock Exchange.
- (c) On 8 February 2022, the Company further issued 3,442,000 new shares at HK\$1.22 per share for total gross proceeds of HK\$4,199,240 (equivalents to approximately RMB3,429,000) upon partial exercise of the over-allotment option granted by the Company.

### 29.RESERVES

The reconciliation between the opening and closing balances of each component of the Group's equity is set out in the consolidated statements of changes in equity.

#### Share premium

The share premium represents the difference between the par value of the shares of the Company and net proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to the shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

#### Capital reserve

The capital reserve of the Group represents the aggregate of the share capital of the subsidiaries comprising the Group arising from the Reorganisation.

#### Statutory reserve

In accordance with the Company Law of the PRC, each of the company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with the PRC accounting standards, to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital.

### 28.股本(續)

附註：(續)

- (b) 於2022年1月11日，本公司透過在聯交所進行首次公開發售，以每股股份1.22港元發行114,200,000股新股份，所得款項總額為139,324,000港元(相當於約人民幣113,477,000元)。
- (c) 於2022年2月8日，本公司在部分行使其授出的超額配股權後，以每股股份1.22港元進一步發行3,442,000股新股份，所得款項總額為4,199,240港元(相當於約人民幣3,429,000元)。

### 29.儲備

本集團權益中各部分期初與期末結餘的對賬載於綜合權益變動表。

#### 股份溢價

股份溢價指本公司股份面值與發行本公司股份所得款項淨額之間的差額。

根據開曼群島公司法，本公司股份溢價賬可供撥作分派或派發股息予股東，惟緊隨建議分派或派息當日，本公司能支付正常業務過程中到期之債務。

#### 資本儲備

本集團的資本儲備指重組後本集團旗下附屬公司的股本總數。

#### 法定儲備

根據中國公司法，在中國註冊的各公司須就根據中國會計準則釐定的年度法定除稅後溢利(抵銷任何過往年度虧損後)劃撥10%至法定儲備，直至儲備金結餘達到該實體註冊資本的50%為止。法定儲備可用於抵銷過往年度虧損或增加資本，惟法定儲備的餘額不少於註冊資本的25%。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 30. 本公司的財務狀況表

			2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
	Notes 附註			
<b>ASSETS AND LIABILITIES</b>		<b>資產及負債</b>		
<b>Non-current assets</b>		<b>非流動資產</b>		
Interests in subsidiaries		於附屬公司的權益	1,594	1,594
Amount due from a subsidiary		應收附屬公司款項	22,060	—
			<b>23,654</b>	1,594
<b>Current assets</b>		<b>流動資產</b>		
Prepaid listing expenses		預付上市開支	—	3,805
Prepayments and other receivables		預付款項及其他應收款項	8,661	—
Financial assets at fair value through profit or loss		按公平值計入損益的金融資產	984	—
Cash and cash equivalent	19	現金及現金等價物	74,143	—
			<b>83,788</b>	3,805
<b>Current liabilities</b>		<b>流動負債</b>		
Amount due to a subsidiary		應付附屬公司款項	23,730	23,739
Accruals		應計款項	2,403	6,404
			<b>26,133</b>	30,143
<b>Net current assets/(liabilities)</b>		<b>流動資產／(負債)淨額</b>	<b>57,655</b>	(26,338)
<b>Net assets/(liabilities)</b>		<b>資產／(負債)淨額</b>	<b>81,309</b>	(24,744)
<b>CAPITAL AND RESERVES</b>		<b>資本及儲備</b>		
Share capital	28	股本	3,949	1
Reserves		儲備	77,360	(24,745)
<b>Total equity/(Capital deficiencies)</b>		<b>權益／(資本虧絀)總額</b>	<b>81,309</b>	(24,744)

Approved by the Board of Directors on 30 March 2023 and were signed on its behalf.

於2023年3月30日經由董事會批准，並由以下人士代為簽署。

Shen Genlian  
沈根蓮  
Director  
董事

Xie Zongguo  
謝宗國  
Director  
董事

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: The movement of the Company's reserves are as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2021	於2021年1月1日	—	1,592	(21,691)	(20,099)
Loss for the year	年內虧損	—	—	(4,646)	(4,646)
As at 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	—	1,592	(26,337)	(24,745)
Profit for the year	年內溢利	—	—	681	681
Capitalisation Issue (Note 28(a))	資本化發行(附註28(a))	(2,990)	—	—	(2,990)
Issue of new shares on 11 January 2022 (Note 28(b))	於2022年1月11日發行的股份(附註28(b))	112,547	—	—	112,547
Issue of new shares on 8 February 2022 (Note 28(c))	於2022年2月8日發行的股份(附註28(c))	3,401	—	—	3,401
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	(11,534)	—	—	(11,534)
As at 31 December 2022	於2022年12月31日	101,424	1,592	(25,656)	77,360

As at 31 December 2022, the distributable reserves of the Company amounting to RMB75,768,000 (2021: nil).

附註： 本公司的儲備變動如下：

於2022年12月31日，本公司的可分派儲備金額為人民幣75,768,000元(2021年：零)。

### 31. LEASE COMMITMENTS

#### As Lessor

At 31 December 2022 and 2021, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of factory building as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Within one year	一年內	1,499	1,139
After one year but within two years	一年後但兩年內	799	1,499
After two years but within three years	兩年後但三年內	—	799
		2,298	3,437

### 31. 租賃承擔

#### 作為出租人

於2022年及2021年12月31日，本集團根據不可撤銷經營租賃就廠房收取的未來最低租賃款項總額如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32. CAPITAL COMMITMENTS

### 32. 資本承擔

As at end of the reporting date, the Group has capital commitments are as follows:

於報告期末，本集團的資本承擔如下：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Contracted but not provided for	已訂約但未撥備		
Property, plant and equipment	物業、廠房及設備	83,614	59,972

### 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### 33. 綜合現金流量表附註

Reconciliation of liabilities arising from financing activities:

融資活動產生的負債對賬：

		Bank borrowings 銀行借款 RMB'000 人民幣千元	Other borrowings 其他借款 RMB'000 人民幣千元	Discounted bills financing 貼現票據融資 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
As at 1 January 2021	於2021年1月1日	115,000	—	—	2,883
Cash flows:	現金流量：				
Proceeds	所得款項	105,000	—	3,821	—
Repayment	還款	(115,000)	(4,415)	—	—
Capital element of lease rentals paid	已付租賃租金本金部分	—	—	—	(1,545)
Interest element of lease rentals paid	已付租賃租金利息部分	—	—	—	(103)
Non-cash transaction:	非現金交易：				
New borrowings (Note 26)	新增借款(附註26)	—	26,949	—	—
Effect of interest charges	利息費用影響	—	—	—	103
As at 31 December 2021 and 1 January 2022	於2021年12月31日及2022年1月1日	105,000	22,534	3,821	1,338
Cash flows:	現金流量：				
Proceeds	所得款項	162,300	—	—	—
Repayment	還款	(105,300)	(18,367)	(3,821)	—
Capital element of lease rentals paid	已付租賃租金本金部分	—	—	—	(4,840)
Interest element of lease rentals paid	已付租賃租金利息部分	—	—	—	(70)
Non-cash transactions:	非現金交易：				
New borrowings (Note 26)	新增借款(附註26)	—	49,336	—	—
New leases	新租賃	—	—	—	8,804
Lease modification	租賃修改	—	—	—	4,831
Effect of interest charges	利息費用影響	—	—	—	70
As at 31 December 2022	於2022年12月31日	162,000	53,503	—	10,133

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 34. RELATED PARTY TRANSACTIONS

Save as disclosed in Note 18 to the consolidated financial statements, the Group had the following transactions with its related parties during the year:

#### (a) Names and relationship

##### Name of related party

關聯方名稱

Sichuan Huanlong New Material Ltd.\*

(四川環龍新材料有限公司)

四川環龍新材料有限公司

Sichuan Huanlong Daily Products Ltd.\*

(四川省環龍生活用品有限公司)

四川省環龍生活用品有限公司

Mr. Zhou

周先生

Ms. Shen

沈女士

Mr. Xie

謝先生

Ms. Yuan

袁女士

\* The translation of name in English is for identification purposes only.

### 34. 關聯方交易

除綜合財務報表附註18所披露者外，本集團於年內與其關聯方進行了以下交易：

#### (a) 名稱及關係

##### Relationship with the Group

與本集團的關係

A company controlled by the Controlling

Shareholders

受控股股東控制的公司

A company controlled by the Controlling

Shareholders

受控股股東控制的公司

The controlling shareholder

控股股東

The controlling shareholder

控股股東

An executive director of the Company

控股股東

An executive director of the Company

控股股東

\* 英文譯名僅供識別。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 34. RELATED PARTY TRANSACTIONS

(Continued)

### 34. 關聯方交易 (續)

#### (b) Related party transactions

#### (b) 關聯方交易

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
(i) Material transactions with related parties	(i) 與關聯方的重大交易		
<b>Name of related party</b> 關聯方名稱	<b>Nature</b> 性質		
Sichuan Huanlong New Material Ltd. ("Huanlong New Material") (note) 四川環龍新材料有限公司 (「環龍新材料」)(附註)	Sales 銷售	2,796	574
Sichuan Huanlong Daily Products Ltd. ("Huanlong Daily Products") (note) 四川省環龍生活用品有限公司 (「環龍生活用品」)(附註)	Sales 銷售	1,173	1,121

**Note:** Huanlong New Material and Huanlong Daily Products are associates of Ms. Shen and Mr. Zhou and Huanlong Daily Products is a wholly owned subsidiary of Huanlong New Material, the related party transactions shall therefore be aggregated and treated as if they were one transaction and constitute continuing connected transactions under the Listing Rule.

Sales to related parties were conducted in the Group's normal course of business and at prices and terms no less than those charged to and contracted with other third party customers of the Group.

附註：環龍新材料及環龍生活用品為沈女士及周先生的聯繫人，而環龍生活用品為環龍新材料的全資附屬公司，故該等關聯交易將合併計算，並視作一項交易處理，構成上市規則項下的持續關連交易。

向關聯方的銷售乃於本集團正常業務過程中進行，價格及條款並不低於向本集團其他第三方客戶收取並與其訂立的價格及條款。

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
(ii) Key management personnel compensation	(ii) 主要管理人員報酬		
Salaries, allowances and benefits	薪金、津貼及福利	3,511	3,242
Contribution to defined contribution retirement plans	界定供款退休計劃供款	248	220
		3,759	3,462

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 34. RELATED PARTY TRANSACTIONS

(Continued)

### 34. 關聯方交易 (續)

#### (c) Balances with related parties

#### (c) 與關聯方的結餘

		2022	2021
		2022年	2021年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Amounts due from/(to) related parties:</b>	<b>應收／(應付)關聯方款項：</b>		
Sichuan Huanlong New Material Ltd.	四川環龍新材料有限公司		
— trade	— 貿易	2,431	294
— non-trade (note)	— 非貿易(附註)	—	(20)
Sichuan Huanlong Daily Products Ltd.	四川省環龍生活用品有限公司		
— trade	— 貿易	941	416
		<b>3,372</b>	<b>690</b>

**Note:** The amount comprised to "amount due to a related party" in the face of consolidated statement of financial position.

**附註：** 該等金額包含在綜合財務狀況表的「應付關聯方款項」。

The maximum outstanding balances are as follows:

最高未償還結餘如下：

<b>Amounts due from/(to) related parties:</b>	<b>應收／(應付)關聯方款項：</b>		
		2022	2021
		2022年	2021年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Maximum outstanding balances due from:	應收以下各方的最高未償還結餘：		
— Sichuan Huanlong New Material Ltd.	— 四川環龍新材料有限公司	—	156
— Sichuan Huanlong Daily Products Ltd.	— 四川省環龍生活用品有限公司	—	806
— Mr. Zhou	— 周先生	—	34
— Ms. Shen	— 沈女士	—	34
— Ms. Yuan	— 袁女士	—	39

The amounts due are unsecured, interest-free and repayable on demand. The trade balances had a credit period of 60 days (2021: 60 days). The carrying amounts approximates their fair value and are denominated in RMB. The outstanding balances with certain related parties have been settled during the year ended 31 December 2022 upon listing of the Company.

應付款項為無抵押、免息及須按要求償還。貿易結餘的信貸期為60日(2021年：60日)。賬面值與其公平值相若，並以人民幣計值。部分關聯方的未償還結餘已於截至2022年12月31日止年度本公司上市後結清。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 35. PLEDGE OF ASSETS

At the end of each reporting period, certain of the Group's assets were pledged to secure bank and other borrowings of the Group. The aggregate carrying amount of the assets of the Group pledged at the end of the reporting period are as follows:

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Property, plant and equipment (Note 12)	物業、廠房及設備(附註12)	128,884	70,769
Land lease prepayment (Note 15)	土地租賃預付款項 (附註15)	5,180	5,518
		134,064	76,287

### 35. 資產抵押

於各報告期末，本集團若干資產已抵押以取得授予本集團的銀行及其他借款。本集團已抵押資產於報告期末的賬面總值如下：

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group's overall financial risk management policies focuses on the unpredictability and volatility at financial markets and seeks to minimise potential adverse effects on the financial position, financial performance and cash flows of the Group. No derivative financial instruments are used to hedge any risk exposures.

### 36. 財務風險管理及公平值計量

本集團就其於日常業務過程及投資活動中使用金融工具承受財務風險。財務風險包括市場風險(包括外幣風險、利率風險及其他價格風險)、信貸風險及流動性風險。

本集團的整體財務風險管理政策專注於金融市場的不可預測性及波動性，及尋求盡量減少對本集團財務狀況、財務表現及現金流量可能造成的不利影響。概無採用衍生金融工具對沖任何風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

### 36. 財務風險管理及公平值計量(續)

#### 36.1 Categories of financial assets and liabilities

#### 36.1 金融資產及負債分類

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>		
<i>Financial assets measured at amortised cost:</i>	<i>按攤銷成本計量的金融資產：</i>		
Trade and other receivables	貿易及其他應收款項	181,894	150,560
Cash and cash equivalent	現金及現金等價物	85,618	12,609
<i>Financial assets at FVTPL:</i>	<i>按公平值計入損益的金融資產：</i>		
Listed equity securities and warrants	上市股本證券及權證	984	—
		<b>268,496</b>	<b>163,169</b>
<b>Financial liabilities</b>	<b>金融負債</b>		
<i>Financial liabilities measured at amortised cost:</i>	<i>按攤銷成本計量的金融負債：</i>		
Trade and other payables	貿易及其他應付款項	34,416	46,372
Lease liabilities	租賃負債	10,133	1,338
Amount due to a related party	應付關聯方款項	—	20
Discounted bills financing	貼現票據融資	—	3,821
Bank borrowings	銀行借款	162,000	105,000
Other borrowings	其他借款	53,503	22,534
		<b>260,052</b>	<b>179,085</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk arise primarily from its sales transactions and IPO proceeds, which are primarily denominated in US\$ and HK\$ which are not the functional currencies of the respective entities within the Group to which these transactions relate.

As at the end of each of reporting period, US\$ and HK\$ denominated financial assets translated into RMB at the closing rates, are as follows:

2022 2022年		Trade receivables 貿易應收款項 RMB'000 人民幣千元	Bank balances 銀行結餘 RMB'000 人民幣千元
US\$	美元	2,396	53,627
HK\$	港元	—	20,503
		2,396	74,130
2021 2021年		Trade receivables 貿易應收款項 RMB'000 人民幣千元	Bank balances 銀行結餘 RMB'000 人民幣千元
US\$	美元	2,440	—

The following table illustrates the sensitivity of the Group's profit after income tax for the year and equity in regards to an appreciation in the functional currencies of respective group entities against US\$ and HK\$. These sensitivity rates are the rates used when reporting foreign currency risk internally to key management personnel and represents management's best assessment of the possible change in foreign exchange rates.

### 36. 財務風險管理及公平值計量(續)

#### 36.2 外幣風險

外幣風險指金融工具的公平值或未來現金流量因匯率變動而波動的風險。本集團面臨的外幣風險主要來自其主要以美元和港元計值的銷售交易及上市募集資金，美元及港元並非本集團與該等交易有關的實體的功能貨幣。

於各報告期末，以美元及港元計值及按期末匯率換算為人民幣的金融資產如下：

下表顯示本集團的年內除所得稅後溢利及權益對各集團實體的功能貨幣兌美元及港元升值的敏感度。該等敏感度比率為向主要管理人員內部報告外幣風險時所採用的比率，並代表管理層對外幣匯率可能出現的變動的最佳評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

### 36. 財務風險管理及公平值計量(續)

#### 36.2 Foreign currency risk (Continued)

#### 36.2 外幣風險(續)

2022 2022年		Sensitivity rate 敏感度	Decrease in profit 溢利減少 RMB'000 人民幣千元	Decrease in equity 權益減少 RMB'000 人民幣千元
US\$	美元	5%	2,381	2,381
HK\$	港元	5%	871	871
2021 2021年		Sensitivity rate 敏感度	Decrease in profit 溢利減少 RMB'000 人民幣千元	Decrease in equity 權益減少 RMB'000 人民幣千元
US\$	美元	5%	104	104

The same % depreciation in the respective group entities' functional currencies against the respective foreign currencies would have the same magnitude on the Group's profit for the year and equity but of opposite effect.

倘有關集團實體的功能貨幣兌各外幣出現相同百分比的貶值，則對本集團的年內溢利及權益具有程度相同但性質相反的影響。

The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitor the scale of foreign currency transactions, foreign currency assets and liabilities.

本集團目前並無外幣對沖政策，並密切監察外幣交易規模、外幣資產及負債以管理其外幣風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Bank borrowings and other borrowings bearing variable rates expose the Group to cash flow interest rate risk and the Company was not subject to interest rate risk. The Group's interest rate risk arises primarily from variable rates bank borrowings and other borrowing. The exposure to interest rates for the Group's bank deposits is considered immaterial.

The interest rates of the Group's borrowings at the reporting date were as follows:

### 36. 財務風險管理及公平值計量(續)

#### 36.3 利率風險

利率風險涉及金融工具的公平值或現金流量因市場利率變動而浮動的風險。按浮動利率計息的銀行借款及其他借款使本集團承受現金流量利率風險，而本公司則不受利率風險影響。本集團的利率風險主要來自浮息銀行借款及其他借款。本集團銀行存款承受的利率風險微不足道。

本集團於報告日期借款的利率如下：

		2022 2022年		2021 2021年	
		Interest rate 利率	RMB'000 人民幣千元	Interest rate 利率	RMB'000 人民幣千元
<b>Bank borrowings</b>	<b>銀行借款</b>				
— Floating interest rate	— 浮息	3.45%–6.0%	162,000	6.0%	85,000
— Fixed interest rate	— 定息	—	—	6.5%	20,000
			162,000		105,000
<b>Other borrowings</b>	<b>其他借款</b>				
— Floating interest rate	— 浮息	7.2%	53,503	7.2%	22,534
			215,503		127,534

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.3 Interest rate risk (Continued)

The sensitivity analysis is not provided as the amount is considered insignificant.

The same degree of decrease in basis point would have the same magnitude on the Group's profit for the year and the total equity as at the end of each reporting period but of opposite effect.

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate. The analysis is performed on the same basis during the years.

#### 36.4 Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to change in market prices in respect of its investments in listed equity securities and warrants classified as financial assets at FVTPL.

The sensitivity analysis is not provided as the amount is considered insignificant.

#### 36.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The Group's maximum exposure to credit risk is limited to the carrying amounts of the financial assets at end of each reporting period as detailed in Note 36.1.

### 36. 財務風險管理及公平值計量(續)

#### 36.3 利率風險(續)

由於金額被視為不重大，故概無提供敏感度分析。

相同基點減幅將對本集團於年內的溢利及各報告期末的總權益具有程度相同但性質相反的影響。

利率的假設變動乃經觀察現行市況後視為合理地可能出現的變動，並代表管理層對利率合理地可能出現變動的評估。該分析乃按年內的相同基準進行。

#### 36.4 其他價格風險

其他價格風險指由於市場價格變動(利率及匯率變動除外)而引致金融工具之公平值或未來現金流量波動之風險。本集團就分類為按公平值計入損益的金融資產的上市股本證券及權證投資承受市場價格風險。

由於金額被視為不重大，故概無提供敏感度分析。

#### 36.5 信貸風險

信貸風險指金融工具的交易對手方未能履行其金融工具條款項下責任，導致本集團蒙受財務虧損的風險。本集團承受的信貸風險主要來自於日常業務過程中給予客戶的信貸。本集團承受的最高信貸風險以附註36.1所詳述各報告期末金融資產的賬面值為上限。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.5 Credit risk (Continued)

##### Trade and bills receivables

The Group usually grants a credit period of 30 to 180 days (2021: 30 to 180 days) to its customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed periodically.

To measure the expected credit losses, trade and bills receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss below also incorporate forward-looking information.

The Group applies the HKFRS 9 simplified approach to measuring ECL, which uses a lifetime expected loss allowance for all trade and bills receivables using a provision matrix and individual assessment. The ECL rate of collectively assessed trade and bills receivables are detailed in the following table:

		2022 2022年	2021 2021年
Trade receivables	貿易應收款項		
Neither past due nor impaired (in %)	並無逾期亦無減值(%)	0.9%	0.9%
Less than 91 days past due (in %)	逾期少於91天(%)	2.7%	3%
91–365 days past due (in %)	逾期91至365天(%)	42%–100%	42%–100%
More than 365 days past due (in %)	逾期超過365天(%)	100%	100%
Individually impaired (in RMB'000)	個別減值(人民幣千元)	1,821	1,187
Bills receivables	應收票據	—	—

Throughout the years ended 31 December 2022 and 2021, the historical credit loss experience of the customers of the Group, the forward-looking factors specific to the debtors and the economic environment remains no significant changes. As such, expected credit loss rate throughout the years remains stable.

### 36. 財務風險管理及公平值計量(續)

#### 36.5 信貸風險(續)

##### 貿易應收款項及應收票據

本集團通常給予其客戶30至180天(2021年：30至180天)的信貸期。於接納任何新客戶之前，本集團會評估潛在客戶的信貸質素，並界定客戶的信貸限額。授予客戶的信貸限額會定期檢討。

為計量預期信貸虧損，貿易應收款項及應收票據已根據共同信貸風險特徵及逾期天數分類。以下預期信貸虧損亦包含前瞻性資料。

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，使用撥備矩陣及個別評估就所有貿易應收款項及應收票據使用全期預期虧損撥備。下表詳列統評貿易應收款項及應收票據的預期信貸虧損率：

於截至2022年及2021年12月31日止年度，本集團客戶的過往信貸虧損經驗、債務人的特定前瞻性因素及經濟環境並無重大變動。因此，全年內的預期信貸虧損率維持穩定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.5 Credit risk (Continued)

##### *Other receivables and amounts due from related parties*

In order to minimise the credit risk of other receivables, the management of the Group has designated a team responsible for determination of credit limits and credit approvals. The management would make periodic collective and individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information and adjusted to reflect probability weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of other receivables are considered to be low.

Besides, the management is of opinion that there is no significant increase in credit risk on these other receivables since initial recognition as the risk of default is low after considering the factors as set out in Note 2.9 and, thus, no ECL recognised during the year ended 31 December 2022 (2021: nil).

##### *Cash and cash equivalents*

The credit risks are considered to be insignificant because the counterparties are financial institutions that have sound credit rating.

### 36. 財務風險管理及公平值計量(續)

#### 36.5 信貸風險(續)

##### *其他應收款項及應收關聯方款項*

為盡量減低其他應收款項的信貸風險，本集團管理層已指派一支團隊負責釐定信貸限額及信貸審批。管理層將根據過往結算記錄及過往經驗以及目前外部資料，定期對其他應收款項的可收回性進行集體及個別評估，其會進行調整以反映概率加權的前瞻性資料，包括相關債務人營運的違約率。另已制定其他監督程序以確保採取跟進行動以收回逾期債務。就此方面，其他應收款項的信貸風險被視為甚低。

此外，管理層考慮到附註2.9所載因素後，認為由於違約風險甚低，因該等其他應收款項的信貸風險自初始確認以來並無顯著增加，因此截至2022年12月31日止年度並無確認預期信貸虧損(2021年：無)。

##### *受限制銀行存款及現金及現金等價物*

信貸風險被視為微不足道，因為對手方為擁有穩健信貸評級的財務機構。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its payables, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's remaining contractual maturities for its financial liabilities as at 31 December 2022. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

### 36. 財務風險管理及公平值計量(續)

#### 36.6 流動資金風險

流動資金風險涉及本集團無法履行以現金或其他金融資產結算的金融負債相關責任的風險。本集團就結算其應付款項以及管理其現金流量面臨流動資金風險。本集團的目標是維持適當的流動資產水平及取得獲承諾的信貸融資，以應付其短期及較長期的流動資金需求。

以下為本集團於2022年12月31日的金融負債餘下合約到期分析。倘債權人有權選擇負債的償付時間，則該負債根據本集團可能被要求支付的最早日期列賬。倘負債須分期償付，則每期還款分配至本集團承諾支付的最早期間。以下合約到期分析乃根據金融負債未貼現現金流量作出。

		Within one year or on demand 一年內 或按要求 RMB'000 人民幣千元	Over one year but within two years 多於一年 但兩年內 RMB'000 人民幣千元	Over two year but within five years 多於兩年 但五年內 RMB'000 人民幣千元	Total undiscounted amount 未貼現總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
<b>As at 31 December 2022</b>	<b>於2022年12月31日</b>					
Trade and other payables	貿易及其他應付款項	34,416	—	—	34,416	34,416
Lease liabilities	租賃負債	3,866	3,912	3,059	10,837	10,133
Bank borrowings	銀行借款	64,551	25,737	88,894	179,182	162,000
Other borrowings	其他借款	28,244	23,290	6,616	58,150	53,503
		131,077	52,939	98,569	282,585	260,052
<b>As at 31 December 2021</b>	<b>於2021年12月31日</b>					
Trade and other payables	貿易及其他應付款項	46,372	—	—	46,372	46,372
Lease liabilities	租賃負債	1,367	—	—	1,367	1,338
Amount due to a related party	應付關聯方款項	20	—	—	20	20
Discounted bills financing	貼現票據融資	3,821	—	—	3,821	3,821
Bank borrowings	銀行借款	107,569	—	—	107,569	105,000
Other borrowings	其他借款	9,942	9,942	4,971	24,855	22,534
		169,091	9,942	4,971	184,004	179,085

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.7 Fair value measurements of financial instruments

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Details the Group's investment property and information about the fair value hierarchy as at the end of the reporting period are as follows. The levels are based on the observability and significance of inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

### 36. 財務風險管理及公平值計量(續)

#### 36.7 金融工具的公平值計量

綜合財務狀況表內按公平值計量的金融資產及負債歸類為公平值層級的三個等級。該三個等級乃基於計量的輸入值的可觀察程度及重要性界定如下：

於報告期末，本集團的投資物業及有關公平值層級資料的詳情如下。以下各等級乃基於輸入值在計量時可否觀察及是否重大劃分：

- 第一級：相同資產及負債在活躍市場未經調整的報價。
- 第二級：除第一級包括的報價外，可直接或間接觀察的資產或負債輸入值，且並無涉及重大不可觀察的輸入值。
- 第三級：重大不可觀察的資產或負債輸入值。

金融資產或負債整體於公平值層級內所屬的等級建基於對公平值計量具有重大意義的最低等級輸入值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

#### 36.7 Fair value measurements of financial instruments (Continued)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

As at 31 December 2022 於2021年12月31日			
Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Financial assets at FVTPL 按公平值計入損益的金融資產</b>			
— Listed equity securities and warrants — 上市股本證券及權證	984	—	984

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2022 (2021: nil).

The carrying amounts of the Group's other financial assets and liabilities are not materially different from their fair value at the end of each reporting period due to their short maturities.

### 37. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to the equity holders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors its capital structure on the basis of the net debt-to-equity ratio. For this purpose, net debt is defined as borrowings, discounted bills financing and lease liabilities less cash and cash equivalents. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to the equity holders, issue new shares and raise new debt financing.

### 36. 財務風險管理及公平值計量(續)

#### 36.7 金融工具的公平值計量(續)

於綜合財務狀況表內按經常性基準以公平值計量的金融資產及負債在公平值層級中分類如下：

As at 31 December 2022 於2021年12月31日			
Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元

截至2022年12月31日止年度，第一級與第二級之間概無發生轉撥(2021年：無)。

由於到期日較短，本集團其他金融資產及負債的賬面值與其於各報告期末的公平值並無重大差異。

### 37. 資本管理

本集團的資本管理目標為確保本集團能夠持續經營業務，並透過為貨品及服務訂立與風險水平相稱的價格，藉以為權益持有人提供充裕回報。

本集團積極及定期檢討其資本架構，並因應經濟狀況變動作出調整。本集團以淨負債權益比率基準監察其資本架構。就此而言，淨債務乃界定為借款、貼現票據融資及租賃負債減現金及現金等價物。為維持或調整該比率，本集團可調整向權益持有人派付股息的金額、發行新股及籌集新債務融資。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 37. CAPITAL MANAGEMENT (Continued)

### 37. 資本管理(續)

The net debt-to-equity ratio as at the end of each reporting period is as follows:

以下為於各報告期末的淨負債權益比率：

		2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元
Bank borrowings	銀行借款	162,000	105,000
Other borrowings	其他借款	53,503	22,534
Discounted bills financing	貼現票據融資	—	3,821
Lease liabilities	租賃負債	10,133	1,338
Less: Cash and cash equivalents	減：現金及現金等價物	(85,618)	(12,609)
Net debt	淨債務	140,018	120,084
Total equity	總權益	373,354	214,982
Net debt-to-equity ratio	淨負債權益比率	37.50%	55.86%

## PROPERTIES OWNED BY THE GROUP

### 本集團所擁有的物業

Type of properties 物業類型	Location 位置	Main usage 主要用途	Description 描述
Land	No. 519, Section 2, Xinhua Avenue Chengdu Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu Sichuan Province, the PRC	Industrial use	A parcel of land with a site area of approximately 38,391 square metres
土地	中國四川省成都市溫江區 海峽兩岸科技產業開發 園新華大道二段519號	工業用途	一幅地盤面積約38,391平 方米的土地
Buildings	No. 519, Section 2, Xinhua Avenue Chengdu Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu Sichuan Province, the PRC	Two factory buildings, one staff dormitory, one staff cafeteria and two power distribution houses	Buildings built on the parcel of land at No.519, west section of Xinhua Road, Cross- Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan, the PRC with an aggregate gross floor area of approximately 34,613.24 square metres
建築物	中國四川省成都市溫江區 海峽兩岸科技產業開發 園新華大道二段519號	兩間廠房、一間員工宿舍、一間 員工食堂及兩間配電房	建於中國四川省成都市溫 江區海峽兩岸科技產業 開發園新華路西段519 號土地的建築物，總建 築面積約為34,613.24平 方米



## PROPERTY HELD FOR INVESTMENT

### 持作投資的物業

#### Investment Property

Location 位置	Type of properties 物業類型	Main usage 主要用途	Lease term 租賃年期
No. 519, Section 2, Xinhua Avenue Chengdu Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu Sichuan Province, the PRC 中國四川省成都市溫江區海峽 兩岸科技產業開發園新華大道 二段519號	Building  建築物	One factory building  一間廠房	Short lease  短期租賃

# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務概要

		Year ended 31 December				
		截至12月31日止年度				
		2018	2019	2020	2021	2022
		2018年	2019年	2020年	2021年	2022年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Revenue</b>	<b>收益</b>	159,356	167,314	182,759	213,668	<b>217,756</b>
Cost of sales	銷售成本	(81,472)	(77,985)	(83,140)	(100,046)	<b>(100,939)</b>
<b>Gross profit</b>	<b>毛利</b>	77,884	89,329	99,619	113,622	<b>116,817</b>
Other income	其他收入	8,083	4,761	6,025	5,509	<b>20,102</b>
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值虧損	—	—	—	—	<b>(1)</b>
Selling and distribution expenses	銷售及分銷開支	(12,587)	(14,855)	(17,764)	(19,855)	<b>(21,595)</b>
Administrative and other operating expenses	行政及其他經營開支	(22,437)	(31,088)	(32,145)	(31,587)	<b>(40,345)</b>
Finance costs	財務成本	(7,483)	(6,669)	(7,241)	(8,229)	<b>(10,536)</b>
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	43,460	41,478	48,494	59,460	<b>64,442</b>
Income tax expense	所得稅開支	(6,254)	(6,401)	(7,481)	(8,770)	<b>(11,442)</b>
<b>Profit and total comprehensive income for the year</b>	<b>年內溢利及全面收益總額</b>	37,206	35,077	41,013	50,690	<b>53,000</b>
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	258,931	291,533	337,562	416,764	<b>667,688</b>
Total liabilities	總負債	172,670	168,254	173,270	201,782	<b>294,334</b>



**VANOV HOLDINGS COMPANY LIMITED**  
**環龍控股有限公司**