

# KINGDOM

KINGDOM HOLDINGS LIMITED

金達控股有限公司

*(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as "Kingdom (Cayman) Limited")*

*(於開曼群島註冊成立的有限公司，以「金達(開曼)有限公司」的名稱於香港經營業務)*

(Stock Code 股份代號：528)

ANNUAL REPORT  
年報 2022





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# Corporate Information 公司資料

## BOARD OF DIRECTORS

### Executive Directors:

Mr. Ren Weiming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hongwen  
Ms. Shen Hong

### Non-executive Director:

Mr. Ngan Kam Wai Albert

### Independent non-executive Directors:

Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson  
Mr. Yan Jianmiao

## AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)  
Mr. Yan Jianmiao  
Mr. Lo Kwong Shun Wilson

## REMUNERATION COMMITTEE

Mr. Yan Jianmiao (*Chairman*)  
Mr. Zhang Hongwen  
Mr. Lo Kwong Shun Wilson

## NOMINATION COMMITTEE

Mr. Lo Kwong Shun Wilson (*Chairman*)  
Mr. Lau Ying Kit  
Mr. Shen Yueming

## COMPANY SECRETARY

Mr. Chan Yan Kwan Andy

## LEGAL ADVISERS TO THE COMPANY AS TO HONG KONG LAW

Sidley Austin

## AUDITORS

Ernst & Young

## AUTHORISED REPRESENTATIVES

Mr. Ren Weiming  
Mr. Chan Yan Kwan Andy

## 董事會

### 執行董事：

任維明先生 (*主席*)  
沈躍明先生  
張鴻文先生  
沈鴻女士

### 非執行董事：

顏金煒先生

### 獨立非執行董事：

劉英傑先生  
羅廣信先生  
嚴建苗先生

## 審核委員會

劉英傑先生 (*主席*)  
嚴建苗先生  
羅廣信先生

## 薪酬委員會

嚴建苗先生 (*主席*)  
張鴻文先生  
羅廣信先生

## 提名委員會

羅廣信先生 (*主席*)  
劉英傑先生  
沈躍明先生

## 公司秘書

陳仁君先生

## 本公司有關香港法律之法律顧問

盛德律師事務所

## 核數師

安永會計師事務所

## 授權代表

任維明先生  
陳仁君先生

# Corporate Information 公司資料

## REGISTERED OFFICE

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

## HEADQUARTERS IN CHINA

Henggang Town  
Haiyan County  
Zhejiang Province  
China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place,  
348 Kwun Tong Road,  
Kowloon, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road  
George Town  
Grand Cayman KY-1110  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

Bank of China, Rugao Branch  
Bank of China, Haiyan Branch

## STOCK CODE

00528

## COMPANY WEBSITE

<http://www.kingdom-china.com>

## INVESTOR RELATIONS CONTACT

Email: [ir@kingdom-china.com](mailto:ir@kingdom-china.com)

## 註冊辦事處

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

## 中國總辦事處

中國  
浙江省  
海鹽縣  
橫港鎮

## 香港主要營業地點

香港九龍  
觀塘道348號  
宏利廣場5樓

## 主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road  
George Town  
Grand Cayman KY-1110  
Cayman Islands

## 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
夏慤道16號  
遠東金融中心17樓

## 主要往來銀行

中國銀行如皋支行  
中國銀行海鹽支行

## 股份代號

00528

## 公司網站

<http://www.kingdom-china.com>

## 投資者關係聯繫方式

電郵：[ir@kingdom-china.com](mailto:ir@kingdom-china.com)

## Chairman's Statement 主席報告書

I am pleased to present the annual report of Kingdom Holdings Limited (the “**Company**”) and its subsidiaries (collectively, “**Kingdom**”, “**we**”, “**our**” or the “**Group**”) for the year ended 31 December 2022 (the “**Year**”).

2022 is a year when once in a century Covid-19 and changing times are intertwined, it is also a year meaningful to Kingdom. This year, with the tight cooperation and efforts of all employees, we overcame many difficulties and achieved critical goals: the annual sales revenue of Kingdom group exceeded RMB2 billion, reaching record high again. As China's largest exporter of linen yarn, Kingdom produced 21,725 tonnes (2021: 20,756 tonnes) of linen yarn during the Year and our sales performance reached new height. Kingdom continued to account for more than 40% of the total pure linen yarn export from China during the Year, which maintained the Group's leading position as the largest pure linen yarn exporter in China for 20 consecutive years.

We are ramping up the operation of factory in Ethiopia and targeting to scale up to the designed annual capacity of 5,000 tonnes (based on 24Nm specification) of linen yarn within a year or two.

Technological innovation of Kingdom has always been at the forefront of the industry. The Group had 64 approved patents and 41 patent applications pending approval as of 31 December 2022. These achievements will gradually become Kingdom's core competitiveness.

We work towards our commitment to the environment and strive to reduce emissions with an objective to achieve carbon neutrality ultimately. We are also collaborating with CottonConnect, a United Kingdom based non-profit and social-oriented enterprise with a clear mission to transform the linen industry for good, to develop the REEL Linen Code of Conduct. The version 2.0 of the REEL Linen Code of Conduct was published in May 2022. REEL Linen is a sustainability driven initiative for brands which are committed for sourcing more sustainable linen, including improving environment, quality and traceability conditions in their supply chain factories and farms worldwide. REEL stands for the idea of “Responsible Environment, Enhanced Livelihood”, it implements sustainable development into production practices. We will continue to promote the industrial hemp yarn which is an equally environment friendly product.

本人欣然提呈金達控股有限公司（「**本公司**」）及其附屬公司（統稱「**金達**」、「**我們**」或「**本集團**」）截至二零二二年十二月三十一日止年度（「**年內**」）的年報。

二零二二年是百年一遇的Covid-19和時代變遷交織的一年，也是對金達意義重大的一年。這一年，在全體員工的緊密合作與努力下，我們克服重重困難，實現了關鍵目標：金達集團的年銷售收入突破人民幣20億元，再創新高。金達作為中國最大的亞麻紗出口商，年內生產亞麻紗21,725噸（二零二一年：20,756噸），銷售業績創新高。年內，金達繼續佔中國純亞麻紗出口總量逾40%，保持本集團的市場領先地位，連續二十年穩佔中國最大的純亞麻紗出口商席位。

我們正在加快埃塞俄比亞工廠的運營，以於一兩年內達成5,000噸（按標準24公支規格計）亞麻紗的設計年產能這一目標。

金達技術創新一直致立於行業的前沿。截至二零二二年十二月三十一日，本集團有64項獲批專利，41項專利申請待審批。這些成果將逐步成為金達的核心競爭力。

我們履行對環境的承諾，盡力減排並以碳中和為終極目標。我們亦與英國非營利性及社會導向型企業康特耐(CottonConnect)公司合作，以實現亞麻行業的轉型及制定瑞優(REEL)亞麻行為守則為明確目標。瑞優(REEL)亞麻行為守則2.0版本已於二零二二年五月發佈。瑞優亞麻為針對致力於採購更可持續的亞麻品牌的一項可持續發展倡議，包括改善其全球供應鏈工廠及農場的環境、質量及可追溯性條件。瑞優代表「對環境負責，讓生活改善」的理念，將可持續發展貫徹於生產實踐中。我們將繼續推廣同為環保產品的工業大麻紗。

## Chairman's Statement 主席報告書

The board (the “**Board**”) of directors (the “**Directors**”) of the Company believes that opportunities lie within crisis and remains confident in the future of the Group's operation and profitability. By leveraging on some local government incentives, we will tap into the linen weaving and fabric business with an aim to broaden different linen application and ultimately creating a bigger market for linen yarn in general.

To show the Group's appreciation to the shareholders of the Company (the “**Shareholders**”) for their trust and support while reserving resources for the Group's immediate and future expansion, the Board has recommended the payment of a final dividend for the Year of HK\$0.09 per ordinary share of the Company (“**Share**”) (2021: HK\$0.06).

On behalf of the Board, I would like to thank the entire staff for their devotion and contributions in the past year. Further, I would also like to express my sincere gratitude to the Shareholders and business partners for their continuous support for the Group.

### **Ren Weiming**

*Chairman*

Haiyan County, Zhejiang Province, the PRC, 28 March 2022

本公司董事（「**董事**」）會（「**董事會**」）認為「危」中有「機」，對本集團未來的經營和盈利仍充滿信心。憑藉若干地方政府的激勵措施，我們將深入亞麻紡織及面料業務，以期拓寬亞麻的不同應用，最終為亞麻紗創造更大的市場。

為本集團近期及未來發展預留資源的同時，本集團對本公司股東（「**股東**」）的信任和支持深表感謝，為此，董事會建議就年內派發末期股息每股本公司普通股（「**股份**」）0.09港元（二零二一年：0.06港元）。

本人謹此代表董事會，感謝全體員工過去一年所作的努力與貢獻，此外，同時感激一眾股東及業務夥伴一直給予本集團鼎力支持。

*主席*

**任維明**

中國浙江省海鹽縣，二零二二年三月二十八日







## Five Year Financial Summary 五年財務摘要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated as appropriate, is set out below.

本集團最近五個財政年度的業績以及資產及負債摘要(摘錄自已刊發經審核財務報表及於適當情況下重列)載列如下。

		Year ended 31 December 截至十二月三十一日止年度				
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
REVENUE	收入	2,021,055	1,799,690	1,057,426	1,499,560	1,245,643
Cost of sales	銷售成本	(1,634,155)	(1,508,105)	(950,129)	(1,136,293)	(987,762)
Gross profit	毛利	386,900	291,585	107,297	363,267	257,881
Other income and gains	其他收益及得益	54,431	7,136	23,210	23,094	24,308
Selling and distribution costs	銷售及分銷成本	(41,532)	(34,381)	(38,879)	(49,453)	(48,687)
Administrative expenses	行政開支	(118,427)	(98,406)	(77,601)	(82,399)	(73,020)
Other expenses	其他開支	(13,192)	(3,803)	(16,847)	(10,327)	(6,818)
Finance costs	財務成本	(33,852)	(39,044)	(36,583)	(22,148)	(21,520)
Gain on disposal of a subsidiary	出售一家附屬公司的得益	500	-	11,123	235	-
PROFIT/(LOSS) BEFORE TAX	除稅前溢利 / (虧損)	234,828	123,087	(28,280)	222,269	132,144
Income tax (expense)/credit	所得稅 (開支) / 抵免	(63,020)	(32,587)	15,602	(62,163)	(28,957)
PROFIT/(LOSS) FOR THE YEAR	年內溢利 / (虧損)	171,808	90,500	(12,678)	160,106	103,187
Attributable to:	應佔:					
Owners of the parent	母公司擁有人	175,696	88,223	(11,177)	154,941	102,006
Non-controlling interests	非控制性權益	(3,888)	2,277	(1,501)	5,165	1,181

## ASSETS AND LIABILITIES

## 資產及負債

		As at 31 December 於十二月三十一日				
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total assets	資產總值	2,904,922	2,789,467	2,646,648	2,741,751	2,127,748
Total liabilities	負債總額	(1,416,932)	(1,438,851)	(1,407,013)	(1,447,838)	(974,239)
Non-controlling interests	非控制性權益	(82,002)	(84,890)	(44,371)	(45,689)	(40,620)
		1,405,988	1,265,726	1,195,264	1,248,224	1,112,889

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

Year 2022 is an exceptional year with both the effect of coronavirus disease occurred in late 2019 (“COVID-19”) and geo political tension among different countries intertwined together. As the Chinese old saying goes: Opportunities always come with threats.

China has been criticized for having locked down for too long, which harmed the recovery of the economy and resulted in only 3% GDP growth for the year ended 31 December 2022 (the “Year”). The total export of textile yarns, fabrics and related products from China recorded a 2% increase in value in U.S. dollar term during the Year, according to the statistics of the General Administration of Customs of the People’s Republic of China (the “PRC” or “China”). The market price of cotton dropped by 31.9% in 2022 while the selling price of linen yarn has recorded over 20% increase during the same period.

According to the statistics of the General Administration of Customs of the PRC, the total volume of pure linen yarn exports from China in 2022 has recorded a year-on-year decrease of approximately 8.0%, and Kingdom exported 11,477 tonnes of pure linen in 2022, accounting for 53.3% of the total export volume of pure linen yarn from China in 2022. In the trough of the economic cycle, the low level of cotton yarn price may lead to a reduction in demand for pure linen yarn from fashion brands and garment manufacturers, which may favour cotton or cotton/linen blended yarn at such times to enable products made of these materials to be more appealing to relatively cost-conscious consumers. However, setting aside the price factor, the market has proven that pure linen yarn is a preferred fabric over linen mixed yarn. For years, the Group has been focusing on upholding excellent product quality and offering tailored customer services. As such, the Group has always been a key partner of major overseas linen fabric and garment manufacturers.

*Note:* Certain comparative amounts have been reclassified and restated to conform with the current year’s presentation and accounting treatment.

### 業務回顧

二零二二年是不同尋常的一年，二零一九年底發生的冠狀病毒病（「COVID-19」）與不同國家之間的地緣政治緊張局勢的影響相互交織。正如中國古話所雲：福禍相依。

中國因封鎖時間過長而飽受批評，其阻礙經濟復甦，導致截至二零二二年十二月三十一日止年度（「年內」）的GDP僅增長3%。根據中華人民共和國（「中國」）海關總署的統計數據，中國於年內的紡織紗線、織物及相關產品的出口總額以美元計上升2%。二零二二年棉花市場價格下跌31.9%，而同期亞麻紗售價漲幅超過20%。

根據中國海關總署的統計數據，二零二二年中國純亞麻紗出口總量同比下跌約8.0%，而二零二二年金達純亞麻紗出口量為11,477噸，佔二零二二年中國純亞麻紗出口總量的53.3%。在低迷的經濟週期，棉紗價格處於偏低水平可能降低時裝品牌及成衣製造商對純亞麻紗的需求。為使產品吸納更多具成本意識的消費者，時裝品牌及成衣製造商於該時期可能傾向選擇棉紗或棉麻混紗作為原材料。然而，倘姑且不論價格因素，市場證明，純亞麻紗較亞麻混紡紗為更受青睞的面料。多年來本集團專注於打造優良的產品品質和全面貼身的客戶服務，因此，本集團一直以來都是海外主要亞麻纖維和成衣製造商的重要夥伴。

*附註：*若干比較金額已重新分類並重列，以符合本年度的呈列及會計處理方式。

# Management Discussion and Analysis

## 管理層討論及分析

During the Year, the Group's pure linen yarn exports amounted to 11,477 tonnes (2021: 14,138 tonnes). The Group's pure linen yarn export continued to account for more than 40% of the total pure linen yarn export from China, signifying the Group's continuous leading position as the largest pure linen yarn exporter in China for 20 consecutive years.

Revenue of the Group for the Year recorded a year-on-year increase of approximately 12.3% to RMB2,021,055,000 (2021: RMB1,799,690,000). Gross profit increased by approximately 32.7% year-on-year to RMB386,900,000 (2021: RMB291,585,000) and overall gross margin increased to 19.1% in 2022 (2021: 16.2%). Profit for the Year was RMB171,808,000, as compared to RMB90,500,000 for the year of 2021. Basic earnings per Share amounted to RMB0.29 during the Year as compared to RMB0.14 in 2021.

To reciprocate the Shareholders for their continuous support of the Group while reserving resources for further expansions, the Board has recommended the payment of a final dividend of HK\$0.09 per Share for the Year (2021: HK\$0.06).

### Major Markets and Customers

Being the largest linen yarn exporter in China, the Group has a sales network covering over 20 countries and regions around the world. In order to timely seize market opportunities, keep abreast of market trends and deliver comprehensive and efficient services, the Group has established presence in major overseas linen textile and consumer markets. The Group currently has one subsidiary in Italy and agents in Turkey, Portugal, Italy, Lithuania and Korea. The Group's subsidiary in Italy keeps its own inventories so that it can serve the immediate needs of and tighten its co-operation with high-end customers in Europe. During the Year, revenue derived from overseas sales amounted to RMB1,246,600,000, representing approximately 61.7% of the Group's total revenue. In particular, revenue from European Union ("EU") countries amounted to approximately RMB552,726,000, representing approximately 27.3% of the Group's total revenue, while revenue from non-EU countries amounted to approximately RMB693,874,000, representing approximately 34.4% of the Group's total revenue.

During the Year, the Group's top five exporting countries are Italy, Portugal, India, Turkey and Korea, which accounted for 80.6% of the Group's total export revenue during the Year (2021: 80.5%).

於年內，本集團純亞麻紗出口量為11,477噸（二零二一年：14,138噸）。本集團純亞麻紗出口量繼續佔中國純亞麻紗出口總量逾40%，足證本集團的市場領先地位，連續二十年穩據中國最大的純亞麻紗出口商席位。

本集團於年內的收入同比增加約12.3%至人民幣2,021,055,000元（二零二一年：人民幣1,799,690,000元）。毛利同比增加約32.7%至人民幣386,900,000元（二零二一年：人民幣291,585,000元），整體毛利率於二零二二年增加至19.1%（二零二一年：16.2%）。年內溢利為人民幣171,808,000元，而二零二一年為人民幣90,500,000元。年內的每股基本盈利為人民幣0.29元，而二零二一年為人民幣0.14元。

為答謝股東一直以來對本集團的支持及預留資源作進一步擴展，董事會建議派付年內的末期股息每股股份0.09港元（二零二一年：0.06港元）。

### 主要市場及客戶

作為中國最大的亞麻紗出口企業，本集團的業務廣佈全球20多個國家與地區。為能適時捕捉市場機遇、掌握市場脈搏及提供更全面快捷的服務，本集團已於海外主要的亞麻紡織和消費者市場建立業務。目前，本集團已在意大利設立一家附屬公司，並在土耳其、葡萄牙、意大利、立陶宛及韓國設立代理。其中，本集團的意大利附屬公司備有存貨，方便即時滿足服務需求，深化與歐洲高端客戶的合作關係。於年內，海外銷售貢獻收入達人民幣1,246,600,000元，佔本集團總收入約61.7%。其中，歐盟（「歐盟」）國家貢獻收入約人民幣552,726,000元，佔本集團總收入約27.3%，而非歐盟國家則貢獻收入約人民幣693,874,000元，佔本集團總收入約34.4%。

於年內，本集團的五大出口國為意大利、葡萄牙、印度、土耳其及韓國，佔本集團於年內總出口收入80.6%（二零二一年：80.5%）。

## Management Discussion and Analysis 管理層討論及分析

Domestic sales in China increased by approximately 15.1% during the Year to RMB774,455,000, representing approximately 38.3% of the Group's total revenue. In light of the increasing income level, there have been fundamental changes in the consumption patterns of the general public in China. Consumers' concerns have shifted from purely satisfying practical needs to product quality and the ability of the product to reflect their personal taste. Linen textiles are not only anti-bacterial and comfortable, but also highly environmentally friendly in their production process. Therefore, linen textiles perfectly suit the taste of new-generation consumers who may have a stronger preference for environmentally friendly and sustainable products. Many leading domestic and overseas trend-setting brands and fast-moving fashion brands have now embarked on their own linen selection. For example, a famous Japanese brand has not only launched a linen garment line, but has also introduced a tracking system for the use of its raw materials to allow it and its consumers to monitor the quality and environmental-friendliness of its products.

中國的國內銷售於年內增加約15.1%至人民幣774,455,000元，佔本集團總收入約38.3%。隨著中國普羅大眾收入水平上升，消費模式發生了根本的轉變。消費者從過去僅關注實用性需求升級至注重產品品質及產品能否反映個人品味。亞麻紡織品不僅抗菌舒適，其生產過程也非常環保。因此，亞麻紡織品十分符合新一代消費者對環保和可持續發展產品愈發濃厚的喜好。目前，國內外許多領先潮牌、快時尚品牌均已推出亞麻服飾系列。例如，一個著名日本品牌不僅推出了亞麻系列服飾，同時亦引入了原材料追蹤機制，使其與消費者可監督產品品質和環保要求。

### Sales Analysis by Domestic and Overseas Markets 國內外市場銷售分析

		For the year ended 31 December 2022 截至二零二二年 十二月三十一日止年度 RMB'000 人民幣千元		For the year ended 31 December 2021 截至二零二一年 十二月三十一日止年度 RMB'000 人民幣千元		Year-on-year change in revenue 收入 按年變動 RMB'000 人民幣千元	Year-on-year change in revenue 收入 按年變動 %
China	中國	774,455	38.3%	673,137	37.4%	101,318	15.1%
European Union	歐盟	552,726	27.3%	563,110	31.3%	(10,384)	-1.8%
Non-European Union	非歐盟	693,874	34.4%	563,443	31.3%	130,431	23.1%
<b>Total Revenue</b>	<b>總收入</b>	<b>2,021,055</b>	<b>100.0%</b>	<b>1,799,690</b>	<b>100.0%</b>	<b>221,365</b>	<b>12.3%</b>

# Management Discussion and Analysis

## 管理層討論及分析

### Raw Material Procurement and Related Strategies

During the Year, market prices of fibre flax, the major raw material in producing linen yarn, remained stable. The Group mainly sources its fibre flax from well-established origins such as France and Belgium. Being one of the largest buyers in these regions, the Group enjoys strong bargaining power when dealing with suppliers. Furthermore, the Group has formulated systematic procurement strategies under which the Group will procure raw materials according to the level of fibre flax harvest, the Group's inventory and the market prices of fibre flax so as to stabilise its raw material costs, the overall market demand and supply, as well as reduce the price fluctuations of raw materials.

The Group also procures industrial hemp fibre for production of hemp yarn in its factory in Heilongjiang, China. Kingdom collaborates with local farmers to secure stable supply of hemp fibre in China with the aim to further stabilise the price and supply of raw materials. The Group is also building a warehouse in Heilongjiang to manage the storage, logistics and supply chain of hemp materials with a vision to transforming Heilongjiang into a national trading hub of hemp materials in China.

The Group is also collaborating with CottonConnect, a UK non-profit and social-oriented enterprise with a clear mission to transform the linen industry for good, to develop the REEL Linen Code of Conduct. REEL Linen is a sustainability-driven initiative for brands which are committed to sourcing more sustainable linen, and contents of the initiative includes improving the environment, product quality and traceability conditions in their supply chain factories and farms worldwide. REEL stands for the idea of "Responsible Environment, Enhanced Livelihood", it implements sustainable development into production practices.

### 原材料採購及相關策略

於年內，生產亞麻紗的主要原材料亞麻纖維市場價格保持平穩趨勢。本集團的亞麻纖維主要從法國及比利時等優質亞麻產地進口。本集團是以上產地最大的採購商之一，因此與供應商交易時具有較強議價能力。此外，本集團按照亞麻收成狀況、本集團庫存及亞麻纖維市場價格等因素，制定系統化原材料採購策略，從而穩定其原材料成本及市場整體供需，並減輕原材料價格波動。

本集團亦於中國黑龍江省的工廠採購工業用大麻纖維以供生產大麻紗。金達與當地農民合作，確保中國大麻纖維的穩定供應，旨在進一步穩定價格及原材料供應。本集團亦正於黑龍江省建立一個倉庫，以管理大麻材料的存儲、物流及供應鏈，以期將黑龍江省打造成中國大麻材料的全國貿易中心。

本集團亦與英國非營利性及社會導向型企業康特耐(CottonConnect)公司合作，以實現亞麻行業的轉型及制定瑞優(REEL)亞麻行為守則為明確目標。瑞優亞麻為針對致力於採購更可持續的亞麻品牌的一項可持續發展倡議，倡議內容包括改善其全球供應鏈工廠及農場的環境、產品品質及可追溯性條件。瑞優代表「對環境負責，讓生活改善」的理念，將可持續發展貫徹於生產實踐中。

# Management Discussion and Analysis

## 管理層討論及分析

### Production Bases and Productivity

As at 31 December 2022, the Group had four production bases in China and one production base in Ethiopia. The Group's production bases are continuously under improvement. New production bases are equipped with the latest management systems, technologies and equipment, a combination of which has resulted in smooth operation and reduced unnecessary procedures and wastage of raw materials, improving the Group's overall production efficiency. These systems have not only made the production processes more environmentally friendly, but have also reduced the production costs of the Group and have laid a solid foundation of profit growth for the Group in the long run. For further details of the measures taken by the Group in relation to environmental protection, please refer to the separate Environmental, Social and Governance Report of the Group for the Year, which is expected to be despatched together with the annual report of the Company for the Year before the end of April 2023.

### China

The Group's production base in Rugao City, Jiangsu Province, the PRC has an annual production capacity of 6,000 tonnes. Two other production bases are located in Haiyan County, Zhejiang Province, the PRC. The first Haiyan plant has an annual production capacity of 7,000 tonnes and the second Haiyan plant has an annual production capacity of 5,000 tonnes. The Group has established a fourth production facility in Heilongjiang Province in China with an annual capacity of 5,000 tonnes for flax and industrial hemp yarn. Currently, the designated annual linen and industrial hemp yarn production capacity of the Group amounts to 23,000 tonnes based on standardized 24Nm specification. During the Year, the utilization of the four production bases in China were high and they were operated at near full capacity.

The Group owns 75.34% equity interest in the flax and industrial hemp yarn manufacturing facility in Heilongjiang and it is the Group's maiden attempt to explore the industrial hemp yarn market, as the Company believes industrial hemp yarn market will grow rapidly in the next few years due to the national policy in China to promote the planting of industrial hemp in the Heilongjiang region and the use of the industrial hemp textile products.

### 生產基地及產能

於二零二二年十二月三十一日，本集團在中國共設立四個生產基地及於埃塞俄比亞設立一個生產基地。本集團的生產基地正在持續完善中。新的生產基地配置最新的管理系統及技術設備，運作流暢，減少不必要的工序及原材料的浪費，得以提升本集團的整體生產效率。這些系統不僅使生產工序更加環保，更減低了本集團的生產成本，為本集團從長遠上提升溢利奠定穩固基礎。有關本集團採取的環保措施的進一步詳情，請參閱另行刊發的本集團於年內的環境、社會及管治報告（預期於二零二三年四月底前連同本公司於年內的年報一併寄發）。

### 中國

本集團位於中國江蘇省如皋市的生產基地年產能為6,000噸。另外兩個生產基地設於中國浙江省海鹽縣。海鹽一期廠房年產能為7,000噸，而海鹽二期廠房年產能為5,000噸。本集團在中國黑龍江省建立第四個生產基地，其亞麻紗及工業大麻紗的年產能達5,000噸。目前，按標準24公支規格計，本集團的亞麻紗和工業大麻紗設計年產能達到23,000噸。於年內，中國四個生產基地的利用率均高，均已臨近滿負荷生產。

本集團於黑龍江省的亞麻及工業大麻紗生產設施擁有75.34%股權，此項投資為本集團進軍工業大麻紗市場的首項舉措，本公司相信，受惠於國家推動黑龍江地區工業大麻種植及工業大麻紡織品應用的國策，工業大麻紗市場將於未來數年急速增長。

# Management Discussion and Analysis

## 管理層討論及分析

### Ethiopia

The Group is also committed to investing in Ethiopia for new production facilities and has acquired a parcel of land with a site area of 300,000 square meters located in Adama Industrial Park, Adama, Ethiopia. The phase one development of this land parcel has further boosted the annual production capacity of the Group by 5,000 tonnes. The Board believes that the federal government of Ethiopia is keen to develop the Kingdom Linen Yarn Factory constructed on this land parcel and develop it into one of the model projects of the “Belt & Road” initiative in Ethiopia. The Chinese government also encouraged manufacturers to expand overseas by expanding the scope of political risk insurance coverage of insurances offered by state-owned insurance companies. The Ethiopia project will generate savings on land lease, labour, energy, tax and custom duty for exports of linen yarn manufactured in Ethiopia to a vast number of countries in the world. Despite there being on and off ethno-political conflicts since October 2016, which has led to the resignation of the former Prime Minister of Ethiopia in February 2018, the Government of Ethiopia has reaffirmed their commitment in maintaining the industrialization agenda that has already been initiated. With the new Ethiopian Prime Minister Abiy Ahmed Ali being awarded with the Nobel Peace Prize in 2019, the Board believes that the strategic investment in Ethiopia will have a long-term benefit to the Group. The factory in Ethiopia commenced production in the second half of 2021 and has been gradually ramping up its scale of production to its designed capacity.

#### Existing and planned production bases

No.	Factory	Location	Country	Annual capacity (Tonnes) 年產能 (噸)	Utilisation/Status 利用率/狀況
編號	廠房	地點	國家		
1	Haiyan 1st Factory 海鹽一期廠房	Zhejiang 浙江	China 中國	7,000	Close to 100% 接近100%
2	Rugao Factory 如皋廠房	Jiangsu 江蘇	China 中國	6,000	Close to 100% 接近100%
3	Haiyan 2nd Factory 海鹽二期廠房	Zhejiang 浙江	China 中國	5,000	Close to 100% 接近100%
4	Qinggang Factory 青崗廠房	Heilongjiang 黑龍江	China 中國	5,000	Close to 100% 接近100%
5	Ethiopia 埃塞俄比亞	Adama 阿達瑪	Ethiopia 埃塞俄比亞	5,000	Ramping up, about 40% 不斷提升, 約40%

### 埃塞俄比亞

本集團亦致力於埃塞俄比亞投資興建新生產設施，並已於埃塞俄比亞阿達瑪的阿達瑪工業園收購一幅地盤面積達300,000平方米的土地。土地的第一期發展項目將令本集團的年產能進一步提高5,000噸。董事會相信，埃塞俄比亞聯邦政府積極開發於該幅土地上興建的金達亞麻紗工廠，並將其發展成為「一帶一路」在埃塞俄比亞的示範項目之一。中國政府亦通過擴大國營保險公司所提供保險的政治風險保障範圍，鼓勵製造商拓展海外市場。埃塞俄比亞項目將節省土地租賃、勞動力、能源、稅收方面的費用，並節省將埃塞俄比亞製造的亞麻紗線出口到世界上許多國家的關稅。儘管自二零一六年十月起持續發生民族政治衝突，導致埃塞俄比亞前總理於二零一八年二月辭任，但埃塞俄比亞政府已重申其會竭力維持已啟動的工業化進程。隨著埃塞俄比亞新總理阿比·艾哈邁德·阿里(Abiy Ahmed Ali)於二零一九年獲授諾貝爾和平獎，董事會認為於埃塞俄比亞的戰略投資將會為本集團帶來長期的利益。埃塞俄比亞工廠於二零二一年下半年投產，產能規模逐步提升至其設計產能。

#### 現有及已規劃生產基地



# Management Discussion and Analysis

## 管理層討論及分析

### Patents, Awards and Recognition

The Group has continued to invest in technology and innovation. As at 31 December 2022, the Group owned 64 registered patents and there were another 41 patent applications pending formal approval by relevant authorities.

### FINANCIAL REVIEW

#### Revenue

For the Year, the Group's revenue grew by approximately 12.3% to approximately RMB2,021,055,000 (2021: RMB1,799,690,000). The growth of revenue was mainly attributable to the increased selling price of pure linen yarn during the Year. During the Year, sales to China and non-EU markets grew by 15.1% and 23.1% respectively, while sales to EU market slightly dropped by 1.8% on a year-on-year basis.

#### Gross Profit and Gross Profit Margin

For the Year, the Group's gross profit reached RMB386,900,000, representing a year-on-year increase of approximately 32.7% (2021: RMB291,585,000). Gross profit margin for the Year increased by 2.9 percentage points to 19.1% (2021: 16.2%) as a result of increased selling prices of pure linen yarn during the Year.

#### Other Income and Gains

For the Year, the Group recorded a net gain of RMB54,431,000 (2021: RMB7,136,000) for its other income and gains, which mainly comprises of interest income of RMB2,173,000 (2021: RMB234,000), various government grants which amounted to RMB12,863,000 (2021: RMB4,641,000) and a net exchange gain of RMB37,087,000 mainly due to United States Dollars having appreciated by 9.2% against Renminbi during the year (2021: an exchange loss of RMB162,000).

#### Selling and Distribution Expenses

For the Year, the Group's selling and distribution expenses amounted to approximately RMB41,532,000 (2021: RMB34,381,000), which accounted for approximately 2.1% (2021: 1.9%) of the Group's revenue. The increase in the selling and distribution expenses as a percentage of the Group's revenue for the Year was attributable to the higher promotion expenses incurred during the Year.

### 專利、獎項及殊榮

本集團持續投資於技術創新。於二零二二年十二月三十一日，本集團擁有64項註冊專利，另有41項專利申請有待相關機關正式審批。

### 財務回顧

#### 收入

於年內，本集團的收入增加約12.3%至約人民幣2,021,055,000元（二零二一年：人民幣1,799,690,000元）。收入增長主要是由於年內純亞麻紗的售價上漲。於年內，對中國及非歐盟市場的銷售分別按年增長15.1%及23.1%，而對歐盟市場的銷售則按年輕微下跌1.8%。

#### 毛利及毛利率

於年內，本集團的毛利按年增加約32.7%至人民幣386,900,000元（二零二一年：人民幣291,585,000元）。年內毛利率上升2.9個百分點至19.1%（二零二一年：16.2%），乃由於年內純亞麻紗售價上升所致。

#### 其他收益及得益

於年內，本集團的其他收益及得益錄得得益淨額人民幣54,431,000元（二零二一年：人民幣7,136,000元），主要包括利息收入人民幣2,173,000元（二零二一年：人民幣234,000元）、多筆政府補助人民幣12,863,000元（二零二一年：人民幣4,641,000元）及主要因年內美元兌人民幣升值9.2%產生的匯兌得益淨額人民幣37,087,000元（二零二一年：匯兌虧損人民幣162,000元）。

#### 銷售及分銷開支

於年內，本集團的銷售及分銷開支約為人民幣41,532,000元（二零二一年：人民幣34,381,000元），佔本集團收入約2.1%（二零二一年：1.9%）。年內銷售及分銷開支佔本集團收入的百分比上升乃由於年內產生的推廣費增加所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Administrative Expenses

For the Year, the Group's administrative expenses amounted to approximately RMB118,427,000 (2021: RMB98,406,000), representing an increase of approximately 20.3% as compared to the year ended 31 December 2021. The increase in administrative expenses was mainly due to additional staff costs of RMB3.9 million, additional consulting fees of RMB2.5 million, additional research and development expenses of approximately RMB2.1 million and additional office expense of RMB2.1 million as well as additional bank charges incurred during the Year.

### Other Expenses

Other expenses of the Group for the Year amounted to approximately RMB13,192,000 (2021: RMB3,803,000), mainly comprised of asset disposal loss of RMB11,110,000 in relation to obsolete IT equipment (2021: RMB471,000), and provision of inventory loss on accident of RMB966,000 (2021: Nil).

### Finance Costs

For the Year, finance costs amounted to approximately RMB33,852,000 (2021: RMB39,044,000), which comprised net finance cost of approximately RMB33,466,000 (2021: RMB38,555,000) and interest on lease liabilities of approximately RMB386,000 (2021: RMB489,000). Net finance costs represented the total interest expense on bank loans of approximately RMB38,419,000 (2021: RMB42,687,000) less amount capitalized attributable to capital assets. An interest expense of approximately RMB4,953,000 was capitalized during the Year (2021: RMB4,132,000).

### Income Tax Expenses

Income tax expense for the Year was approximately RMB63,020,000 (2021: RMB32,587,000). The effective tax rate of the Year was 26.8%.

### Profit for the Year

As a result, the Group recorded a net profit for the Year of approximately RMB171,808,000, as compared to approximately RMB90,500,000 for the year ended 31 December 2021.

### 行政開支

於年內，本集團的行政開支約為人民幣118,427,000元(二零二一年：人民幣98,406,000元)，較截至二零二一年十二月三十一日止年度增加約20.3%。行政開支增加主要是由於年內產生的額外員工成本人民幣3.9百萬元、額外諮詢費人民幣2.5百萬元、額外研發開支約人民幣2.1百萬元及額外辦公費用人民幣2.1百萬元以及額外銀行支出。

### 其他開支

本集團於年內的其他開支約為人民幣13,192,000元(二零二一年：人民幣3,803,000元)，主要包括有關過時IT設備的資產報廢虧損人民幣11,110,000元(二零二一年：人民幣471,000元)及因意外事故計提存貨虧損撥備人民幣966,000元(二零二一年：無)。

### 財務成本

於年內，財務成本約為人民幣33,852,000元(二零二一年：人民幣39,044,000元)，包括財務成本淨額約人民幣33,466,000元(二零二一年：人民幣38,555,000元)及租賃負債利息約人民幣386,000元(二零二一年：人民幣489,000元)。財務成本淨額指銀行貸款的利息開支總額約人民幣38,419,000元(二零二一年：人民幣42,687,000元)減資本資產應佔的已撥充資本金額。於年內撥充資本的利息開支約為人民幣4,953,000元(二零二一年：人民幣4,132,000元)。

### 所得稅開支

年內所得稅開支約為人民幣63,020,000元(二零二一年：人民幣32,587,000元)。年內實際稅率為26.8%。

### 年內溢利

因此，本集團於年內錄得純利約人民幣171,808,000元，而截至二零二一年十二月三十一日止年度則為約人民幣90,500,000元。

# Management Discussion and Analysis

## 管理層討論及分析

### Minority Interests

The Group's minority interests amounted to RMB3,888,000, which mainly represented the Group's share of results of its 24.66% of equity interests in Heilongjiang Kingdom Enterprise Co., Ltd.\* (黑龍江金達麻業有限公司) ("Heilongjiang Kingdom"), attributable to the minority shareholdings during the Year (2021: profit of RMB2,277,000).

### Profit Attributable to Owners of the Parent

During the Year, the Group recorded a profit attributable to owners of the parent of approximately RMB175,696,000, as compared to approximately RMB88,223,000 for the year ended 31 December 2021.

### Other Intangible Assets

As at 31 December 2022, the Group's intangible assets were mainly patents and licences amounted to RMB1,800,000 (2021: RMB2,000,000) and certified emission rights obtained in 2012 for a term of 20 years, which amounted to RMB4,373,000 (2021: RMB3,987,000). Intangible assets are subject to amortisation based on their useful lives. For the Year, the amortisation of intangible assets was approximately RMB703,000 (2021: RMB580,000).

### Inventories

As at 31 December 2022, inventories of the Group increased by approximately 8.9% to RMB685,180,000 (2021: RMB629,221,000), the average inventory turnover days decreased from 173 days as at 31 December 2021 to 147 days as at 31 December 2022. The decrease in number of inventory turnover days was mainly attributable to the robust sales revenue recorded during the Year.

### Trade and Notes Receivables

As at 31 December 2022, trade and notes receivables of the Group decreased by approximately 16.9% to RMB426,267,000 (2021: RMB512,732,000), and the average trade receivable turnover days decreased from 90 days as at 31 December 2021 to 85 days as at 31 December 2022.

### 少數股東權益

本集團為數人民幣3,888,000元的少數股東權益主要指年內少數股權應佔本集團於黑龍江金達麻業有限公司(「黑龍江金達」) 24.66%股權所佔業績(二零二一年：溢利人民幣2,277,000元)。

### 母公司擁有人應佔溢利

於年內，本集團錄得母公司擁有人應佔溢利約為人民幣175,696,000元，而截至二零二一年十二月三十一日止年度則約為人民幣88,223,000元。

### 其他無形資產

於二零二二年十二月三十一日，本集團的無形資產主要為專利及特許權人民幣1,800,000元(二零二一年：人民幣2,000,000元)及於二零二一年獲取為期20年的認證排放權，金額為人民幣4,373,000元(二零二一年：人民幣3,987,000元)。無形資產按其可使用年期攤銷。於年內，無形資產攤銷約為人民幣703,000元(二零二一年：人民幣580,000元)。

### 存貨

於二零二二年十二月三十一日，本集團的存貨增加約8.9%至人民幣685,180,000元(二零二一年：人民幣629,221,000元)，存貨平均週轉日數則由二零二一年十二月三十一日的173日減少至二零二二年十二月三十一日的147日。存貨週轉日數減少主要是由於年內錄得強勁的銷售收入。

### 應收貿易賬款及應收票據

於二零二二年十二月三十一日，本集團的應收貿易賬款及應收票據減少約16.9%至人民幣426,267,000元(二零二一年：人民幣512,732,000元)，應收貿易賬款平均週轉日數則由二零二一年十二月三十一日的90日減少至二零二二年十二月三十一日的85日。

# Management Discussion and Analysis

## 管理層討論及分析

### Trade and Notes Payables

As at 31 December 2022, trade and notes payables of the Group increased by approximately 24.9% to approximately RMB367,096,000 (2021: RMB293,920,000). The average trade payable turnover days increased to 74 days during the Year (2021: 64 days).

### Interest-bearing Bank and Other Borrowings

As at 31 December 2022, the Group's interest-bearing bank and other borrowings decreased by 15.0% to approximately RMB752,903,000 (2021: RMB885,795,000), of which RMB696,344,000 (2021: RMB828,378,000) were classified as current liabilities and RMB56,559,000 (2021: RMB57,417,000) were classified as non-current liabilities. The Group's borrowings were denominated in Renminbi, United States Dollars and Euros, of which approximately RMB423,000,000 (2021: RMB485,348,000) were at fixed interest rates.

### Liquidity and Financial Resources

As at 31 December 2022, the Group had net current assets of approximately RMB417,334,000 (2021: RMB178,810,000). The Group financed its operations with internally generated resources and bank loans during the Year. As at 31 December 2022, the Group had total cash and deposits of approximately RMB529,369,000 (2021: RMB293,943,000) which consisted of cash and cash equivalents of approximately RMB467,469,000 (2021: RMB249,213,000) and pledged deposits of approximately RMB61,900,000 (2021: RMB44,730,000). The Group's cash and cash equivalents were denominated in Renminbi, United States Dollars, Hong Kong Dollars, Euros and Ethiopian Birrs.

The liquidity ratio of the Group as at 31 December 2022 was approximately 131.6% (2021: 113.3%). Total equity of the Group as at 31 December 2022 was approximately RMB1,487,990,000 (2021: RMB1,350,616,000).

As at 31 December 2022, the Group had interest-bearing bank and other borrowings repayable within 12 months therefrom of approximately RMB696,344,000 (2021: RMB828,378,000) and long-term interest-bearing other borrowings of approximately RMB56,559,000 (2021: RMB57,417,000). Together these interest-bearing bank and other borrowings represented a gross debt gearing ratio (i.e. total borrowings divided by total equity) of approximately 50.6% (2021: 65.6%).

### 應付貿易賬款及應付票據

於二零二二年十二月三十一日，本集團的應付貿易賬款及應付票據增加約24.9%至約人民幣367,096,000元（二零二一年：人民幣293,920,000元）。應付貿易賬款平均週轉日數於年內增加至74日（二零二一年：64日）。

### 計息銀行及其他借貸

於二零二二年十二月三十一日，本集團的計息銀行及其他借貸減少15.0%至約人民幣752,903,000元（二零二一年：人民幣885,795,000元），其中人民幣696,344,000元（二零二一年：人民幣828,378,000元）分類為流動負債，而人民幣56,559,000元（二零二一年：人民幣57,417,000元）分類為非流動負債。本集團的借貸以人民幣、美元及歐元為單位，其中約人民幣423,000,000元（二零二一年：人民幣485,348,000元）按固定利率計息。

### 流動資金及財務資源

於二零二二年十二月三十一日，本集團的流動資產淨值約為人民幣417,334,000元（二零二一年：人民幣178,810,000元）。本集團於年內以內部資源及銀行貸款為其營運提供資金。於二零二二年十二月三十一日，本集團的現金及存款總額約為人民幣529,369,000元（二零二一年：人民幣293,943,000元），包括現金及現金等價物約人民幣467,469,000元（二零二一年：人民幣249,213,000元）及已抵押存款約人民幣61,900,000元（二零二一年：人民幣44,730,000元）。本集團的現金及現金等價物以人民幣、美元、港元、歐元及及埃塞俄比亞比爾計值。

本集團於二零二二年十二月三十一日的流動比率約為131.6%（二零二一年：113.3%）。本集團於二零二二年十二月三十一日的總權益約為人民幣1,487,990,000元（二零二一年：人民幣1,350,616,000元）。

於二零二二年十二月三十一日，本集團須於由該日起計十二個月內償還的計息銀行及其他借貸約為人民幣696,344,000元（二零二一年：人民幣828,378,000元），並有長期計息其他借貸約人民幣56,559,000元（二零二一年：人民幣57,417,000元）。該等計息銀行及其他借貸合共反映的總資本負債率（即總借貸除以總權益）約為50.6%（二零二一年：65.6%）。

# Management Discussion and Analysis

## 管理層討論及分析

### CAPITAL COMMITMENTS

As at 31 December 2022, outstanding contractual capital commitments of the Group in respect of purchase of property, plant and equipment not provided for in the annual financial statements amounted to approximately RMB208,855,000 (2021: RMB259,247,000).

### MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

### SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the Year.

### CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any contingent liabilities (2021: Nil).

### CHARGE ON ASSETS

As at 31 December 2022, the current interest-bearing bank borrowings with a carrying amount of RMB408,000,000 (2021: RMB443,521,000) were secured by certain property, plant and equipment, and inventories with carrying amounts of RMB298,487,000 (2021: RMB322,481,000), and RMB40,000,000 (2021: RMB40,000,000), respectively.

### FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save for the various up-keeping and maintenance of existing factory projects, vertical expansion into weaving and fabric business, the Directors confirmed that as at the date of this annual report, there is no current plan to acquire any material investment or capital assets.

### 資本承擔

於二零二二年十二月三十一日，本集團就購買物業、廠房及設備未在全年財務報表內計提撥備的未償還合約資本承擔約為人民幣208,855,000元（二零二一年：人民幣259,247,000元）。

### 重大收購及出售

本集團於年內並無任何重大收購或出售附屬公司、聯營公司或合營公司。

### 重大投資

本集團於年內並無持有任何重大投資。

### 或有負債

於二零二二年十二月三十一日，本集團並無任何或有負債（二零二一年：無）。

### 資產抵押

於二零二二年十二月三十一日，賬面金額為人民幣408,000,000元（二零二一年：人民幣443,521,000元）的即期計息銀行借貸以賬面金額分別為人民幣298,487,000元（二零二一年：人民幣322,481,000元）及人民幣40,000,000元（二零二一年：人民幣40,000,000元）的若干物業、廠房及設備及存貨作抵押。

### 重大投資或資本資產的未來計劃

除對現有工廠項目的各種維護保養、垂直拓展至編織及面料業務外，董事確認於本年報日期，目前並無計劃收購任何重大投資或資本資產。

# Management Discussion and Analysis

## 管理層討論及分析

### FOREIGN CURRENCY RISK

The Group's transactions were mainly denominated in Renminbi, United States Dollars, Euro and Hong Kong Dollars. The exchange rate changes of such currencies were monitored regularly and managed appropriately. The Group had entered into certain foreign currency forward contracts by utilising its credit line during the Year and there was no derivative financial asset or liability recorded as at 31 December 2022 (2021: liabilities of RMB1,275,000).

### REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 December 2022, the Group had a total of 4,087 employees (2021: 3,808 employees). Total staff costs incurred for the Year increased by approximately 9.7% to RMB261,764,000 (2021: RMB238,536,000). The increase in staff costs stemmed from additional headcounts to cope with the expanded operation and the commencement of the operation of the factory in Ethiopia during the Year.

The Group offers comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. The Group is required to make contributions (retirement insurance and unemployment insurance) to a social security scheme in China. The remuneration policy for the employees of the Group is formulated by the Board with reference to the employee's respective qualification, experience, responsibilities and contributions to the Group, as well as the prevailing market rate of remuneration for a similar position. The remuneration of the Directors are determined by the Board based on the recommendation of the remuneration committee of the Company (the "Remuneration Committee") and with the mandate given by the Shareholders at the annual general meeting having regard to the Group's operating results, individual performance and comparable market statistics. The Group also provides both internal and external training programmes for its employees from time to time.

The Group has also adopted a share option scheme and a share award plan for the purpose of providing incentives and rewards to the Directors, including independent non-executive Directors, and other employees of the Group who have contributed to the success of the Group's operations.

### 外幣風險

本集團的交易主要以人民幣、美元、歐元及港元為單位。本集團定期監察該等貨幣之間的匯率變動，並作出妥善管理。於年內，本集團運用信貸額訂立若干外匯遠期合約，而於二零二二年十二月三十一日並無錄得衍生金融資產或負債（二零二一年：負債人民幣1,275,000元）。

### 薪酬政策及購股權計劃

於二零二二年十二月三十一日，本集團合共聘有4,087名僱員（二零二一年：3,808名僱員）。年內產生的員工總成本增加約9.7%至人民幣261,764,000元（二零二一年：人民幣238,536,000元）。員工成本增加乃由於年內為應對擴大經營及埃塞俄比亞工廠開始運營而增加的員工人數。

本集團為其僱員提供全面及具競爭力的薪酬、退休計劃及福利待遇。本集團須向中國社會保障計劃供款（退休保險及失業保險）。本集團僱員的薪酬政策由董事會參照各僱員的資歷、經驗、所承擔責任、對本集團的貢獻及類似職位的現行市場薪酬水平制定。董事薪酬由董事會根據本公司薪酬委員會（「薪酬委員會」）的建議及獲股東於股東週年大會上授權，根據本集團經營業績、個人表現及可比較市場數字而釐定。本集團亦不時為其僱員提供內部及外部培訓課程。

本集團亦已採納購股權計劃及股份獎勵計劃，目的為向對本集團業務的成功作出貢獻的董事（包括獨立非執行董事）及本集團的其他僱員提供激勵及獎勵。

# Management Discussion and Analysis 管理層討論及分析

## OUTLOOK AND PLANS

The Group will leverage on the success of the operation of its factory in Ethiopia to expand its coverage to different customers and markets.

In addition, the Group will leverage on local government incentives to commence our own weaving and fabric project in China in 2023, which is our maiden attempt to expand into linen weaving and fabric business. By expanding into weaving and fabric business with a view to explore different applications of linen fabric, such move will eventually provide business supports to Kingdom's customers and further drive the demand of linen yarn in long term.

Being the first company in the linen industry obtained carbon-neutrality certification, we will continue to cultivate the growth of the hemp fiber base in China. We target to establish a scaled hemp yarn production within three years to satisfy the market demand.

Kingdom has been collaborating with CottonConnect, a UK non-profit and social-oriented enterprise with a clear mission to transform the linen industry for good, to develop the REEL Linen Code of Conduct. REEL Linen is a sustainability-driven initiative for brands which are committed to sourcing more sustainable linen, and contents of the initiative includes including improving environment, product quality and traceability conditions in their supply chain factories and farms worldwide. REEL stands for the idea of "Responsible Environment, Enhanced Livelihood", it implements sustainable development into production practices. REEL Linen Code of Conduct version 2.0 was issued in May 2022. This initiative would help Kingdom to move towards a sustainable operation and ensure its long-term success.

## 前景及計劃

本集團將憑藉其埃塞俄比亞工廠的成功投產擴大其覆蓋範圍至不同客戶及市場。

此外，本集團將於二零二三年憑藉地方政府的優惠政策於中國啟動我們自有的編織及面料項目，這是我們進軍亞麻編織及面料業務的首次嘗試。通過拓展編織及面料業務，探索亞麻面料的不同應用，此舉最終為金達客戶提供業務上的支持，進一步推動亞麻紗線的長期需求。

在獲得全球首家碳中和企業認證的基礎上，積極推動纖維大麻種植基地的培育。努力用三年時間，形成纖維大麻紡紗生產的規模化，以滿足市場需求。

金達已與英國非營利性及社會導向型企業康特耐 (CottonConnect) 公司合作，以實現亞麻行業的轉型及制定瑞優 (REEL) 亞麻行為守則為明確目標。瑞優亞麻為針對致力於採購更可持續的亞麻品牌的一項可持續發展倡議，倡議內容包括改善其全球供應鏈工廠及農場的環境、產品品質及可追溯性條件。瑞優代表「對環境負責，讓生活改善」的理念，將可持續發展貫徹於生產實踐中。瑞優 (REEL) 亞麻行為守則 2.0 版本於二零二二年五月發佈。該倡議將有助於金達朝著可持續發展的方向邁進，並確保其長期成功。



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## Directors and Senior Management 董事及高級管理層

### CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Ren Weiming (任維明), aged 63, is the chairman of the Group and an executive Director. Mr. Ren is responsible for the overall management of the Group and decision-making of the business development strategy of the Group. Mr. Ren has worked in the silk and textile industry since 1979. He has been the chairman and general manager of Zhejiang Kingdom Creative Co., Ltd.\* (浙江金達創業股份有限公司) (“**Kingdom Creative**”), a company which is owned as to 71.64% by Mr. Ren since 2000. Mr. Ren started to engage in the linen yarn manufacturing business in December 2001. He joined the Group in March 2003 when the first operating member of the Group, Zhejiang Jinyuan Flax Co., Ltd.\* (浙江金元亞麻有限公司) (“**Zhejiang Jinyuan**”) was established. Mr. Ren is a director of Zhejiang Jinyuan, Jiangsu Jinyuan Flax Co., Ltd.\* (江蘇金元亞麻有限公司) (“**Jiangsu Jinyuan**”), and Zhejiang Kingdom Flax Co., Ltd.\* (浙江金達亞麻有限公司) (“**Zhejiang Kingdom**”), all of which are wholly-owned subsidiaries of the Company. Mr. Ren is also a director of Heilongjiang Kingdom Enterprise Co., Ltd.\* (黑龍江金達麻業有限公司) (“**Heilongjiang Kingdom**”), a non-wholly owned subsidiary of the Company. Mr. Ren obtained various awards including National Township Entrepreneur awarded by the Ministry of Agriculture of the PRC, National Excellent Young Factory Manager and Zhejiang Provincial Excellent Entrepreneur. He was a representative of the 9th and 10th National People’s Congress of Zhejiang Province. Mr. Ren is currently the vice president of China Bast and Leaf Fibers Textile Association and the Vice Chairman of The Hong Kong General Chamber of Textiles Ltd. He is also a director of Kingdom Investment Holdings Limited (“**Kingdom Investment**”) which holds interests in the Shares discloseable under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Mr. Ren is a director of Kingdom Creative and its subsidiaries including Zhejiang Jinxiu Jiangnan Silk Co., Ltd.\* (浙江錦繡江南絲綢有限公司) (“**Jinxiu Jiangnan**”) and Interconnect Financial Leasing (Shanghai) Co., Ltd.\* (滙通融資租賃(上海)有限公司) (“**Interconnect**”). Mr. Ren is also a director of Bank of Jiaying Co., Ltd.\* (嘉興銀行股份有限公司) which is owned as to 7.39% by Kingdom Creative.

### 主席兼執行董事

任維明先生，現年六十三歲，本集團主席兼執行董事。任先生負責本集團一切管理事宜，並為本集團業務發展計劃的決策人。任先生自一九七九年起投身絲綢及紡織行業。彼自二零零零年起擔任浙江金達創業股份有限公司（「**金達創業**」，一家由任先生擁有71.64%權益的公司）主席兼總經理。任先生於二零零一年十二月開始從事製造亞麻紗業務。彼於二零零三年三月（即本集團首間營運成員公司浙江金元亞麻有限公司（「**浙江金元**」）成立之時）加入本集團。任先生為浙江金元、江蘇金元亞麻有限公司（「**江蘇金元**」）及浙江金達亞麻有限公司（「**浙江金達**」）的董事，該等公司均為本公司的全資附屬公司。任先生亦為本公司的非全資附屬公司黑龍江金達麻業有限公司（「**黑龍江金達**」）的董事。任先生曾獲得許多獎項，包括中國農業部全國鄉鎮企業家、全國優秀青年廠長及浙江省優秀企業經營者。彼為浙江省第九屆及第十屆人民代表大會代表。任先生現為中國麻紡織行業協會副理事長及香港紡織商會副會長。彼亦擔任Kingdom Investment Holdings Limited（「**Kingdom Investment**」）的董事，該公司於股份中擁有根據香港法例第571章證券及期貨條例（「**證券及期貨條例**」）第XV部第2及第3分部條文須予披露的權益。任先生為金達創業及其附屬公司浙江錦繡江南絲綢有限公司（「**錦繡江南**」）及滙通融資租賃(上海)有限公司（「**滙通**」）的董事。任先生亦為金達創業擁有7.39%的嘉興銀行股份有限公司的董事。

## Directors and Senior Management 董事及高級管理層

### EXECUTIVE DIRECTOR

Mr. Shen Yueming (沈躍明), aged 61, is an executive Director. Mr. Shen is a director of Zhejiang Jinyuan, Jiangsu Jinyuan and Zhejiang Kingdom, all of which are wholly-owned subsidiaries of the Company. Mr. Shen is also a director of Heilongjiang Kingdom, a non-wholly owned subsidiary of the Company. Mr. Shen is responsible for the day-to-day operations and management of the Group and also takes part in the decision making of the business development strategy of the Group. He is also a director of Kingdom Creative and its subsidiaries including Jinxiu Jiangnan, Interconnect and Haiyan Chen Chen Silk Clothing Co., Ltd\* (海鹽臣臣絲綢時裝有限公司). Mr. Shen joined the Group in March 2003.

### EXECUTIVE DIRECTOR

Mr. Zhang Hongwen (張鴻文), aged 56, is an executive Director. Mr. Zhang is the director of Zhejiang Jinyuan, Jiangsu Jinyuan, Zhejiang Kingdom, Kingdom Tiansheng (Shanghai) Trading Co., Ltd.\* (金達天晟(上海)商貿有限公司), Zhejiang Kingdom REEL Textile Co. Ltd.\* (浙江金達瑞優紡織有限公司) (“**Kingdom REEL**”) and Heilongjiang Kingdom Fiber Hemp Co., Ltd.\* (黑龍江金達纖維大麻有限公司), all of which are subsidiaries of the Company. He is also a director of Kingdom Creative and its subsidiaries including Interconnect, Jinxiu Jiangnan, Zhejiang Yuyuan Photovoltaic Co., Ltd.\* (浙江昱源光伏有限公司), Heilongjiang Kangyuan Bio-Technology Co., Ltd.\* (黑龍江康源生物科技有限公司) (“**Kangyuan Bio-Tech**”). Before joining the Group in 2003, Mr. Zhang was the assistant to the general manager and the head of capital clearing division of Kingdom Creative from 2000 to 2002.

### 執行董事

沈躍明先生，現年六十一歲，執行董事。沈先生為浙江金元、江蘇金元及浙江金達的董事，該等公司均為本公司的全資附屬公司。沈先生亦為本公司的非全資附屬公司黑龍江金達的董事。沈先生負責本集團日常營運及管理事宜，亦參與本集團業務發展戰略的決策。彼亦為金達創業及其附屬公司錦繡江南、滙通及海鹽臣臣絲綢時裝有限公司的董事。沈先生於二零零三年三月加入本集團。

### 執行董事

張鴻文先生，現年五十六歲，執行董事。張先生為浙江金元、江蘇金元、浙江金達，金達天晟(上海)商貿有限公司、浙江金達瑞優紡織有限公司(「**金達瑞優**」)及黑龍江金達纖維大麻有限公司的董事，該等公司均為本公司的附屬公司。彼亦為金達創業及其附屬公司滙通、錦繡江南、浙江昱源光伏有限公司及黑龍江康源生物科技有限公司(「**康源生物科技**」)的董事。於二零零三年加入本集團之前，張先生於二零零零年至二零零二年為金達創業的總經理助理兼資金結算部的主管。

## Directors and Senior Management 董事及高級管理層

### EXECUTIVE DIRECTOR

Ms. Shen Hong (沈鴻), aged 56, is an executive Director. Ms. Shen is the management controller of the Group. She completed her professional accounting studies at Zhejiang Long March Finance School in the People's Republic of China in July 1994 and has more than 20 years of experience in finance-related area. Ms. Shen is the director of Heilongjiang Kingdom and Heilongjiang Kangyuan Flax and Hemp Seed Co., Ltd.\* (黑龍江康源種業有限公司) ("Kangyuan Seed"), both of which are non-wholly owned subsidiaries of the Company. Ms. Shen is also a director of Kingdom Creative and its subsidiaries including Kangyuan Bio-Tech. Before joining the Group in March 2003, she worked in Kingdom Creative as the head of finance management department.

### NON-EXECUTIVE DIRECTOR

Mr. Ngan Kam Wai Albert (顏金煒), aged 73, is a non-executive Director. Mr. Ngan is the chairman of Millionfull Company Limited, a company incorporated in Hong Kong engaged in the trading of linen and linen blend textiles. Mr. Ngan was a member of the 9th and 10th Fujian Provincial People's Political Consultative Conference and vice-chairman of Po Leung Kuk from April 2010 to March 2012. He was the president of The Hong Kong General Chamber of Textiles Ltd. from September 2009 to August 2011 and was appointed as the permanent honorary chairman of The Hong Kong General Chamber of Textiles Ltd. in September 2011 and as a director of HuaQiao University in 2002. He is a member of the Election Committee of the Hong Kong Special Administrative Region. He joined the Group in September 2004. He is also the chairman of the board of directors of Millionfull International Co., Ltd which has interests in the shares of the Company discloseable under the provisions of Divisions 2 and 3 of Part XV of the SFO. He is also a director of Interconnect.

### 執行董事

沈鴻女士，現年五十六歲，執行董事。沈女士為本集團管理總監。彼於一九九四年七月完成中華人民共和國浙江長征財經進修學院的會計專業課程，擁有逾20年的財務相關經驗。沈女士為本公司兩家非全資附屬公司黑龍江金達及黑龍江康源種業有限公司（「康源種業」）的董事。沈女士亦為金達創業及其附屬公司康源生物科技的董事。於二零零三年三月加入本集團之前，彼在金達創業任職財務管理部門主管。

### 非執行董事

顏金煒先生，現年七十三歲，非執行董事。顏先生擔任億裕有限公司主席。該公司在香港註冊成立，從事亞麻及亞麻混合纖維紡織品貿易。顏先生為中國人民政治協商會議福建省第九屆及第十屆委員會成員及於二零一零年四月至二零一二年三月為保良局副主席。彼於二零零九年九月至二零一一年八月期間出任香港紡織商會會長，並於二零一一年九月獲委任為香港紡織商會永遠榮譽會長及於二零零二年獲委任為華僑大學的董事。彼現為香港特別行政區選舉委員會委員。彼於二零零四年九月加入本集團。彼亦為Millionfull International Co., Ltd的董事會主席，該公司於本公司股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須予披露的權益。彼亦為滙通的董事。

## Directors and Senior Management 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lau Ying Kit (劉英傑), aged 49, is an independent non-executive Director. Mr. Lau is the finance and investor relations director and the company secretary of Dalipal Holdings Limited (Stock Code: 01921), a company listed on the Main Board of the Stock Exchange. Mr. Lau is also currently an independent non-executive director of United Strength Power Holdings Limited (Stock Code: 02337), Sinco Pharmaceuticals Holdings Limited (Stock Code: 06833) and KangLi International Holdings Limited (Stock Code: 06890), all of which are companies listed on the Main Board of the Stock Exchange. From 16 May 2012 to 30 September 2020, Mr. Lau was an independent non-executive director of Xiezhong International Holdings Limited (Stock Code: 03663) which was delisted on the Main Board of the Stock Exchange on 5 July 2021 and from 20 December 2013 to 15 February 2022, he was an independent non-executive director of China Wood Optimization (Holding) Limited (Stock Code: 01885) which is a company listed on the Main Board of the Stock Exchange. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master's degree in finance from the City University of Hong Kong. He has extensive experience in financial and accounting in China and Hong Kong. He joined the Group in November 2006.

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lo Kwong Shun Wilson (羅廣信), aged 49, is an independent non-executive Director. Mr. Lo has more than 20 years of working experience in investment banking and advising on corporate finance. Mr. Lo is the managing director of Caitong International Capital Company Limited. Mr. Lo is also an independent non-executive director of Raymond Industrial Limited (Stock Code: 00229), a company listed on the Main Board of the Stock Exchange. Mr. Lo also has three years of experience in the field of auditing and accounting. Mr. Lo is a member of the American Institute of Certified Public Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He obtained his bachelor's degree in commerce from the University of British Columbia in Canada in 1995. He joined the Group in May 2010.

### 獨立非執行董事

劉英傑先生，現年四十九歲，獨立非執行董事。劉先生現為聯交所主板上市的達力普控股有限公司（股份代號：01921）財務及投資者關係總監及公司秘書。劉先生現亦為眾誠能源控股有限公司（股份代號：02337）、興科蓉醫藥控股有限公司（股份代號：06833）及康利國際控股有限公司（股份代號：06890）（上述公司均在聯交所主板上市）的獨立非執行董事。劉先生於二零一二年五月十六日至二零二零年九月三十日擔任協眾國際控股有限公司（股份代號：03663）（於二零二一年七月五日在聯交所主板除牌）及於二零一三年十二月二十日至二零二二年二月十五日擔任中國優材（控股）有限公司（股份代號：01885）（在聯交所主板上市）的獨立非執行董事。劉先生是香港會計師公會資深會員，並持有香港城市大學金融學碩士學位。彼於中國和香港有豐富金融及會計經驗。彼於二零零六年十一月加入本集團。

### 獨立非執行董事

羅廣信先生，現年四十九歲，獨立非執行董事。羅先生於投資銀行及企業融資顧問方面擁有超過20年經驗。羅先生現時為財通國際融資有限公司的董事總經理。羅先生亦為聯交所主板上市公司利民實業有限公司（股份代號：00229）的獨立非執行董事。羅先生亦擁有三年核數及會計經驗。羅先生為美國會計師公會及香港會計師公會會員。彼於一九九五年獲取加拿大英屬哥倫比亞大學商科學士學位。彼於二零一零年五月加入本集團。

## Directors and Senior Management 董事及高級管理層

### INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Yan Jianmiao (嚴建苗), aged 57, has been appointed as an independent non-executive Director at the conclusion of the annual general meeting on 30 May 2016. Mr. Yan is currently a professor of Department of International Economics of Zhejiang University ("ZJU"), a director of China Society of World Economics (CSWE), an executive director of Zhejiang International Economics and Trade Association and a researcher of the Center for Research of Private Economy (CRPE) of ZJU. Prior to holding these positions, Mr. Yan served as a deputy director in Department of International Trade of Hangzhou University and a director of Department of International Economics of ZJU. Mr. Yan is currently an independent director of Baida Group Co., Ltd. (Stock Code: 600865), a company listed on the Shanghai Stock Exchange and Rongsheng Petrochemical Co., Ltd. (Stock Code: 002493), a company listed on the Shenzhen Stock Exchange. Mr. Yan was an independent director of Top Choice Medical Co., Inc. (Stock Code: 600763) from 24 December 2014 until 1 February 2021, and of Zhejiang Xinan Chemical Industrial Group Co. Ltd. (Stock Code: 600596) from 7 July 2014 until 1 July 2020, both of which are companies listed on the Shanghai Stock Exchange. Mr. Yan graduated from Hangzhou University in 1985 with a Bachelor of Economics degree. He obtained a master's degree in economics from the Shanghai Academy of Social Sciences in 1988. Mr. Yan was a senior visiting scholar of Le Havre Business School in France in 1997 and obtained a PhD in Economics from ZJU in 2005. He joined the Group in May 2016.

### 獨立非執行董事

嚴建苗先生，現年五十七歲，於二零一六年五月三十日的股東週年大會結束時獲委任為獨立非執行董事。嚴先生現時為浙江大學（「浙大」）國際經濟學系教授、中國世界經濟學會理事、浙江省國際經濟貿易學會常務理事及浙大民營經濟研究中心研究員。於擔任上述職務前，嚴先生曾任杭州大學國際貿易系副主任，浙大國際經濟學系系主任。嚴先生現時為上海證券交易所上市公司百大集團股份有限公司（股份代號：600865）及深圳證券交易所上市公司榮盛石化股份有限公司（股份代號：002493）的獨立董事。嚴先生於二零一四年十二月二十四日至二零二一年二月一日擔任通策醫療股份有限公司（股份代號：600763）及於二零一四年七月七日至二零二零年七月一日擔任浙江新安化工集團股份有限公司（股份代號：600596）（上述兩家公司均在上海證券交易所上市）的獨立董事。嚴先生在一九八五年畢業於杭州大學，獲經濟學學士學位；在一九八八年取得上海社會科學院經濟學碩士學位。嚴先生於一九九七年任法國Le Havre Business School（勒阿弗爾商學院）高級訪問學者，在二零零五年取得浙大哲學博士學位（主修經濟學）。彼於二零一六年五月加入本集團。

## Directors and Senior Management 董事及高級管理層

### SENIOR MANAGEMENT

Mr. Chan Yan Kwan Andy (陳仁君), aged 54, is the chief financial officer and company secretary of the Company. Mr. Chan has over 20 years of experience in accounting and financial sector. From July 2004 to January 2014, he was the group financial controller and company secretary of Natural Beauty Bio-Technology Limited (Stock Code: 00157), a company listed on the Main Board of the Stock Exchange, responsible for financial planning and monitoring. Prior to July 2004, he worked in an international accounting firm and served senior financial positions in a company listed on the NASDAQ Stock Market and a renowned German exhibition company. Mr. Chan is also an independent non-executive director of Greentown Management Holdings Company Limited (Stock Code: 09979), a company listed on the Main Board of the Stock Exchange and one of the Hang Seng Composite Index constituent stocks. Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Association of Chartered Certified Accountants (ACCA). He is also a Fellow Chartered Secretary and Fellow Chartered Governance Professional of The Chartered Governance Institute (CGI) and The Hong Kong Chartered Governance Institute (HKCGI). Mr. Chan graduated from the University of Hull in the United Kingdom with a bachelor's degree in economics and accounting in 1992; graduated from the Ivey Business School with Western University (formerly Richard Ivey School of Business with University of Western Ontario), Canada with an Executive MBA in 2008 and graduated from The Hong Kong Polytechnic University with a master's degree in corporate governance (with distinction) in 2021. Mr. Chan joined the Group in January 2014.

### 高級管理層

陳仁君先生，現年五十四歲，本公司財務總監兼公司秘書。陳先生於會計及財務方面擁有逾20年經驗。於二零零四年七月至二零一四年一月期間，彼為自然美生物科技有限公司（股份代號：00157，一間在聯交所主板上市的公司）的集團財務總監兼公司秘書，負責財務規劃及監督。於二零零四年七月之前，彼曾任職於一間國際會計師行，亦曾於一間納斯達克證券市場上市公司及一間著名德國展覽公司擔任高級財務職位。陳先生亦為聯交所主板上市公司及恆生綜合指數成分股之一，綠城管理控股有限公司（股份代號：09979）的獨立非執行董事。陳先生為香港會計師公會（HKICPA）及英國特許公認會計師公會（ACCA）資深會員。彼亦是公司治理公會（CGI）及香港公司治理公會（HKCGI）的資深特許秘書及資深公司治理師。陳先生於一九九二年畢業於英國赫爾大學，持有經濟及會計學學士學位，以及於二零零八年畢業於加拿大西部大學Ivey商學院（前稱西安大略大學Richard Ivey商學院），持有行政人員工商管理碩士學位，並於二零二一年獲得香港理工大學企業管治碩士學位（優異成績）。陳先生於二零一四年一月加入本集團。

# Report of the Directors

## 董事會報告

It is the Board's pleasure to present their annual report on the affairs of the Group together with the audited financial statements for the Year.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

### RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 97 of this annual report.

### BUSINESS REVIEW

The business review of the Group for the Year is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on page 4 and page 9 of this annual report. An indication of likely future developments of the Group's business can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance using financial key performance indicators is provided in the sections headed "Five Year Financial Summary" on page 8 and "Financial Review" on page 15 of this annual report.

The Group is committed to supporting environmental sustainability. In its pursuit of excellent operating results, the Group has put a lot of efforts in promoting sustainable development. In terms of production of per tonne of linen yarn, the level of consumption of electricity and steam increased by 3.4% and 24.4% respectively, while the level of consumption of water and natural gas decreased by 2.4% and 2.5% respectively. We will continue to explore ways to improve the production processes to further enhance our operational efficiencies. For details of the Group's performance in environmental, social and governance ("ESG") aspects including relationships with various stakeholders and compliance with relevant laws and regulations that have a significant impact on the Group, please refer to the Group's separate ESG report for the Year. The Group has been in compliance with the relevant laws and regulations that have a significant impact on the Company during the Year.

董事會欣然提呈本集團年內有關其事務的年報連同經審核財務報表。

### 主要業務

本公司是一家投資控股公司，其主要附屬公司的業務載於財務報表附註1。

### 業績

本集團年內業績載於本年報第97頁的合併損益表。

### 業務回顧

本集團年內的業務回顧載於本年報第4頁的「主席報告書」及第9頁的「管理層討論及分析」各節。本集團業務的可能未來發展的揭示載於本年報「主席報告書」及「管理層討論及分析」各節。本集團表現運用財務關鍵表現指標進行的分析載於本年報第8頁的「五年財務摘要」以及第15頁的「財務回顧」各節。

本集團致力支持環境永續發展。在追求理想經營業績的同時，本集團努力推動可持續發展。就生產每噸亞麻紗而言，電及蒸汽消耗量水平分別增加3.4%及24.4%，而水及天然氣消耗量水平分別減少2.4%及2.5%。我們將繼續探索改進生產流程的方法，進一步提高運營效率。有關本集團的環境、社會及管治（「ESG」）表現（包括本集團與其利益相關者的關係及遵守對本集團構成重大影響的相關法律及法規的情況）的詳情，請參閱本集團另行刊發的年內ESG報告。本集團於年內一直遵守對本公司有重大影響的相關法律及法規。



# Report of the Directors 董事會報告

## PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE GROUP

The Group is principally engaged in the manufacturing of linen yarn and the sale of the products to over 20 countries. Overseas sales are invoiced in United States Dollars, except for the sales by the Group's subsidiary in Italy which are invoiced in Euro. Domestic sales in China are invoiced in Renminbi. Raw materials (flax fiber and hemp fiber) are imported from Europe and sourced in China. The principal risks and uncertainties facing the Group include the unstable demand for linen yarn, protectionism of certain countries and possible punitive tariffs on products made in China, unstable supply of raw materials, continuous decline in cotton price, depreciation of United States Dollars against Renminbi, the execution risk of the new expansion project in Ethiopia, and the outbreak of epidemic which caused disruption of the production process.

## RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity of its staff and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts in ongoing efforts to provide adequate trainings and development resources to its employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and achieve self-actualization in performing their duties.

## IMPORTANT EVENTS AFFECTING THE COMPANY THAT HAVE OCCURRED SINCE THE END OF THE FINANCIAL YEAR

There was no important event affecting the Company that have occurred since the end of the Year and up to the date of this annual report.

## 本集團面對的主要風險及不明朗因素

本集團主要從事亞麻紗生產，並向超過20個國家銷售產品。海外銷售的發票以美元為單位，惟本集團的意大利附屬公司進行銷售的發票則以歐元為單位。中國大陸銷售的發票以人民幣為單位。原材料（亞麻纖維及大麻纖維）從歐洲進口及於中國採購。本集團面對的主要風險及不明朗因素包括對亞麻紗不穩定的需求、若干國家的貿易保護主義及可能對中國製產品徵收懲罰性關稅、不穩定的原材料供應、棉花價格持續下跌、美元兌人民幣貶值、埃塞俄比亞新擴充項目的執行風險及導致生產流程中斷的疫情爆發。

## 與利益相關者的關係

本集團認為僱員、客戶及業務合作夥伴對於其可持續發展至關重要。本集團致力於與其僱員建立親密及充滿關愛的關係，向其客戶提供優質服務及增強與其業務合作夥伴的合作。本公司提供公平及安全的工作環境、提倡其員工多元化，並基於其優勢及表現提供具競爭力的薪酬及福利以及職業發展機會。本集團亦持續向其僱員提供適當培訓及發展資源，以便彼等緊跟市場及行業最新動態，同時在履行其職責過程中提高績效及實現自我實現。

## 自財政年度末起所發生的影響本公司的重大事件

自年末起及直至本年報日期，概無發生影響本公司的重大事件。

# Report of the Directors

## 董事會報告

### DIVIDEND

At a meeting of the Board held on 28 March 2023, the Board recommended the payment of a final dividend of HK\$0.09 per ordinary share for the Year. The proposed final dividend, if approved by the Shareholders at the forthcoming annual general meeting of the Company, will be paid on or before 14 July 2023 to the Shareholders whose names appear on the register of members of the Company as at 23 June 2023. None of the Shareholders has waived or agreed to waive any dividend.

### RESERVES

Movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 101 of this annual report.

### DISTRIBUTABLE RESERVES

As at 31 December 2022, the Company's distributable reserves calculated under the Companies Act of the Cayman Islands amounted to RMB609,415,000 (31 December 2021: RMB644,737,000).

### DONATIONS

Charitable and other donations made by the Group during the Year amounted to approximately RMB148,000 (31 December 2021: RMB92,000).

### SHARE CAPITAL

Details of the movements in the share capital of the Group are set out in note 26 to the financial statements.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 8 of this annual report.

### PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment of approximately RMB49,334,000. Details of the movements are set out in note 13 to the financial statements.

### 股息

於二零二三年三月二十八日舉行的董事會會議上，董事會建議派發年內末期股息每股普通股0.09港元。如股東於本公司應屆股東週年大會上批准，建議末期股息將於二零二三年七月十四日或之前向於二零二三年六月二十三日名列本公司股東名冊的股東派付。概無股東放棄或同意放棄任何股息。

### 儲備

本集團於年內的儲備變動載於本年報第101頁的合併權益變動表。

### 可分派儲備

於二零二二年十二月三十一日，本公司根據開曼群島公司法計算的可分派儲備達人民幣609,415,000元（二零二一年十二月三十一日：人民幣644,737,000元）。

### 捐款

本集團於年內作出的慈善及其他捐款約為人民幣148,000元（二零二一年十二月三十一日：人民幣92,000元）。

### 股本

本集團股本的變動詳情載於財務報表附註26。

### 財務摘要

本集團在過去五個財政年度的業績及資產和負債的概要載於本年報第8頁。

### 物業、廠房及設備

年內，本集團購入約人民幣49,334,000元的物業、廠房及設備，變動詳情載於財務報表附註13。

# Report of the Directors 董事會報告

## DIRECTORS

During the Year and up to the date of this annual report, the Directors were:

### Executive Directors

Mr. Ren Weiming (*Chairman*)  
Mr. Shen Yueming  
Mr. Zhang Hongwen  
Ms. Shen Hong

### Non-executive Director

Mr. Ngan Kam Wai Albert

### Independent non-executive Directors

Mr. Lau Ying Kit  
Mr. Lo Kwong Shun Wilson  
Mr. Yan Jianmiao

Pursuant to article 84 of the Articles of Association of the Company (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 and be eligible for re-election. In accordance with article 84 of the Articles, Mr. Ngan Kam Wai Albert, Mr. Yan Jianmiao and Ms. Shen Hong shall retire from office by rotation at the forthcoming annual general meeting. All retiring Directors, being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting.

## 董事

年內及直至本年報日期的董事如下：

### 執行董事

任維明先生 (*主席*)  
沈躍明先生  
張鴻文先生  
沈鴻女士

### 非執行董事

顏金煒先生

### 獨立非執行董事

劉英傑先生  
羅廣信先生  
嚴建苗先生

根據本公司組織章程細則（「細則」）第84條，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的董事人數）均須輪席退任，惟每位董事須最少每三年退任一次，並可膺選連任。按照細則第84條，顏金煒先生、嚴建苗先生及沈鴻女士須於應屆股東週年大會上輪席退任。所有退任董事合資格並願意於應屆股東週年大會上膺選連任為董事。

## Report of the Directors 董事會報告

Pursuant to code provision B.2.3 of the corporate governance code (the “CG Code”) set out in Part 2 of the Appendix 14 of the Listing Rules, if an independent non-executive director has served more than nine years, such director’s further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson, independent non-executive Directors who have served the Company since 13 November 2006 and 17 May 2010, respectively. Separate resolutions will be proposed for their continuous appointments at the forthcoming annual general meeting. The Company has received from each of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson a written confirmation of independence pursuant to rule 3.13 of the Listing Rules, and Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson have not engaged in any executive management of the Group. Taking into consideration of their independent scope of work in the past years, the Board considers that Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson would independently fulfill their role as independent non-executive Directors despite the fact that each of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson has served the Company for more than nine years. Each of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson has the required character and integrity to act as a Director of the Company and possesses extensive experience and professional knowledge in accounting and corporate finance to bring objective judgement to the Board.

At the forthcoming annual general meeting, ordinary resolutions will be proposed to re-elect Mr. Ngan Kam Wai Albert as non-executive Director, Mr. Yan Jianmiao as independent non-executive Director, Ms. Shen Hong as executive Director, and continuous appointment of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson as independent non-executive Directors who have served for more than nine years.

### DIRECTORS’ SERVICE CONTRACTS

None of the Directors has any unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than normal statutory compensation.

根據上市規則附錄十四第二部分所載企業管治守則（「企業管治守則」）的守則條文第B.2.3條，若獨立非執行董事在任已逾九年，其是否獲續任應以獨立決議案形式由股東審議通過。獨立非執行董事劉英傑先生及羅廣信先生分別自二零零六年十一月十三日及二零一零年五月十七日起任職於本公司。將於應屆股東週年大會上就彼等的繼續委任提呈獨立決議案。本公司已接獲劉英傑先生及羅廣信先生各自根據上市規則第3.13條發出的書面獨立確認書，劉英傑先生及羅廣信先生並無參與本集團任何行政管理。經考慮彼等各自於過往年度的獨立工作範圍，董事會認為儘管劉英傑先生及羅廣信先生各自已於本公司任職逾九年，惟劉英傑先生及羅廣信先生將獨立履行其作為獨立非執行董事的職責。劉英傑先生及羅廣信先生各自具備擔任本公司董事所需的品格及誠信，並於會計及企業融資方面擁有豐富經驗及專業知識，可為董事會作出客觀判斷。

於應屆股東週年大會上將提呈普通決議案，以重選顏金煒先生為非執行董事、嚴建苗先生為獨立非執行董事、沈鴻女士為執行董事，以及繼續委任任職逾九年的劉英傑先生及羅廣信先生為獨立非執行董事。

### 董事的服務合約

本集團並無與董事訂立任何不可於一年內免付補償（一般法定賠償除外）予以終止的未屆滿服務合約。

# Report of the Directors 董事會報告

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

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries, and a controlling shareholder or any of its subsidiaries, was a party and in which a Director has a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year except as disclosed under the section headed "Connected Transactions" below and note 33 to the financial statements.

## INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Board considers all of the independent non-executive Directors to be independent in accordance with Rule 3.13 of the Listing Rules during the Year and remain so as at the date of this annual report. The re-election of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson (who had both served the Board for more than nine years) as independent non-executive Directors has been approved by way of separate resolutions at the annual general meeting of the Company held on 21 May 2021.

## PERMITTED INDEMNITY AND INSURANCE

Pursuant to the Articles, every Director or other officer of the Company shall be entitled to 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 he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto; provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. The Company has arranged appropriate directors' and officers' liability insurance coverage in respect of legal actions against the Directors and officers of the Group.

## 董事於重大交易、安排或合約的權益

於年末或於年內任何時間，本公司或其附屬公司及控股股東或其任何附屬公司概無訂立有關本集團業務而董事直接或間接擁有重大權益的重大交易、安排或合約，惟根據以下「關連交易」一節及財務報表附註33所披露者除外。

## 獨立非執行董事的獨立性

本公司已獲各獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條確認其獨立性，董事會認為，根據上市規則第3.13條，全體獨立非執行董事於年內均為獨立人士，且於本年報日期仍為獨立人士。重選劉英傑先生及羅廣信先生（均已任職董事會超過九年）為獨立非執行董事，已於二零二一年五月二十一日舉行的本公司股東週年大會上以獨立決議案批准。

## 獲准許的彌償及保險

根據細則，本公司的每一名董事或其他高級職員有權因執行彼等各自職務或就此而可能承擔或蒙受的所有訴訟、費用、支出、損失、損害及開支獲得以本公司的資產及溢利作出的彌償保證及免受損害；惟此彌償保證並不延伸至與上述人士的任何欺詐或不誠實行為有關的任何事項。本公司已為就可能針對本集團董事及高級職員的法律訴訟安排適當的董事及高級職員責任保險。

# Report of the Directors 董事會報告

## REMUNERATION POLICY

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of Directors' remuneration are set out in note 8 to the financial statements.

The remuneration of the senior management of the Company during the Year fell within the following range:

## 薪酬政策

薪酬委員會考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為合適。

董事薪酬的詳情載於財務報表附註8。

年內，本公司高級管理層的薪酬介乎下列幅度：

		<b>No. of senior management 高級管理層人數</b>
RMB1,500,001 – RMB2,000,000	人民幣1,500,001元至人民幣2,000,000元	<u>1</u>

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on page 24 of this annual report.

## 董事及高級管理層的履歷詳情

董事及高級管理層履歷詳情載於本年報第24頁。

## CHANGES IN DIRECTOR'S AND CHIEF EXECUTIVE'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in the section headed "Directors and Senior Management", there is no other change in information of the Directors or the chief executive of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the interim report for the six months ended 30 June 2022 and up to the date of this annual report.

## 根據上市規則第13.51B(1)條披露的董事及最高行政人員履歷詳情變動

除「董事及高級管理層」一節所披露者外，自截至二零二二年六月三十日止六個月中期報告日期起及直至本年報日期，概無其他根據上市規則第13.51B(1)條須予披露的董事及本公司最高行政人員資料變動。

# Report of the Directors 董事會報告

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

As at 31 December 2022, the Directors and their associates had the following interests in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules:

## 董事及最高行政人員於股份、相關股份及債券擁有的權益及淡倉

於二零二二年十二月三十一日，董事及彼等的聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益如下：

### Ordinary shares of HK\$0.01 each 每股面值0.01港元的普通股

Name of Director	董事姓名	Personal interests (Note 1)	Corporate interests	Total number of Shares interested	Approximate percentage of issued share capital (%)
		個人權益 (附註1)	公司權益	擁有權益的股份總數	佔已發行股本概約百分比 (%)
Mr. Ren Weiming	任維明先生	12,072,000	314,990,000 (Note 2) (附註2)	327,062,000	51.94
Mr. Ngan Kam Wai Albert	顏金煒先生	418,000	67,000,000 (Note 3) (附註3)	67,418,000	10.71
Ms. Shen Hong	沈鴻女士	504,000	–	504,000	0.08

# Report of the Directors

## 董事會報告

### Notes:

1. The Shares are registered under the names of the Directors who are the beneficial Shareholders.
2. Mr. Ren Weiming holds approximately 76.38% of the issued share capital of Kingdom Investment (as defined below). Mr. Ren therefore holds a controlling interest in Kingdom Investment and is deemed under the SFO to be interested in the Shares held by Kingdom Investment.
3. Mr. Ngan Kam Wai Albert and Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan, hold approximately 51.00% and 23.00% of the issued share capital of Millionfull International (as defined below) and 57.98% and 29.76% of the issued share capital of Millionfull Company Limited, respectively. Mr. Ngan therefore holds controlling interests in both Millionfull International and Millionfull Company Limited and is deemed under the SFO to be interested in 64,800,000 Shares, i.e. 10.29% Shares, held by Millionfull International and 2,200,000 Shares, i.e. 0.35% Shares, held by Millionfull Company Limited.

Save as disclosed above, as at 31 December 2022, none of the Directors or their associates had or were deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded or required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party or parties to any arrangement to enable the Directors to acquire benefits by means of acquisition of Shares in or debentures of the Company or any other body corporate.

### 附註：

1. 該等股份以作為實益股東的董事的名義登記。
2. Kingdom Investment (定義見下文) 由任維明先生持有約76.38%的已發行股本。因此，任先生對Kingdom Investment持有控制權益。根據證券及期貨條例，任先生因而被視為於由Kingdom Investment持有的股份中擁有權益。
3. Millionfull International (定義見下文) 由顏金煒先生及顏陳秀吉女士(顏先生的配偶) 分別持有約51.00%及23.00%的已發行股本，而億裕有限公司則由彼等分別持有57.98%及29.76%的已發行股本。因此，顏先生對Millionfull International及億裕有限公司持有控制權益。根據證券及期貨條例，顏先生因而被視為於由Millionfull International持有的64,800,000股股份(即10.29%股份)及由億裕有限公司持有的2,200,000股股份(即0.35%股份)中擁有權益。

除以上所披露者外，於二零二二年十二月三十一日，概無董事或彼等的聯繫人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、相關股份及債券中，擁有或被視為擁有根據證券及期貨條例第352條已記入或須記入該條規定存置的登記冊或按照標準守則須知會本公司及聯交所的任何權益或淡倉。

除以上所披露者外，本公司或其任何附屬公司於年內任何時候均無訂立任何安排，使董事以收購本公司或任何其他法人團體的股份或債券的方式獲得利益。



# Report of the Directors 董事會報告

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 31 December 2022, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares of the Company which were recorded or required to be recorded in the register required to be kept under Section 336 of the SFO:

## 主要股東的權益及淡倉

就任何董事目前所知，於二零二二年十二月三十一日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條已記入或須記入該條規定存置的登記冊的權益或淡倉：

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of issued share capital (%) 佔已發行股本概約百分比 (%)
股東名稱	身份	股份數目	
Kingdom Investment Holdings Limited ("Kingdom Investment") (Note 1)	Beneficial owner	314,990,000	50.02
Kingdom Investment Holdings Limited (「Kingdom Investment」) (附註1)	實益擁有人		
Millionfull International Co., Ltd. ("Millionfull International") (Note 2)	Beneficial owner	64,800,000	10.29
Millionfull International Co., Ltd. (「Millionfull International」) (附註2)	實益擁有人		

### Notes:

- Kingdom Investment is owned as to 76.38% by Mr. Ren Weiming, an executive Director and substantial shareholder of the Company.
- Millionfull International is owned as to 51.00% by Mr. Ngan Kam Wai Albert, a non-executive Director, and 23.00% by Ms. Ngan Chan Kattie Sau Kat, the spouse of Mr. Ngan.

Save as disclosed above, as at 31 December 2022, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares which were recorded or required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

### 附註：

- 本公司執行董事兼主要股東任維明先生擁有 Kingdom Investment 76.38%的權益。
- 非執行董事顏金煒先生及顏陳秀吉女士（顏先生的配偶）分別擁有 Millionfull International 51.00% 及 23.00%的權益。

除以上所披露者外，於二零二二年十二月三十一日，本公司並無獲任何人士（本公司董事或最高行政人員除外）知會，其於股份或相關股份中擁有任何根據證券及期貨條例第336條已記入或須記入該條規定由本公司存置的登記冊的權益或淡倉。

# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME

A share option scheme (the “Scheme”) with Shareholders’ approval at the annual general meeting held on 30 May 2016 was adopted on the same date.

The Scheme was established to recognize and acknowledge the contributions that eligible participants had made or may make to the Group. The Scheme will provide the eligible participants with an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (a) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are or will be beneficial to the long term growth of the Group.

Subject to the terms of the Scheme, the Board may at its discretion grant options to: (i) any Director, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the “Affiliate”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any Director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any Director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate, who has contributed to the success of the Group’s operations. The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. Subject to the aforesaid limit, the total number of Shares available for issue under options which may be granted under the Scheme and any other schemes must not, in aggregate, exceed 62,967,800 Shares, being 10% of the number of issued Shares as at 30 May 2016, the date of adoption of the Scheme, and 10% of the number of issued Shares as at the date of this annual report, respectively, unless separate Shareholders’ approval has been obtained.

In accepting the relevant options, the participant is required to pay HK\$10.00 to the Company as consideration for the grant of options. The payment of such consideration should be made on or before the relevant acceptance date, being a date not later than 30 days after the offer date.

### 購股權計劃

本公司於二零一六年五月三十日舉行的股東週年大會上經股東批准，於同日採納一項購股權計劃（「計劃」）。

計劃乃為表彰及肯定合資格參與人士已經或可能對本集團作出的貢獻。計劃將為合資格參與人士提供機會，於達成下列目標後擁有本公司的個人股權：

- (a) 推動合資格參與人士為本集團利益提升表現及效率；及
- (b) 吸引及挽留為本集團長遠增長作出或將會作出有利貢獻的合資格參與人士，或與有關合資格參與人士維持持續業務關係。

在計劃條款的規限下，董事會可自行酌情向下列為本集團業務的成功作出貢獻的人士授出購股權：(i)本集團或本集團持有權益的公司或該等公司的附屬公司（「關聯公司」）任何董事、僱員、顧問、客戶、供應商、代理、業務夥伴或諮詢人或承辦商；或(ii)以本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商為受益人或酌情對象的信託或酌情信託的受託人；或(iii)本集團或關聯公司任何董事、僱員、顧問、專業人士、客戶、供應商、代理、業務夥伴、諮詢人或承辦商實益擁有的公司。因行使根據計劃及任何其他計劃授出而尚未行使的所有購股權可發行的股份數目整體上限，不得超過不時已發行股份的30%。根據上述的上限，因行使根據計劃及任何其他計劃可授出購股權所涉及可供發行的股份總數，合共不得超過62,967,800股股份（即於計劃採納日期二零一六年五月三十日已發行股份的10%及本年報日期已發行股份的10%），惟獲得股東另行批准則除外。

於接納相關購股權時，參與者須向本公司支付10.00港元作為授出購股權的代價。有關代價應於相關接納日期（即不遲於要約日期後30日的日期）或之前支付。

## Report of the Directors 董事會報告

The maximum entitlement for any one participant under the Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time.

The period within which the options must be exercised will be specified by the Board at the time of the grant, and must expire no later than 10 years from the date of grant of option.

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Scheme. However, at the time of granting any option, the Board may impose such conditions, restrictions or limitations as it may determine in its absolute discretion.

The subscription price for any Share shall not be less than the highest of (i) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day, (ii) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option and (iii) the nominal value of a Share.

Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 10 years from the date of its adoption. The Scheme will have a remaining term of approximately 3 years as at the date of this annual report.

計劃的任何一名參與人士於直至授出日期止的任何十二個月期間的最高利益不得超過本公司不時已發行股本的1%。

購股權須行使的期間將由董事會於授出時指定，且最遲須於由授出購股權當日起計十年時屆滿。

並無有關購股權於根據計劃條款可以行使前必須持有的最短期間或必須達成的表現目標的一般規定。然而，於授出任何購股權時，董事會可施加其可絕對酌情決定的條件、限制或規限。

任何股份的認購價不得低於以下的最高者：(i)授出有關購股權日期聯交所每日報價表所列股份收市價，且該日必須為營業日；(ii)相等於緊接授出有關購股權日期前五個營業日聯交所每日報價表所列股份平均收市價的金額；及(iii)股份面值。

受制於本公司於股東大會上提早終止或董事會提早終止，計劃將一直有效及生效，自採納日期起計為期十年。於本年報日期，計劃的剩餘期限約為三年。

## Report of the Directors 董事會報告

No option has been granted under the Scheme since its adoption on 30 May 2016 and the Company has no current plans to grant any options under the Scheme. Accordingly, there are (i) no options granted and to be granted to the Directors, chief executive or substantial shareholders of the Company, or their respective associates; (ii) no participant with options granted and to be granted in excess of the 1% individual limit; (iii) no related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue; and (iv) no other employee participants, related entity participants and service providers with options granted and to be granted. For this reason, it is not applicable for the Company to set out any details of such grant in accordance with Rule 17.07(1) of the Listing Rules. Also, since no Shares have been awarded under the Shares Award Plan, and the Company has no current plans to grant any awarded Shares under the Shares Award Plan, it is not applicable for the Company to set out the number of Shares that may be issued in respect of the Scheme and the Share Award Plan during the year ended 31 December 2022 divided by the weighted average number of Shares of the relevant class in issue for the year ended 31 December 2022. There were a maximum of 62,967,800 Shares which may be issued upon exercise of all options to be granted under the Scheme at the beginning and the end of the year ended 31 December 2022.

### SHARE AWARD PLAN

The Company has adopted a share award plan (the “Share Award Plan”) on 26 August 2016. The purpose of the Share Award Plan is to incentivize, recognize and reward eligible persons for their contribution to the Group, attract and retain personnel, and align the interests of award holders with that of the Shareholders to promote the long-term development and financial performance of the Company.

自計劃於二零一六年五月三十日獲採納起，概無根據計劃授出任何購股權，且本公司現時並無計劃根據計劃授出任何購股權。因此，(i)概無向本公司董事、最高行政人員或主要股東或彼等各自的聯繫人已授出及將予授出購股權；(ii)概無向參與人士已授出及將予授出超過1%個人限額的購股權；(iii)概無於任何12個月內向關連實體參與人士或服務提供商已授出及將予授出超過已發行相關類別股份0.1%的購股權；及(iv)概無向其他僱員參與人士、相關實體參與人士及服務提供商已授出及將予授出購股權。因此，本公司根據上市規則第17.07(1)條載列有關授出的任何詳情並不適用。此外，由於概無根據股份獎勵計劃授出任何股份，且本公司現時並無計劃根據股份獎勵計劃授出任何獎勵股份，故本公司載列截至二零二二年十二月三十一日止年度根據計劃及股份獎勵計劃可發行的股份數目除以截至二零二二年十二月三十一日止年度已發行相關類別股份的加權平均數並不適用。於截至二零二二年十二月三十一日止年度的年初及年末，因根據計劃將予授出的所有購股權獲行使後最高可發行62,967,800股股份。

### 股份獎勵計劃

本公司於二零一六年八月二十六日採納一項股份獎勵計劃（「股份獎勵計劃」）。股份獎勵計劃之目的為激勵、認可及獎勵合資格人士為本集團作出的貢獻、吸引及挽留人員以及使獎勵持有人與股東利益一致，以推動本公司長期發展及提升本公司財務表現。

## Report of the Directors 董事會報告

The Board may, from time to time and at its sole discretion, select any eligible person to participate in the Share Award Plan and determine the number of Shares to be awarded and the terms and conditions of the awards. Awards shall be satisfied by Shares acquired in the market at the prevailing market price and no new Shares will be allotted and issued under the Share Award Plan. The trustee of the Share Award Plan (the “Trustee”) shall hold the awarded Shares on trust for the award holders until the awarded Shares are vested in the relevant award holders according to the Share Award Plan rules. Upon vesting, the Trustee shall either transfer the vested awarded Shares at no cost to such award holders or sell the vested awarded Shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders. As such, it is not applicable for the Company to set out the basis of determining the purchase price of the awarded Shares as required by Rule 17.09(8) of the Listing Rules. It is also not applicable for the Company to set out the period within which the option may be exercised by a selected person as required by Rule 17.09(5) of the Listing Rules since the award will be in the form of Shares, instead of options.

No amount is payable by a selected person upon the acceptance of an offer of or transfer of the awarded Shares from the Trustee to such selected person.

Any grant of awarded Shares to a selected person which would result in the aggregate of (i) the number of awarded Shares underlying all awards (whether vested or not); and (ii) the number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) under any share option scheme adopted by the Company from time to time (including the Scheme), granted to such selected person in the 12-month period up to and including the date of grant of such awarded Shares exceeding 1% of the Shares in issue as at the date of grant of such awarded Shares shall be subject to the approval of the Shareholders in a general meeting. In any financial year of the Company, the maximum number of Shares acquired by the Trustee under the Share Award Plan shall not exceed 5% of the Shares in issue as at the beginning of such financial year.

The vesting period of awarded Shares granted under the Share Award Plan is 4 years.

董事會可不時按其全權酌情決定選擇任何合資格人士參與股份獎勵計劃及釐定將授予的股份數目和獎勵的條款及條件。獎勵將以按當時市價從市場上購入的股份撥付而概不會根據股份獎勵計劃配發及發行任何新股份。股份獎勵計劃受託人（「受託人」）應以信託方式為獎勵持有人持有獎勵股份，直至獎勵股份根據股份獎勵計劃規則歸屬予有關獎勵持有人為止。於歸屬後，受託人須按照該獎勵持有人作出的指示，將已歸屬的獎勵股份免費轉讓予該獎勵持有人，抑或於市場上按當時現行市價盤出售已歸屬的獎勵股份並將所得款項淨額匯付予獎勵持有人。因此，本公司載列上市規則第17.09(8)條規定的釐定獎勵股份購買價的基準並不適用。本公司載列上市規則第17.09(5)條規定的獲選人士可行使購股權的期限亦不適用，因為獎勵將以股份而非購股權的形式進行。

於接納要約或受託人向獲選人士轉讓獎勵股份時，有關獲選人士毋須支付任何款項。

倘向一名獲選人士授出任何獎勵股份將導致截至授出該獎勵股份之日（包括該日）止12個月期間內該獲選人士獲授的(i)全部獎勵所涉及的獎勵股份數目（無論歸屬與否）；及(ii)本公司不時採納的任何購股權計劃（包括購股權計劃）項下的購股權（不論已行使或尚未行使）獲行使時發行及將予發行的股份數目，兩者之總和超過於授出該獎勵股份之日已發行股份的1%，則須獲股東於股東大會上批准。於本公司任何財政年度內，股份獎勵計劃項下由受託人購入的股份最高數目不得超過該財政年度初已發行股份的5%。

根據股份獎勵計劃授出的獎勵股份的歸屬期為4年。

## Report of the Directors 董事會報告

Subject to earlier termination by the Board, the Share Award Plan shall be valid and effective for a period of 10 years from the date of its adoption. The Share Award Plan will have a remaining term of approximately 3.5 years as at the date of this annual report.

During the Year, no Shares have been awarded pursuant to the Share Award Plan and no awarded Shares were vested as the vesting condition on performance target for the Year was not satisfied. The Board will constantly review and determine at its absolute discretion such number of awarded Shares to be awarded to the selected persons under the Share Award Plan with such vesting conditions as the Board may deem appropriate.

Pursuant to the Share Award Plan, 19,400,000 Shares have been awarded to selected persons on 25 May 2018, of which 19,370,000 Shares have been accepted pursuant to the Share Award Plan. Out of such 19,370,000 Shares as accepted by the selected persons pursuant to the Share Award Plan, there were 1,010,000 Shares and 5,159,250 Shares vested and transferred to the employees in 2019 and 2020, respectively. In addition, 1,000,000 and 575,000 granted Shares were returned to the Shares pool due to resignation of relevant employees during 2020 and 2021, respectively. Thus, as at 1 January 2022, the number of awarded Shares available for grant under the Share Award Plan were 1,605,000 Shares. In addition, as a total of 11,625,750 granted but unvested Shares will be returned to the Trustee as the 2022 performance targets were not met, together with the 1,605,000 Shares remain available for granting to employees in the future under the Share Award Scheme, there were a total of 13,230,750 Shares held by Trustee and available for future granting as at 31 December 2022, representing approximately 2.1% of the issued Shares of the Company as at the date of the annual report.

None of the Company's Directors, chief executive or substantial shareholders or their respective associates had been awarded any Shares of the Company and the Company has no plans to award Shares to the aforesaid personnels.

All awarded Shares were granted to employees of the Group. There was no participant with awarded Shares granted and to be granted in excess of the 1% individual limit and there was no related entity participant or service provider with awarded Shares granted and to be granted in any 12-month period exceeding 0.1% of the ordinary shares of the Company in issue.

股份獎勵計劃自其採納日期起10年期間有效及具作用，惟董事會可提前終止。於本年報日期，股份獎勵計劃的剩餘期限約為3.5年。

年內，概無股份已按股份獎勵計劃獲授出，亦無獎勵股份已獲歸屬，原因為年內業績目標的歸屬條件未獲達成。董事會將不斷檢討及全權酌量釐定根據股份獎勵計劃將向獲選人士授出的獎勵股份數目以及董事會可能視為合適的歸屬條件。

根據股份獎勵計劃，該等19,400,000股股份已於二零一八年五月二十五日授予選定人士，其中19,370,000股股份已根據股份獎勵計劃獲接納。於選定人士根據股份獎勵計劃接納的19,370,000股股份中，1,010,000股股份及5,159,250股股份已分別於二零一九年及二零二零年歸屬及轉讓予僱員。此外，由於二零二零年及二零二一年相關僱員辭職，已分別將1,000,000股及575,000股已授出股份返還股份池。因此，於二零二二年一月一日，根據股份獎勵計劃可授出的獎勵股份數目為1,605,000股股份。此外，由於二零二二年業績目標未達成，合共11,625,750股已授出但未歸屬的股份將返還受託人，連同日後根據股份獎勵計劃仍可向僱員授出的1,605,000股股份，於二零二二年十二月三十一日，合共13,230,750股股份由受託人持有且可供日後授出，佔本公司於本年報日期已發行股份的約2.1%。

概無向本公司董事、最高行政人員或主要股東或彼等各自的聯繫人授出本公司任何股份，本公司亦無計劃向上述人員獎勵股份。

所有獎勵股份均授予本集團僱員。概無向參與人士授出及將予授出超過1%個人限額的獎勵股份，亦無於任何12個月內向關連實體參與人士或服務提供商已授出及將予授出超過本公司已發行普通股0.1%的獎勵股份。

# Report of the Directors

## 董事會報告

The following table sets out awards granted and to be granted under the Share Award Plan to (i) each of the Directors, chief executive or substantial shareholders of the listed issuer, or their respective associates; (ii) each participant with awards granted and to be granted in excess of the 1% individual limit; (iii) each related entity participant or service provider with awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue; and (iv) other employee participants, related entity participants and service providers by category:

下表載列根據股份獎勵計劃向以下人士已授出及將予授出的獎勵：(i)上市發行人的各董事、最高行政人員或主要股東，或彼等各自的聯繫人；(ii)已獲授出及將獲授出獎勵超過1%個人限額的各參與人士；(iii)於任何12個月期間內已獲授出及將獲授出獎勵超過相關類別已發行股份0.1%的各關連實體參與人士或服務提供商；及(iv)按類別分類的其他僱員參與人士、相關實體參與人士及服務提供商：

Name/Category of selected person	獲選人士姓名／類別	Number of awarded Shares invested at the beginning of the Year (together with date of grant, vesting period and purchase price) 年初未歸屬的獎勵股份數目 (連同授出日期、歸屬期及購入價)	Number of awarded Shares granted during the Year 年內授出的獎勵股份數目	Number of awarded Shares vested during the Year 年內歸屬的獎勵股份數目	Number of awarded Shares cancelled during the Year 年內註銷的獎勵股份數目	Number of awarded Shares lapsed during the Year 年內失效的獎勵股份數目	Number of awarded Shares unvested at the end of the Year 年末未歸屬的獎勵股份數目
Mr. Ren Weiming (Chairman)	任維明先生 (主席)	-	-	-	-	-	-
Mr. Shen Yueming (Director)	沈躍明先生 (董事)	-	-	-	-	-	-
Mr. Zhang Hongwen (Director)	張鴻文先生 (董事)	-	-	-	-	-	-
Ms. Shen Hong (Director)	沈鴻女士 (董事)	-	-	-	-	-	-
Mr. Ngan Kam Wai Albert (Director)	顏金煒先生 (董事)	-	-	-	-	-	-
Mr. Lau Ying Kit (Director)	劉英傑先生 (董事)	-	-	-	-	-	-
Mr. Lo Kwong Shun Wilson (Director)	羅廣信先生 (董事)	-	-	-	-	-	-
Mr. Yan Jianmiao (Director)	嚴建苗先生 (董事)	-	-	-	-	-	-
Substantial shareholders or their respective associates	主要股東或彼等各自的聯繫人	-	-	-	-	-	-
Related entities	關連實體	-	-	-	-	-	-
Service providers	服務提供商	-	-	-	-	-	-
The five highest paid individuals during the financial year in aggregate	於財政年度五名最高薪酬人士合計	1,806,000	-	-	-	1,806,000	-
Other employees of the Group in aggregate	本集團其他僱員合計	9,819,750 (Granted on 25 May 2018 with nil consideration, for details regarding the vesting conditions, see note below) 9,819,750股 (於二零一八年五月二十五日無償授出，有關歸屬條件的詳情參見下文附註)	-	-	-	9,819,750	-

The closing price of the shares immediately before the date on which the awarded Shares were granted was HK\$0.97.

股份於緊接授出獎勵股份日期前的收市價為0.97港元。

# Report of the Directors

## 董事會報告

Note: Vesting conditions of awarded Shares under the Share Award Plan

附註：股份獎勵計劃下獎勵股份的歸屬條件

### Vesting Date of Awarded Shares 獎勵股份歸屬日期

### Percentage and Conditions of Awarded Shares to be Vested 歸屬的獎勵股份百分比及條件

On 1 April 2020

於二零二零年四月一日

30% of the total number of awarded Shares granted (the “First Tranche Awarded Shares”) subject to the audited net profit of the Group for the year ended 31 December 2019 having reached RMB100 million  
所授出獎勵股份總數的30%（「第一批獎勵股份」），本集團截至二零一九年十二月三十一日止年度的經審核純利須達到人民幣100百萬元

On 1 April 2021

於二零二一年四月一日

30% of the total number of awarded Shares granted (the “Second Tranche Awarded Shares”) together with the First Tranche Awarded Shares which have not been previously vested as a result of non-satisfaction of the performance target by the relevant Grantee, subject to the audited net profit of the Group for the year ended 31 December 2020 having reached RMB150 million  
所授出獎勵股份總數的30%（「第二批獎勵股份」）連同先前因相關承授人未達成表現目標而尚未歸屬的第一批獎勵股份，本集團截至二零二零年十二月三十一日止年度的經審核純利須達到人民幣150百萬元

On 1 April 2022

於二零二二年四月一日

40% of the total number of awarded Shares granted (the “Third Tranche Awarded Shares”) together with the Second Tranche Awarded Shares which have not been previously vested as a result of non-satisfaction of the performance target by the relevant Grantee, subject to the audited net profit of the Group for the year ended 31 December 2021 having reached RMB200 million  
所授出獎勵股份總數的40%（「第三批獎勵股份」）連同先前因相關承授人未達成表現目標而尚未歸屬的第二批獎勵股份，本集團截至二零二一年十二月三十一日止年度的經審核純利須達到人民幣200百萬元

On 1 April 2023

於二零二三年四月一日

Any of the remaining Third Tranche Awarded Shares which have not been previously vested as a result of non-satisfaction of the performance target by the relevant grantee, subject to the audited net profit of the Group for the year ended 31 December 2022 having reached RMB250 million.

任何先前因相關承授人未達成表現目標而尚未歸屬的餘下第三批獎勵股份，本集團截至二零二二年十二月三十一日止年度的經審核純利須達到人民幣250百萬元。

Any unvested awarded Shares will be forfeited thereafter.

任何未歸屬的獎勵股份其後將被沒收。

Since during the Year, no Shares have been awarded pursuant to the Share Award Plan and no option has been granted under the Scheme since its adoption on 30 May 2016, it is not applicable for the Company to set out the number of Shares that may be issued in respect of the Share Award Plan and the Scheme during the year ended 31 December 2022 divided by the weighted average number of Shares of the relevant class in issue for the year ended 31 December 2022.

由於年內，概無股份已按股份獎勵計劃獲授出，且自計劃於二零一六年五月三十日獲採納起，概無根據計劃授出任何購股權，故本公司載列截至二零二二年十二月三十一日止年度根據股份獎勵計劃及計劃可發行的股份數目除以截至二零二二年十二月三十一日止年度已發行相關類別股份的加權平均數並不適用。



# Report of the Directors 董事會報告

## EQUITY-LINKED AGREEMENTS

Save for the Scheme and the Share Award Plan as disclosed in this annual report, no equity-linked agreement was entered into during the year ended 31 December 2022 or subsisted at the end of the year of 2022.

## INTERESTS IN CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business have been entered into, or subsisted, between the Company or any of its subsidiaries and any controlling shareholder or any of its subsidiaries during the Year.

## MANAGEMENT CONTRACTS

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

## MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for approximately 20.1% of the Group's total sales for the Year, which is less than 30% of the Group's total sales for the Year, and sales to the Group's largest customer accounted for approximately 5.3% of the Group's total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 45.2% of the Group's total purchases for the Year, and purchases from the Group's largest supplier accounted for approximately 17.4% of the Group's total purchases for the Year.

So far as the Board is aware, none of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued shares) had any interests in the Group's five largest customers or suppliers noted above.

## 股權掛鉤協議

除本年報披露的計劃及股份獎勵計劃外，截至二零二二年十二月三十一日止年度並無訂立或二零二二年末並無存續任何股權掛鉤協議。

## 於重大合約的權益

本公司或其任何附屬公司與任何控股股東或其任何附屬公司於年內並無訂立或存續任何對本集團業務屬重大的合約。

## 管理層合約

年內並未訂立或存在有關本公司業務全部或任何重大部分的管理及行政的合約。

## 主要客戶及供應商

年內，銷售予本集團五大客戶的銷售額佔本集團年內總銷售額約20.1%，佔本集團年內總銷售額不足30%，而銷售予本集團最大客戶的銷售額佔本集團年內總銷售額約5.3%。從本集團五大供應商的採購額佔本集團年內總採購額約45.2%，而從本集團最大供應商的採購額佔本集團年內總採購額約17.4%。

據董事會所知，概無董事、其緊密聯繫人或任何股東（就董事所知擁有本公司已發行股份5%以上）於上述本集團五大客戶或供應商中有任何權益。

# Report of the Directors

## 董事會報告

### CONNECTED TRANSACTIONS

#### Connected transactions

The Group had not entered into any transaction that constituted connected transaction for the Company under Chapter 14A of the Listing Rules during the Year.

#### Continuing connected transactions

The Group had entered into the following continuing connected transactions with its connected persons which subsisted during the Year. The transactions constituted non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules that were subject to reporting, annual review and announcement requirements but exempt from circular, independent financial advice and independent Shareholders' approval requirements.

1. *Purchases of chemicals and additives*

On 12 March 2021, the Company entered into an agreement with Jinxiu Jiangnan in relation to the purchase of chemicals and additives (the "**Purchase of Chemicals and Additives Framework Agreement**"), pursuant to which the Company agreed to purchase, and Jinxiu Jiangnan agreed to sell, chemicals and additives to subsidiaries of the Company, for the purpose of the fiber scouring and bleaching process to be undergone by the subsidiaries, for a term of three years with retrospective effect from 1 January 2021 and ending on 31 December 2023. The terms of the historical purchase of chemicals and additives from Jinxiu Jiangnan were consistent with the terms as contemplated under the Purchase of Chemicals and Additives Framework Agreement as further detailed in the announcement of the Company dated 12 March 2021.

The Group considered that the type of chemicals and additives and their mixing proportion were critical to the scouring and bleaching process, together with the identities of the suppliers, these were collectively commercial secrets and were important to the success of the Group. The chemicals and additives were first purchased by Jinxiu Jiangnan, re-labelled and then delivered to the wholly-owned subsidiaries of the Company. The chemicals were charged by Jinxiu Jiangnan at the original costs of purchase from the third-party suppliers plus the additional transportation costs of transporting the chemicals to the Group's factories. Such arrangements were purely made to preserve the commercial secrets of the Group and Jinxiu Jiangnan did not have any gain during the transactions.

### 關連交易

#### 關連交易

本集團於年內並無訂立任何構成上市規則第14A章項下本公司關連交易的交易。

#### 持續關連交易

本集團與關連人士訂立下列持續關連交易，且於年內存續。根據上市規則第14A章，該等交易構成本公司的不獲豁免持續關連交易，須遵守申報、年度審閱及公告規定，惟豁免遵守通函、獨立財務顧問及獨立股東批准規定。

1. *採購化學品及添加劑*

於二零二一年三月十二日，本公司就採購化學品及添加劑與錦繡江南訂立協議（「**化學品及添加劑採購框架協議**」），據此，本公司同意採購，而錦繡江南同意向本公司附屬公司出售用於附屬公司將進行的纖維煮漂工藝的化學品及添加劑，由二零二一年一月一日起至二零二三年十二月三十一日止為期三年追溯生效。誠如本公司日期為二零二一年三月十二日的公告所進一步詳述，向錦繡江南的過往採購化學品及添加劑條款與化學品及添加劑採購框架協議項下擬進行的條款一致。

本集團認為，化學品及添加劑的種類以及其混合比例就煮漂工藝而言至關重要，連同供應商的身份均為商業秘密，對本集團的成功至關重要。化學品及添加劑首先由錦繡江南採購，重新貼標後再交付予本公司全資附屬公司。化學品由錦繡江南按第三方供應商的原採購價收取，另加運輸化學品至本集團工廠的額外運輸成本。有關安排純粹是為了保護本集團的商業秘密，錦繡江南於交易過程中並無任何收益。

# Report of the Directors

## 董事會報告

As at the date of the Purchase of Chemicals and Additives Framework Agreement, Jinxiu Jiangnan was owned as to 98% by Kingdom Creative and 2% by Mr. Ren Weiming, an executive Director and chairman of the Board, and Kingdom Creative was owned as to 71.64% by Mr. Ren Weiming. Jingxu Jiangnan was therefore a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Purchase of Chemicals and Additives Framework Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Jinxiu Jiangnan is principally engaged in trading business and is entitled to conduct import and export business in China.

During the Year, the Group purchased chemicals and additives for scouring and bleaching from Jinxiu Jiangnan with an amount of RMB2,284,000 (2021: RMB3,023,000), which did not exceed the annual cap for the Year, which was RMB6,000,000.

### 2. *Purchases of tools and accessories*

The Group built a new factory in Ethiopia. Due to the absence of the relevant tools and accessories in Ethiopia, all of the tools and accessories used in the factory in Ethiopia had to be purchased and shipped from China to Ethiopia. On 12 March 2021, the Company entered into an agreement in relation to the purchase of tools and accessories (the “**Purchase of Tools and Accessories Framework Agreement**”), pursuant to which the Company agreed to purchase, and Jinxiu Jiangnan agreed to sell, tools and accessories to subsidiaries of the Company, for usage in the Group’s production plant in Ethiopia, for a term of three years with retrospective effect from 1 January 2021 and ending on 31 December 2023. The terms of the historical purchase of tools and accessories from Jinxiu Jiangnan were consistent with the terms as contemplated under the Purchase of Tools and Accessories Framework Agreement as further detailed in the announcement of the Company dated 12 March 2021.

於化學品及添加劑採購框架協議日期，錦繡江南分別由金達創業及執行董事兼董事會主席任維明先生擁有98%及2%權益，而金達創業由任維明先生擁有71.64%權益。因此，根據上市規則第14A章，錦繡江南為本公司的關連人士，而根據上市規則第14A章，化學品及添加劑採購框架協議項下擬進行的交易構成本公司的持續關連交易。錦繡江南主要從事貿易業務，並有權於中國從事進出口業務。

年內，本集團向錦繡江南採購用於煮漂工藝的化學品及添加劑，金額為人民幣2,284,000元（二零二一年：人民幣3,023,000元），該金額未超過年內人民幣6,000,000元的年度上限。

### 2. *採購工具及配件*

本集團已於埃塞俄比亞建立新工廠。由於埃塞俄比亞缺少相關工具及配件，埃塞俄比亞工廠使用的所有工具及配件均須從中國採購並運往埃塞俄比亞。於二零二一年三月十二日，本公司就採購工具及配件訂立協議（「**工具及配件採購框架協議**」），據此，本公司同意採購，而錦繡江南同意向本公司附屬公司出售供本集團於埃塞俄比亞的生產廠房使用的工具及配件，由二零二一年一月一日起至二零二三年十二月三十一日止為期三年追溯生效。誠如本公司日期為二零二一年三月十二日的公告所進一步詳述，向錦繡江南的過往採購工具及配件條款與工具及配件採購框架協議項下擬進行的條款一致。

## Report of the Directors 董事會報告

As the tools and accessories were sourced from a number of different suppliers in China, the Group engaged Jinxiu Jiangnan to procure and collect those tools and accessories sourced from different suppliers over a period of time, and consolidate and arrange the shipment of all tools and accessories sourced directly to our factory in Ethiopia. The tools and accessories were charged by Jinxiu Jiangnan at the original costs of purchase from the third-party suppliers plus the additional shipping costs of shipping those tools and accessories to Ethiopia. Jinxiu Jiangnan did not have any gain during the transactions.

As at the date of the Purchase of Tools and Accessories Framework Agreement, Jingxu Jiangnan was owned as to 98% by Kingdom Creative and 2% as to Mr. Ren Weiming, an executive Director and chairman of the Board, and Kingdom Creative was in turn owned as to 71.64% by Mr. Ren Weiming. Jingxu Jiangnan was therefore a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Purchase of Tools and Accessories Framework Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the Year, the Group did not purchase any tools and accessories from Jinxiu Jiangnan (2021: RMB323,000). The annual cap for the Year was RMB3,000,000.

由於工具及配件來自中國多個不同的供應商，因此本集團委聘錦繡江南於一段時間內採購並收集來自不同供應商的該等工具及配件，整合所有工具及配件並直接安排運往我們於埃塞俄比亞的工廠。工具及配件由錦繡江南按第三方供應商的原採購價收取，另加運輸該等工具及配件至埃塞俄比亞的額外運輸成本。錦繡江南於交易過程中並無任何收益。

於工具及配件採購框架協議日期，錦繡江南分別由金達創業及執行董事兼董事會主席任維明先生擁有98%及2%權益，而金達創業由任維明先生擁有71.64%權益。因此，根據上市規則第14A章，錦繡江南為本公司的關連人士，而根據上市規則第14A章，工具及配件採購框架協議項下擬進行的交易構成本公司的持續關連交易。

年內，本集團並無向錦繡江南採購任何工具及配件（二零二一年：人民幣323,000元）。年內的年度上限為人民幣3,000,000元。

## Report of the Directors 董事會報告

### 3. Photovoltaic Electricity Purchase Agreement

On 24 October 2022, Zhejiang Kingdom and Zhejiang Jinyuan, both indirect wholly-owned subsidiaries of the Company, entered into a purchase agreement (the “Photovoltaic Electricity Purchase Agreement”) with Zhejiang Yuyuan, pursuant to which Zhejiang Kingdom and Zhejiang Jinyuan agreed to purchase from Zhejiang Yuyuan electricity generated from the photovoltaic electricity system owned, managed and operated by Zhejiang Yuyuan for a term of three years commencing from 1 October 2022 and ending on 30 September 2025, at an annual cap of no more than RMB3,500,000 per year. As at the date of the Photovoltaic Electricity Purchase Agreement, Zhejiang Yuyuan was wholly owned by Kingdom Creative, which was in turn owned as to approximately 71.92% by Mr. Ren Weiming, an executive Director and chairman of the Board. Accordingly, Zhejiang Yuyuan was a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Photovoltaic Electricity Purchase Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the year ended 31 December 2022, the Group purchased electricity from Zhejiang Yuyuan with an amount of RMB2,619,000, which was within the annual cap. The price of electricity purchased was charged with a discount rate of approximately 3.5% to the prevailing government prescribed price for industrial use in Haiyan County. As the applicable percentage ratios (other than the profits ratio) for the Photovoltaic Electricity Purchase Agreement, on an annual basis, exceed 0.1% but are less than 5%, the transactions contemplated under the Photovoltaic Electricity Purchase Agreement is only subject to the reporting, announcement and annual review requirements, but is exempted from the circular, independent financial advice and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. For further details, please also refer to the announcements of the Company dated 24 October 2022.

### 3. 光伏發電購售電合同

於二零二二年十月二十四日，浙江金達及浙江金元（均為本公司的間接全資附屬公司）與浙江昱源訂立購售合同（「光伏發電購售電合同」），據此，浙江金達及浙江金元同意向浙江昱源購買浙江昱源所擁有、管理及運行的光伏發電系統產生的電能，年期由二零二二年十月一日起至二零二五年九月三十日止為期三年，年度上限不超過每年人民幣3,500,000元。於光伏發電購售電合同日期，浙江昱源由金達創業全資擁有，而金達創業由執行董事兼董事會主席任維明先生擁有約71.92%權益。因此，根據上市規則第14A章，浙江昱源為本公司的關連人士，而根據上市規則第14A章，光伏發電購售電合同項下擬進行的交易構成本公司的持續關連交易。

截至二零二二年十二月三十一日止年度，本集團向浙江昱源購買電能人民幣2,619,000元，該金額於年度上限內。所購電價按海鹽縣工業用現行政府規定電價下浮約3.5%收取。由於光伏發電購售電合同的適用百分比率（盈利比率除外）按年計算超過0.1%但少於5%，故根據上市規則第14A章，光伏發電購售電合同項下擬進行的交易僅須遵守申報、公告及年度審閱規定，惟獲豁免遵守通函、獨立財務意見及獨立股東批准規定。有關進一步詳情，請亦參閱本公司日期為二零二二年十月二十四日的公告。

## Report of the Directors 董事會報告

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there are no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) according to the agreements governing them and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company was engaged to report on the continuing connected transactions of the Group for the Year and the auditors has provided a letter to the Board in accordance with Rule 14A.56 of the Listing Rules, confirming that:

- (i) nothing has come to their attention that caused the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (ii) nothing has come to their attention that caused the auditors to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the pricing policies of the Group and the relevant agreements governing such transactions; and
- (iii) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that caused the auditors to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

Save as disclosed above, during the Year, the Group had not entered into any other connected transaction or continuing connected transaction which needs to be disclosed in this annual report pursuant to the requirements of the Listing Rules.

Save as disclosed above, the other related party transactions as disclosed in note 33 to the financial statements do not constitute connected transactions or continuing connected transactions required to be disclosed in this annual report under the Listing Rules. The related party transactions that constituted connected transactions or continuing connected transactions of the Group have complied with the disclosure requirements under Chapter 14A of the Listing Rules.

獨立非執行董事已審閱上述持續關連交易，並確認交易：

- (i) 於本集團的一般及日常業務過程中進行；
- (ii) (a)按正常商業條款；或(b) (如無可供比較的條款) 按不遜於本公司向獨立第三方提供或從獨立第三方取得的條款進行；及
- (iii) 根據監管交易的有關協議，按公平合理及符合股東的整體利益的條款進行。

本公司核數師獲委聘就本集團年內的持續關連交易作出報告，且核數師已根據上市規則第14A.56條向董事會發出函件，確認：

- (i) 並無發現任何事項致使核數師認為所披露的持續關連交易尚未經董事會批准；
- (ii) 並無發現任何事項致使核數師認為所披露的持續關連交易在所有重大方面並無根據本集團的定價政策及監管有關交易的相關協議進行；及
- (iii) 就各項持續關連交易的總額而言，並無發現任何事項致使核數師認為所披露的持續關連交易已超過本公司設定的年度上限。

除上文所披露者外，年內，本集團並無訂立任何其他根據上市規則規定須於本年報披露的關連交易或持續關連交易。

除上文所披露者外，財務報表附註33披露的其他關連方交易不構成根據上市規則規定須於本年報披露的關連交易或持續關連交易。構成本集團關連交易或持續關連交易的關連方交易已遵守上市規則第14A章項下的披露規定。

# Report of the Directors 董事會報告

## BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2022 are set out in note 25 to the financial statements.

## CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## PURCHASE, SALE OR REDEMPTION OF THE GROUP'S LISTED SHARES

The Company or any of its subsidiaries did not purchase, sell or redeem any of the Group's listed securities during the Year.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

## RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

## PENSION SCHEMES

Details of the Group's pension scheme are set out in note 2.4 and note 7 to the financial statements.

## SUFFICIENCY OF PUBLIC FLOAT

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

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10(2) of the Listing Rules:

As at 31 December 2022, none of the Directors nor their respective associates had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group.

Mr. Ren Weiming (“**Mr. Ren**”) holds directorships and/or interests respectively, either directly and/or through Kingdom Creative, in certain private companies (the “**Private Companies**”). The Private Companies are engaged in the silk and/or silk products manufacturing

## 銀行貸款及其他借貸

本集團截至二零二二年十二月三十一日的銀行貸款及其他借貸詳情載於財務報表附註25。

## 根據上市規則的持續披露責任

本公司根據上市規則第13.20、13.21及13.22條並無任何披露責任。

## 購買、出售或贖回本集團上市股份

本公司或其任何附屬公司於年內概無購買、出售或贖回本集團的任何上市證券。

## 優先購買權

細則及開曼群島公司法第22章（一九六一年法例三，經合併及修訂）並無優先購買權的條文。

## 稅項減免

本公司並不知悉股東因持有股份而可獲得的任何稅項減免。

## 退休金計劃

本集團退休金計劃詳情載於財務報表附註2.4及附註7。

## 足夠公眾流通量

根據本公司可公開獲得的資料及就董事會所知，於本年報日期，本公司已按上市規則規定保持足夠公眾流通量。

## 董事於競爭業務中的權益

以下所載乃根據上市規則第8.10(2)條披露的資料：

於二零二二年十二月三十一日，概無董事或其各自的聯繫人於與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

任維明先生（「**任先生**」）分別於若干私人公司（「**該等私人公司**」）出任董事及／或直接及／或透過金達創業持有權益。該等私人公司從事製造絲綢

## Report of the Directors 董事會報告

and/or trading industry, banking and finance leasing (the “**Excluded Business**”), which are fundamentally different from the products manufactured by the Group.

Mr. Ren undertakes, subject to the exceptions mentioned in the prospectus of the Company dated 30 November 2006 (the “**Prospectus**”), that he will not, and will procure that his associates will not (a) either on his own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly be interested or involved or engaged in or acquire or hold an interest (in each case whether as a shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise) in any business which is or is about to be engaged in any business which competes or is likely to compete directly or indirectly with the Group’s business, those other businesses of the Group as set out in the Prospectus, in Hong Kong, the PRC and any other country or jurisdiction to which the Group markets or sells its products and/or in which any member of the Group carries on business mentioned above from time to time (the “**Restricted Activity**”), or (b) either on his own account or in conjunction with or on behalf of any person, firm or company, or as a principal, shareholder, partner, agent, consultant, employee or otherwise and whether for profit, reward or otherwise, directly or indirectly, solicit, interfere with or endeavour to entice away from any member in the Group any person, firm, company or organisation who to its or his knowledge is now or has been a customer, supplier or employee of any member in the Group.

By reasons of the fact that the Excluded Business does not pose any direct or indirect actual competition with the Group’s business and that Mr. Ren has already given an undertaking as referred to above, the Group is therefore capable of carrying on its business independently of, and at arms’ length from, the Excluded Business as described above.

As at the date of this annual report, Mr. Ren has no plan to inject the aforesaid Excluded Business into the Group.

The Company has received from Kingdom Investment and Mr. Ren an annual confirmation that it/he has fully complied with its/his obligations under the deed of non-competition in favour of the Company dated 27 November 2006 during the Year.

及／或絲質產品及／或貿易行業、銀行及融資租賃（「**除外業務**」），基本上與本集團製造的產品不同。

在本公司日期為二零零六年十一月三十日的招股章程（「**招股章程**」）所述的例外情況規限下，任先生承諾彼將不會並促使其聯繫人將不會(a)就其本身或聯同或代表任何人士、商號或公司直接或間接擁有或參與或從事或收購或持有任何業務的權益（於各情況下不論以股東、合夥人、代理、顧問、僱員或其他身份，亦不論為取得利益、回報或其他目的），而上述業務會或很可能會從事於香港、中國及本集團不時推銷或銷售其產品及／或本集團任何成員公司不時進行上述業務的任何其他國家或司法權區與本集團業務、招股章程所載的本集團其他業務直接或間接構成競爭或很可能構成競爭的任何業務（「**受限制活動**」）；或(b)就其本身或聯同或代表任何人士、商號或公司或以主事人、股東、合夥人、代理、顧問、僱員或其他身份，亦不論為取得利益、回報或其他目的，直接或間接招攬、干預或設法誘使據其所知現時或曾經為本集團任何成員公司客戶、供應商或僱員的任何人士、商號、公司或組織離開本集團任何成員公司。

由於除外業務不會對本集團業務構成任何直接或間接實際競爭，及任先生已作出上述承諾，故本集團業務能夠從上述的除外業務中獨立出來及按公平協商原則進行。

於本年報日期，任先生並無計劃將上述除外業務注入本集團。

年內，本公司已收到Kingdom Investment及任先生的年度確認書，確認其已全面遵守日期為二零零六年十一月二十七日以本公司為受益人的不競爭契約。



# Report of the Directors 董事會報告

## CORPORATE STRATEGY AND LONG TERM BUSINESS MODEL

The Company strives to be one of the largest linen yarn manufacturers in the world through its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing advanced management for lean management and excellent performance to generate or preserve value over a longer term.

The Board periodically reviews the progress made against ESG related goals and targets to enable the Group's sustainable development of its business, in order to generate or preserve value over a longer term.

## DIVIDEND POLICY

The Company has adopted a dividend policy on 14 December 2018 (the "Dividend Policy").

Pursuant to the Dividend Policy, the annual dividend to be distributed by the Company to the Shareholders shall be not less than 20% of the Group's profit attributable to Shareholders in any financial year, subject to the criteria set out in the Dividend Policy.

Such declaration and payment of dividends shall remain to be determined at the sole discretion of the Board and subject to all applicable requirements under the Companies Act of the Cayman Islands and the Articles.

In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's actual and expected financial performance; Shareholders' interests; general business conditions and strategies; the Group's expected working capital requirements and future expansion plans; possible effects on the Group's creditworthiness; general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and other factors that the Board deems appropriate.

## 公司策略及長期業務模式

本公司致力於可持續發展及技術創新，開發自主知識產權，產品品牌營銷，追求卓越管理從而達致精益管理及優秀表現，銳意成為全球最大型亞麻紗製造商之一，長期創造或維持價值。

董事會定期審閱ESG相關目標的進展，旨在實現本集團業務的可持續發展，從而創造或保持長期價值。

## 股息政策

本公司已於二零一八年十二月十四日採納一項股息政策（「股息政策」）。

根據股息政策，本公司於任何財政年度向股東分派的年度股息將不少於股東應佔本集團溢利的20%，惟受股息政策內所載條件規限。

有關股息宣派及派付仍由董事會全權酌情釐定並受開曼群島公司法項下全部適用規定及細則規限。

董事會在建議任何股息派付時，亦須考慮到（其中包括）本集團的實際及預期財務表現、股東權益、一般業務狀況及策略、本集團的預期營運資金要求及日後擴張計劃、對於本集團的信譽的潛在影響、一般經濟狀況、本集團業務的業務週期及可能影響本公司的業務或財務表現及財政狀況的其他內在或外在因素，以及董事會認為合適的其他因素。

# Report of the Directors

## 董事會報告

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time. The payment of dividend is also subject to any restriction under the Companies Act of the Cayman Islands and any other applicable laws, rules and regulations, as well as the articles of association of the Company (as amended from time to time).

### CORPORATE GOVERNANCE

The Group's principal corporate governance practices are set out on page 60.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Monday, 29 May 2023 to Friday, 2 June 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 25 May 2023.

In order to determine who are entitled to the proposed final dividend (subject to approval by the Shareholders at the forthcoming annual general meeting), the register of members of the Company will be closed from Wednesday, 21 June 2023 to Friday, 23 June 2023, both days inclusive, during which period no transfer of Shares will be effected. In order to determine who are entitled to the proposed final dividend (subject to approval by the Shareholders at the annual general meeting), unregistered holders of Shares of the Company shall ensure that, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at above address for registration not later than 4:30 p.m. on Tuesday, 20 June 2023. The proposed final dividend, subject to Shareholders' approval at the forthcoming annual general meeting, will be paid to Shareholders on or before Friday, 14 July 2023 whose names appear on the register of members of the Company at the close of business on Friday, 23 June 2023.

本公司將繼續檢討該股息政策，並且保留權利按其全權絕對酌情決定權於任何時間更新、修訂及／或修改該股息政策。該股息政策並不構成本公司作出的具法律約束力的承諾，表示將以任何具體金額支付股息，及／或本公司並無義務於任何時間或不時宣派股息。派付股息亦須遵守開曼群島公司法及任何其他適用法律、規則及法規以及本公司的組織章程細則（經不時修訂）項下的任何限制條件。

### 企業管治

本集團的主要企業管治常規載於第60頁。

### 暫停股份過戶登記手續

為釐定出席本公司應屆股東週年大會並於會上投票的權利，本公司將於二零二三年五月二十九日（星期一）至二零二三年六月二日（星期五）（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶。為釐定出席本公司應屆股東週年大會並於會上投票的權利，本公司股份的未登記持有人應確保所有過戶文件連同相關股票必須不遲於二零二三年五月二十五日（星期四）下午四時三十分交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓），以辦理登記手續。

為釐定享有建議末期股息（有待股東於應屆股東週年大會上批准）的權利，本公司將於二零二三年六月二十一日（星期三）至二零二三年六月二十三日（星期五）（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間將不會辦理股份過戶。為釐定享有建議末期股息（有待股東於股東週年大會上批准）的權利，本公司股份的未登記持有人應確保所有過戶文件連同相關股票必須不遲於二零二三年六月二十日（星期二）下午四時三十分交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址如上），以辦理登記手續。待股東於應屆股東週年大會上批准後，建議末期股息將於二零二三年七月十四日（星期五）或之前向於二零二三年六月二十三日（星期五）營業時間結束時名列本公司股東名冊的股東派付。

# Report of the Directors 董事會報告

## AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting. The Company has not changed its auditors in the preceding three years.

On behalf of the Board

**Ren Weiming**

*Chairman*

Haiyan County, the PRC, 28 March 2023

\* For identification purpose only

## 核數師

安永會計師事務所將於應屆股東週年大會上退任，而會上將提呈續聘安永會計師事務所為本公司核數師的決議案。在過去三年內，本公司未有更換核數師。

代表董事會

*主席*

**任維明**

中國海鹽縣，二零二三年三月二十八日

\* 僅供識別





# Corporate Governance Report 企業管治報告

## CORPORATE PURPOSE, STRATEGY AND GOVERNANCE

The Company is headed by an effective board which assumes responsibility for its leadership and control and is collectively responsible for promoting its success by directing and supervising its affairs. All Directors are expected to take decisions objectively in the best interests of the Company.

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company has adopted the Corporate Governance Code contained in Appendix 14 to the Listing Rules, as amended from time to time (the “CG Code”), as its own code of corporate governance.

Kingdom strives to be one of the largest linen yarn manufacturers in the world through its commitment to sustainable development and technical innovation, developing proprietary intellectual property rights, branding of products and pursuing advanced management for lean management and excellent performance to generate or preserve value over a longer term.

All Directors are expected to act with integrity, set a good example, and promote the desired culture and core values of the Group, namely, Responsible, Sincere, Innovative, and Mutually Successful.

The financial performance of the Group for the Year is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” on page 4 and page 9 of this annual report. Other performance of the Group for the Year is set out in the ESG report which is separately published and is available for download at the websites of the Company and the Stock Exchange.

At Kingdom, environmental considerations are central and are embedded in our decision-making and management processes. Kingdom also supports the development of innovative technologies and properly uses and invests in technologies and businesses that have less adverse impact on the environment.

## 企業宗旨、策略及管治

本公司由有效的董事會領導，董事會履行領導和監控責任，並透過帶領及監督本公司事務共同負責促進其成功。全體董事應客觀地作出符合本公司最佳利益的決策。

本公司認可在本集團管理架構及內部監控程序內引入良好企業管治元素的重要性，藉以達致有效的問責制。本公司已採納上市規則附錄十四所載的企業管治守則（經不時修訂）（「企業管治守則」）作為其本身的企業管治守則。

金達致力於可持續發展及技術創新，開發自主知識產權，產品品牌營銷，追求卓越管理從而達致精益管理及優秀表現，銳意成為全球最大型亞麻紗製造商之一，長期創造或維持價值。

全體董事均應誠信行事，以身作則，弘揚本集團理想的文化和核心價值觀，即「責任、真誠、創新、共贏」。

本集團於年內的財務表現載於本年報第4頁的「主席報告書」及第9頁的「管理層討論及分析」各節。本集團於年內的其他表現載於ESG報告，該報告單獨刊發，可於本公司及聯交所網站下載。

在決策和管理過程中，金達堅持以環保為本。金達亦支持創新技術的開發並正確使用及投資對環境產生較小不利影響的技術及業務。

# Corporate Governance Report

## 企業管治報告

The Board is committed to periodically review the progress made against ESG-related goals and targets to facilitate the Group's sustainable development of its business, in order to generate or preserve value over a longer term.

Except for the deviation from code provision C.2.1 of the CG Code as further detailed in the section headed "Chairman and Chief Executive Officer", the Company has complied with all the code provisions set out in the CG Code that were in effect during the Year. The Company will continue to review and monitor its corporate governance practices to ensure the compliance of the CG Code.

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code and has also devised a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with all Directors, all the Directors have confirmed that they have complied with the provisions of the Model Code and the Company's code of conduct regarding Directors' securities transactions for the Year and up to the date of this annual report.

### THE BOARD

The Board consists of eight Directors, four of whom are executive Directors, one of whom is non-executive Director and three of whom are independent non-executive Directors. There are seven male Directors and one female Director. The functions and duties conferred on the Board include: overseeing the Group's businesses, strategic decisions and performance, promoting the success of the Company by directing and supervising its affairs, convening Shareholders' meetings and reporting on the work of the Board to the Shareholders at Shareholders' meetings as may be required by the applicable laws, implementing resolutions passed at Shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and the applicable laws. The senior management is delegated with the authority and responsibility by the Board to oversee the day-to-day management and operations of the Group, and will report back and obtain prior Board approval before making key investment decisions.

董事會定期檢討就ESG相關目的及目標所取得的進展，使本集團的業務永續發展，從而長期創造或維持價值。

除誠如「主席及行政總裁」一節所進一步詳述的偏離企業管治守則守則條文C.2.1外，本公司已遵守於年內生效之企業管治守則所載之所有守則條文。本公司將繼續檢討及監察其企業管治常規，以確保遵守企業管治守則。

### 董事進行證券交易的標準守則

本公司已就董事進行證券交易採納標準守則，亦已制訂操守守則，其條款不遜於標準守則所載的規定標準。經向全體董事作出特定查詢後，全體董事已確認於年內及直至本年報日期，一直遵守標準守則的條文及本公司有關董事進行證券交易的操守守則。

### 董事會

董事會成員包括八名董事，其中四名為執行董事、一名為非執行董事及三名為獨立非執行董事。七名為男性董事及一名為女性董事。董事會的職能及職責包括：監察本集團的業務、戰略決策及表現、透過帶領及監督本公司事務促進本公司成功、召開股東大會及按適用法例要求於股東大會上向股東匯報董事會的工作、執行於股東大會通過的決議案、釐定本公司的業務計劃及投資計劃、制定本公司的年度預算及期末賬目、制定本公司股息和分紅的建議以及行使細則及適用法律所賦予的其他權力、職能及職責。高級管理層獲董事會授予職權及責任以監督本集團日常管理及營運，而在作出關鍵投資決定之前，將會向董事會進行匯報並獲得其事先批准。

# Corporate Governance Report

## 企業管治報告

The Board meets regularly to review the financial and operating performance of the Company, and to consider and approve the overall strategies and policies of the Company. The composition of the Board and attendance of individual Directors at the meetings of the Board, the Remuneration Committee, the Audit Committee and the Nomination Committee during the Year are as follows:

董事會定期舉行會議審閱本公司的財務及營運表現，並考慮及批准本公司整體策略及政策。於年內，董事會組成成員及個別董事出席董事會、薪酬委員會、審核委員會及提名委員會會議的情況如下：

		Relevant Meetings Attended/Held 出席／舉行相關會議			
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會
<b>Directors</b>	<b>董事</b>				
<b>Executive Directors</b>	<b>執行董事</b>				
Mr. Ren Weiming (Chairman of the Board)	任維明先生 (董事會主席)	6/6			
Mr. Shen Yueming	沈躍明先生	6/6			1/1
Mr. Zhang Hongwen	張鴻文先生	6/6	2/2		
Ms. Shen Hong	沈鴻女士	6/6			
<b>Non-executive Director</b>	<b>非執行董事</b>				
Mr. Ngan Kam Wai Albert	顏金煒先生	6/6			
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>				
Mr. Lau Ying Kit (Chairman of the Audit Committee)	劉英傑先生 (審核委員會主席)	6/6		3/3	1/1
Mr. Lo Kwong Shun Wilson (Chairman of the Nomination Committee)	羅廣信先生 (提名委員會主席)	6/6	2/2	3/3	1/1
Mr. Yan Jianmiao (Chairman of the Remuneration Committee)	嚴建苗先生 (薪酬委員會主席)	6/6	2/2	3/3	

Apart from regular Board meetings, the chairman of the Board also held meetings with the independent non-executive Directors without the presence of the other Directors during the Year.

除定期董事會會議外，董事會主席於年內亦與獨立非執行董事舉行並無其他董事出席的會議。



# Corporate Governance Report

## 企業管治報告

The biographical details of the current Board members are set out under the section headed “Directors and Senior Management” on page 24 of this annual report. Save as otherwise disclosed, there is no relationship (including financial, business, family or other material relationship) between any members of the Board or senior management of the Company.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

During the Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise, and the independent non-executive Directors represented over one-third of the Board.

The Company has received from each of its independent non-executive Directors a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all of the independent non-executive Directors to be independent in accordance with Rule 3.13 of the Listing Rules during the Year and remain so as at the date of this annual report.

All Board members have separate and independent access to the Company’s senior management to fulfil their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company’s expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the relevant meetings. Minutes of Board meetings and meetings of Board committees, which record in sufficient detail the matters considered by the Board/committee and decisions reached, including any concerns raised by the Directors or dissenting views expressed, are kept by the company secretary and are available for inspection by the Directors.

董事會現時成員的履歷詳情載於本年報第24頁的「董事及高級管理層」一節。除另有披露者外，董事會任何成員或本公司高級管理層之間概無任何關連（包括財務、業務、家族或其他重大關連）。

董事名單（按分類表示）亦於本公司根據上市規則不時刊發的所有公司通訊內披露。獨立非執行董事亦根據上市規則在所有公司通訊中有明確識別。

上市規則規定須委任至少三名獨立非執行董事，其中至少一名獨立非執行董事必須具備適當專業資格，或會計或相關財務管理專長，且獨立非執行董事必須佔董事會成員人數至少三分之一。年內，董事會於任何時候均符合此項規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書，而董事會認為按照上市規則第3.13條，全體獨立非執行董事於年內均為獨立人士，且將於本年報日期仍為獨立人士。

所有董事會成員有個別及獨立接觸本公司高級管理層的機會，以履行他們的職責，及在適當的情況下根據合理的要求尋求獨立專業的意見，費用由本公司承擔。所有董事亦可接觸公司秘書，彼負責確保董事會程序及所有適用規則及法規皆獲遵守。議程及隨附的董事會／委員會文件會在相關會議舉行前的合理時間內通知發送董事／董事委員會成員。記錄了董事會／委員會考慮及達成決策的事宜詳情（包括任何董事提出的關注問題或反對意見）的董事會會議及董事委員會會議的會議記錄，由公司秘書保存及可由董事查閱。

# Corporate Governance Report

## 企業管治報告

Pursuant to article 84 of 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 and be eligible for re-election. In accordance with article 84 of the Articles, Mr. Ngan Kam Wai Albert, Mr. Yan Jianmiao and Ms. Shen Hong shall retire from office by rotation at the forthcoming annual general meeting. All retiring Directors, being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting.

The re-election of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson (who had both served the Board for more than nine years) as independent non-executive Directors were approved by way of separate resolutions in the annual general meeting held on 21 May 2021.

### DIRECTORS' RESPONSIBILITY

Every Director must always know their responsibilities as a Director of the Company and the conduct, business activities and development of the Company. Given the essential unitary nature of the Board, non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors.

Newly appointed Directors of the Company will receive a comprehensive, formal and tailored induction on appointment from the legal advisors of the Company. Subsequently, they will also receive briefings and professional development trainings necessary to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under statute and common law, the Exchange Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

The following statement, which sets out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but be distinguished from, the Independent Auditors' Report on page 90 which states the reporting responsibilities of the Group's auditors.

根據細則第84條，於每屆股東週年大會上，當時在任的董事中三分之一（或倘彼等的數目並非三(3)的倍數，則取最接近但不少於三分之一的數目）須輪席退任，惟每名董事須最少每三年於股東週年大會上退任一次，並可膺選連任。根據細則第84條，顏金煒先生、嚴建苗先生及沈鴻女士須於應屆股東週年大會上輪席退任。退任董事全部合資格並願意於應屆股東週年大會上膺選連任為董事。

重選劉英傑先生及羅廣信先生（均於董事會任職逾九年）為獨立非執行董事已於二零二一年五月二十一日舉行之股東週年大會上以獨立決議案方式批准。

### 董事職責

每名董事須時刻了解其作為本公司董事的職責，以及本公司的經營方式、業務活動及發展。由於董事會本質上是一個一體組織，非執行董事應有與執行董事相同的受信責任以及以應有謹慎態度和技能行事的責任。

本公司新委任的董事在接受委任時將獲本公司法律顧問提供全面、正式及定制的就任須知。其後彼等亦將獲得所需的簡介及專業發展培訓，以確保彼等對本公司的營運及業務有適當的了解，以及完全知悉其在法規及普通法、交易所上市規則、法律及其他監管規定的職責以及本公司的業務及管治政策。

以下聲明列出董事對財務報表的責任，它必須連同第90頁的獨立核數師報告一起閱讀，但兩者又必須被區別開來。獨立核數師報告列明本集團核數師的報告責任。

# Corporate Governance Report

## 企業管治報告

### Annual Report and Accounts

The Directors acknowledge their responsibilities to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the Group, and present a balanced, clear and understandable assessment in annual and interim reports and other financial disclosures required by the Exchange Listing Rules.

### Accounting Policies

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies that are consistently applied, and that all applicable accounting standards have been followed.

### Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the disclosure requirements of the Companies Ordinance (Cap. 622, Laws of Hong Kong) and the applicable accounting standards.

### Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Company does not have any officer with the title of “chief executive officer”. However, Mr. Ren Weiming, who acts as the chairman of the Company, is also responsible for overseeing the general operations of the Group. The Board meets regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Company to operate efficiently.

### 年報及賬目

董事確認其有責任於每個財政年度編製真實而公允地反映本集團事務狀況的財務報表，並在年度及中期報告以及聯交所上市規則規定的其他財務披露中呈列平衡、清晰及易於理解的評估。

### 會計政策

董事認為在編製財務報表時，本集團持續採用適當的會計政策，並遵從所有適用的會計準則。

### 會計記錄

董事負責確保本集團保存的會計記錄能合理準確地披露本集團的財務狀況，從而根據《公司條例》（香港法例第622章）的披露規定及適用的會計準則來編製財務報表。

### 保障資產

董事負責採取一切合理及所需的步驟以保障本集團的資產，並防止及查察欺詐及其他不當行為。

### 主席及行政總裁

根據企業管治守則的守則條文C.2.1，主席與行政總裁的角色應有區分，並不應由一人同時兼任。

本公司目前並無任何高級職員擁有「行政總裁」職銜。然而，任維明先生為本公司主席，亦負責監察本集團一般營運。董事會將定期舉行會議，以考慮影響本公司營運的主要事宜。董事會認為此架構將不會損害董事會與本公司管理層之間的權力及職權平衡，且有助於建立有力而穩定的領導層，使本公司能有效營運。

## Corporate Governance Report 企業管治報告

The chairman is to provide leadership for the Board and to take primary responsibility for ensuring that good corporate governance practices and procedures are established. The chairman should ensure that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The chairman will ensure that all Directors are properly briefed on issues arising at Board meetings and ensure that all Directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable.

The chairman is to encourage all Directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company, to encourage Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect the Board's consensus.

The chairman is to ensure that appropriate steps are taken to provide effective communication with the Shareholders and that their views are communicated to the Board as a whole, and to promote a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relationship between executive and non-executive Directors. The chairman held a meeting with the independent non-executive Directors without the presence of other Directors during the Year.

主席應領導董事會並負主要責任，確保制定良好的企業管治常規及程序。主席應確保董事會有效地運作，且履行應有職責，並及時就所有重要的適當事項進行討論。主席將確保全體董事須就董事會會議討論的事項獲適當簡報，並確保所有董事及時收到足夠的資料，而該等資料必須準確、清晰、完整及可靠。

主席應鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合本公司最佳利益，鼓勵持不同意見的董事均表達出本身關注的事宜、給予這些事宜充足時間討論，以及確保董事會的決定能公正反映董事會的共識。

主席應確保採取適當措施與股東進行有效溝通，並將彼等的意見傳達至整個董事會，並應提倡公開、積極討論的文化，促進董事（特別是非執行董事）對董事會作出有效貢獻，確保執行董事與非執行董事之間維持建設性的關係。主席於年內與獨立非執行董事舉行並無其他董事出席的會議。

# Corporate Governance Report

## 企業管治報告

### NON-EXECUTIVE DIRECTORS

The functions of non-executive directors include:

- (a) participating in Board meetings to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- (b) taking the lead where potential conflicts of interests arise;
- (c) serving on the audit, remuneration and nomination committees, if invited; and
- (d) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

Mr. Ngan Kam Wai Albert, a non-executive Director, renewed his service agreement with the Company for a term of three years with an annual remuneration of HK\$120,000 on 1 January 2022.

Mr. Lo Kwong Shun Wilson and Mr. Lau Ying Kit, who are independent non-executive Directors of the Company, renewed their appointments with the Company on the same terms with an annual remuneration of HK\$120,000 and HK\$144,000 respectively for another three years on 1 January 2022. Mr. Yan Jianmiao was appointed as an independent non-executive Director at the annual general meeting of the Company held on 30 May 2016. Mr. Yan has renewed his appointment with the Company for a term of three years with similar terms as other independent non-executive Directors with an annual remuneration of HK\$120,000 with effect on 30 May 2022.

### 非執行董事

非執行董事的職能包括：

- (a) 參與董事會會議為策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷；
- (b) 於發生潛在利益衝突時發揮領導作用；
- (c) 服務於審核、薪酬及提名委員會（如獲邀請）；及
- (d) 監察本公司在達致預定之企業宗旨及目標方面的表現及監督相關表現的申報情況。

非執行董事顏金煒先生已經與本公司重續服務協議，年度薪酬為120,000港元，由二零二二年一月一日起為期三年。

本公司獨立非執行董事羅廣信先生及劉英傑先生已與本公司以相同條款重續任期，年度薪酬分別為120,000港元及144,000港元，由二零二二年一月一日起為期三年。嚴建苗先生已於二零一六年五月三十日舉行的本公司股東週年大會上獲委任為獨立非執行董事。嚴先生已與本公司續訂委任函，條款與其他獨立非執行董事相若，年度薪酬為120,000港元，由二零二二年五月三十日起為期三年。

# Corporate Governance Report

## 企業管治報告

### MECHANISM TO ENSURE BOARD INDEPENDENCE

Mr. Lau Ying Kit has been serving as an independent non-executive Director since his appointment on 13 November 2006 and Mr. LO Kwong Shun Wilson has been serving as an independent non-executive Director since his appointment on 17 May 2010.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by each of the retiring Directors, the qualifications, skills and experience, time commitment and contribution of each of the retiring Directors with reference to the nomination principles and criteria set out in the Company's board diversity policy, the director nomination policy and the corporate strategy. The Nomination Committee has recommended to the Board that the re-election of all retiring Directors and continuous appointments of independent non-executive Directors who have served for more than nine years be proposed for Shareholders' approval at the Annual General Meeting. Based on the professional qualifications and the independent scope of work for Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson, the Board determines that the continuous appointments of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson as independent non-executive Directors will bring considerable stability to the Board.

Mr. Lau Ying Kit has extensive experience in the accounting field. His participation in the Board brings independent judgments on issues relating to the Group's accounts, internal controls, risk management, nominations of directors, conflicts of interests and other management matters. Mr. Lo Kwong Shun Wilson has extensive experience in the corporate finance field. His participation in the Board brings independent judgment on issues relating to the Group's corporate finance, accounting, internal control, risk management, nomination of directors, conflict of interests and other management matters.

The Board also noted that each of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson had not engaged in any executive management of the Group. Taking into consideration of each of their independent scope of work in the past years, the Directors considered each of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson to be independent under the Listing Rules despite the fact that each of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson had been serving the Company for more than nine years and would continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

The further appointment of Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson will be subject to a separate resolution to be approved by the Shareholders at the forthcoming annual general meeting with additional disclosures in accordance with the CG Code.

### 確保董事會獨立性的機制

劉英傑先生自二零零六年十一月十三日獲委任以來一直擔任獨立非執行董事，及羅廣信先生自二零一零年五月十七日獲委任以來一直擔任獨立非執行董事。

提名委員會已參考本公司董事會多元化政策、董事提名政策列出的提名原則及標準以及企業策略，檢討董事會結構及組成、各退任董事提供的確認書及披露、各退任董事的資格、技能及經驗、所投入的時間及貢獻。提名委員會已建議董事會於股東週年大會上擬重選所有退任董事及繼續委任任職逾九年的獨立非執行董事以供股東批准。基於劉英傑先生及羅廣信先生的專業資格及獨立工作範圍，董事會認為，繼續委任劉英傑先生及羅廣信先生為獨立非執行董事將為董事會帶來相當大的穩定性。

劉英傑先生於會計領域擁有豐富經驗。參與董事會時，彼於本集團會計、內部監控、風險管理、董事提名、利益衝突及其他管理事宜等相關議題方面發揮獨立判斷。羅廣信先生於企業融資領域擁有豐富經驗。參與董事會時，彼於本集團企業融資、會計、內部監控、風險管理、董事提名、利益衝突及其他管理事宜等相關議題方面發揮獨立判斷。

董事會亦注意到劉英傑先生及羅廣信先生各自並無參與本集團任何行政管理。儘管劉英傑先生及羅廣信先生各自已於本公司任職超過九年，經考慮彼等各自於過往年度的獨立工作範圍，董事認為劉英傑先生及羅廣信先生各自根據上市規則屬獨立人士，並將繼續為董事會帶來寶貴的業務經驗、知識及專長，以實現其高效、有效的運作及多元化。

劉英傑先生及羅廣信先生的進一步委任須待股東於應屆股東週年大會上批准一項獨立決議案後方可作實，並須根據企業管治守則作出額外披露。

# Corporate Governance Report 企業管治報告

## DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

During the Year, the Directors were provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. During the Year, the Company arranged a training on latest changes on the CG Code and the Listing Rules, with topics covering core shareholder protection standards, codification of other requirements, consultation conclusions on review of the CG Code and related listing rules and listing rules amendments relating to share schemes, for Directors' continuous professional development. All Directors attended the training.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged liability insurance to indemnify its Directors and officers in respect of legal actions against them. During the Year, no claim had been made against the Directors and officers of the Company.

## COMPANY SECRETARY

During the Year, Mr. Chan Yan Kwan Andy, the company secretary of the Company, a Chartered Secretary and a Chartered Governance Professional, attended relevant professional training for not less than 15 hours.

Mr. Chan is an employee of the Group and reports to the chairman of the Board. All Directors have access to the advice and services of the company secretary to ensure that Board procedures, and all applicable law, rules and regulations, are followed.

## 董事持續培訓及發展

年內，董事定期獲知會本公司的最近期表現、狀況及前景，使董事會整體及各董事能履行彼等的職責。此外，本集團鼓勵全體董事參與持續專業發展，發展及增進知識及技能。本公司不時為董事提供有關上市規則及其他適用監管規定的最新發展，確保彼等遵守及知悉良好的企業管治常規。年內，本公司為董事的持續專業發展安排了一次內容涉及企業管治守則及上市規則最新變動的培訓，主題涵蓋核心股東保障標準、編纂其他規定、檢討企業管治守則及相關上市規則的諮詢結論及有關股份計劃的上市規則修訂。全體董事均有出席該培訓。

## 董事及高級職員的責任保險及彌償保證

本公司已安排責任保險，以就針對董事及高級職員的法律訴訟向彼等作出彌償。年內並無任何人士向本公司董事及高級職員提出索償。

## 公司秘書

年內，本公司的公司秘書陳仁君先生（特許秘書及公司治理師）已出席不少於15小時的相關專業培訓。

陳先生為本集團僱員並向董事會主席匯報。全體董事均有權採用公司秘書的意見及服務以確保董事會運作程序及所有適用法律、規則及規例已被遵循。

# Corporate Governance Report

## 企業管治報告

### BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company were established with defined written terms of reference and report their findings and recommendations to the Board after each meeting of the Board committees. An updated list of Directors identifying their roles and functions and whether they are independent non-executive Directors, and the terms of reference of the Board committees are provided on the website of the Company and on the Stock Exchange's website and are available to the Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under the section titled "Corporate Information" on page 2 of this annual report.

### REMUNERATION COMMITTEE

The Remuneration Committee has adopted written terms of reference prepared by reference to the requirements under the code provision E.1.2 of the CG Code. The primary functions of the Remuneration Committee are to consider and recommend to the Board the remuneration and other benefits paid by the Company to the Directors and senior management. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Zhang Hongwen, Mr. Yan Jianmiao (chairman of the Remuneration Committee) and Mr. Lo Kwong Shun Wilson.

The Remuneration Committee shall meet at least once every year to review the remuneration policy and structure and determine the annual remuneration packages of the executive Directors and the senior executives and other related matters. The Remuneration Committee shall make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration.

### 董事委員會

董事會已成立三個委員會，分別為審核委員會、薪酬委員會及提名委員會，以監察本公司各特定範疇的事務。本公司董事會轄下所有委員會均按具體的書面職權範圍成立，並在每次董事會委員會會議後向董事會報告其發現及推薦建議。最新一份董事會成員名單（列明其角色及職能以及彼等是否獨立非執行董事）以及董事委員會的職權範圍載於本公司網站及聯交所網站，並可供股東於要求時查閱。

各董事委員會成員大部分為獨立非執行董事，各董事委員會的主席及成員名單載於本年報第2頁「公司資料」一節。

### 薪酬委員會

薪酬委員會已採納書面職權範圍，此乃參照企業管治守則的守則條文E.1.2的規定編製。薪酬委員會的主要職能為考慮及向董事會建議本公司支付予董事及高級管理層的薪酬及其他福利。薪酬委員會定期監察所有董事及高級管理層的薪酬，以確保彼等的薪酬及補償水平為適合。

薪酬委員會成員包括一名執行董事張鴻文先生以及兩名獨立非執行董事嚴建苗先生（薪酬委員會主席）及羅廣信先生。

薪酬委員會須最少每年舉行一次會議，審閱薪酬政策及架構，並釐定執行董事及高級行政人員的年度薪酬組合及其他有關事宜。薪酬委員會應就本公司全體董事及高級管理層的薪酬政策及架構向董事會提供推薦建議。



# Corporate Governance Report

## 企業管治報告

Two Remuneration Committee meetings were held during the Year. At the meetings, the Remuneration Committee reviewed and approved the remuneration of the Directors, after comparing with that of the directors of similar textile companies listed on the Stock Exchange. The Remuneration Committee reviewed the share schemes of the Company (i.e. share option scheme and share award plan) during the Year. The terms of reference of the Remuneration Committee were also reviewed and amended during the Year.

The attendance record of each member of the Remuneration Committee at the said meetings is set out in the table below:

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Zhang Hongwen	張鴻文先生	2/2
Mr. Yan Jianmiao ( <i>Chairman</i> )	嚴建苗先生 (主席)	2/2
Mr. Lo Kwong Shun Wilson	羅廣信先生	2/2

### NOMINATION COMMITTEE

The Nomination Committee (the “NC”) has adopted written terms of reference prepared by reference to the requirements under the code provision B.3.1 of the CG Code which is available on the websites of the Company and the Stock Exchange. The primary functions of the NC are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually; assess the independence of independent non-executive Directors and review the Board’s diversity policy and to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, based on skills, knowledge and experience, to complement the Company’s corporate strategy. The NC also determined the policy for the nomination of Directors and the nomination procedures and the process and criteria adopted by the NC to select and recommend candidates for directorship. The NC comprises of one executive Director and two independent non-executive Directors, namely Mr. Shen Yueming, Mr. Lau Ying Kit and Mr. Lo Kwong Shun Wilson (chairman of the Nomination Committee).

薪酬委員會於年內舉行了兩次會議。於會議上，薪酬委員會經比較於聯交所上市的類似紡織品公司的董事薪酬後，審閱及批准董事薪酬。薪酬委員會已於年內審閱本公司的股份計劃（即購股權計劃及股份獎勵計劃）。薪酬委員會的職權範圍亦於年內進行檢討及修訂。

各薪酬委員會成員於上述會議的出席記錄載於下表：

### 提名委員會

提名委員會（「提名委員會」）已採納書面職權範圍，此乃參照企業管治守則的守則條文B.3.1的規定編製，並可於本公司及聯交所網站查閱。提名委員會的主要職能為至少每年一次檢視董事會的架構、規模及成員（包括技能、知識及經驗）；評估獨立非執行董事的獨立性及配合本公司的公司策略並檢視董事會多元性政策，並根據董事的技能、知識及經驗，就委任或續任董事及董事繼任計劃向董事會提供推薦建議。提名委員會亦已制定董事提名政策及提名程序，並採納其甄選及建議董事人選的程序及準則。提名委員會成員包括一名執行董事沈躍明先生以及兩名獨立非執行董事劉英傑先生及羅廣信先生（提名委員會主席）。

# Corporate Governance Report

## 企業管治報告

One meeting was held during the Year. At the meeting, the NC reviewed the structure, size and composition of the Board and the Board's diversity policy. The attendance record of each member of the NC at the said meeting is set out in the table below:

於年內舉行了一次會議。於會議上，提名委員會檢討董事會的架構、規模及成員以及董事會多元性政策。各提名委員會成員於上述會議的出席記錄載於下表：

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Shen Yueming	沈躍明先生	1/1
Mr. Lau Ying Kit	劉英傑先生	1/1
Mr. Lo Kwong Shun Wilson (Chairman)	羅廣信先生 (主席)	1/1

### Nomination Policy

#### Objective

The NC shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as Directors including independent non-executive Directors of the Company (the "INEDs") at general meetings or appoint as Directors including INEDs to fill casual vacancies.

### 提名政策

#### 目標

提名委員會將向董事會提名適合候選人，以供其考慮及向股東推薦以在股東大會上膺選為董事（包括本公司獨立非執行董事（「獨立非執行董事」））或委任為董事（包括獨立非執行董事）以填補臨時空缺。

The NC may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or reappointed at a general meeting, or the number of casual vacancies to be filled.

提名委員會如認為適當，可在將於股東大會上獲委任或連任的董事人數，或需要填補的臨時空缺數目之外，提名多名候選人。

The ultimate responsibility for selection and appointment of Directors rests with the Board.

甄選及委任董事的最終責任由董事會承擔。

#### Selection Criteria

The factors listed below would be used as reference by the NC in assessing the suitability of a proposed candidate.

#### 甄選標準

提名委員會於評估擬任候選人的適當性時將以下列因素作為參考。

- Reputation for integrity
- Accomplishment and experience in the textile industry
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service
- 信譽
- 於紡織行業的成就及經驗
- 就可投入時間及相關事務關注作出的承諾
- 各方面的多元性，包括但不限於性別、年齡（18歲或以上）、文化教育背景、種族、專業經驗、技能、知識及任職時間的長短

# Corporate Governance Report

## 企業管治報告

These factors are for reference only, and not meant to be exhaustive nor decisive. The NC has the discretion to nominate any person, as it considers appropriate.

Retiring INEDs are eligible for nomination by the Board to stand for re-election at a general meeting. For those who have served as INEDs for a period of nine consecutive years, such retiring INEDs may stand for re-election at a general meeting subject to a separate resolution to be approved by the Shareholders at a general meeting. For the avoidance of doubt, the nine-year period for determining the independence of an INED for nomination by the Board to stand for re-election at a general meeting would count from his/her date of first appointment as an INED until the date of the general meeting.

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as an INED and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as an INED.

### *Nomination Procedures*

The secretary of the NC shall call a meeting of the NC, and invite nominations of candidates from Board members if any, for consideration by the NC prior to its meeting. The NC may also put forward candidates who are not nominated by Board members.

For filling a casual vacancy, the NC shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the NC shall make nominations to the Board for its consideration and recommendation.

Until the publication of the circular to the Shareholders, the nominated persons shall not assume that they have been recommended by the Board to stand for election at the general meeting.

該等因素僅供參考，而非詳盡及絕對。提名委員會如認為適當，可酌情提名任何人士。

退任獨立非執行董事合資格獲董事會提名於股東大會上膺選連任。就連續九年期間擔任獨立非執行董事的人士而言，有關退任獨立非執行董事可於股東大會上膺選連任，惟須經股東於股東大會上批准獨立決議案。為免生疑問，用於釐定獨立非執行董事獲董事會提名以於股東大會上膺選的獨立性的九年期間從其首次獲委任為獨立非執行董事日期起計直至股東大會日期。

擬任候選人須按規定格式提交必要個人資料，連同彼等書面同意書，同意獲委任為獨立非執行董事及就彼等膺選獨立非執行董事或相關事宜於任何文件或相關網站公開披露彼等的個人數據。

### *提名程序*

提名委員會秘書將召開提名委員會會議，並邀請董事會成員提名候選人（如有）以供提名委員會於其會議前考慮。提名委員會亦可推薦並非由董事會成員提名的候選人。

就填補臨時空缺而言，提名委員會將作出推薦建議以供董事會考慮及批准。就推薦候選人以於股東大會上膺選而言，提名委員會向董事會提名候選人以供其考慮及推薦。

於向股東發出通函前，獲提名人士不得假設其已獲董事會推薦以於股東大會上膺選。

# Corporate Governance Report

## 企業管治報告

In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, a circular will be sent to Shareholders. The circular to Shareholders will set out the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates.

A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

As there may be more candidates than the number of vacancies available, the “highest number of votes” method will be used to determine who shall be elected as an INED.

The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

### BOARD DIVERSITY REVIEW AND POLICY

Selection of candidates will be based on a range of diversity perspectives, including but not limited to, textile industry experience, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merit and contribution that the selected candidates will bring to the Board.

為提供有關獲董事會提名以於股東大會上膺選的候選人資料，本公司將向股東寄發通函。向股東發出的通函將根據適用法律、規則及法規規定載列擬任候選人的姓名、簡要履歷（包括資格及相關經驗）、獨立性、建議薪酬以及任何其他資料。

准許候選人於股東大會前透過向公司秘書送達書面通知撤銷其候選資格。

董事會對於有關其推薦候選人以於任何股東大會膺選的所有事項擁有最終決定權。

由於候選人人數可能大於空缺數量，將採用「最高票數」法決定獨立非執行董事人選。

提名委員會如認為有必要，可要求候選人提供其他資料及文件。

### 董事會多元性審核及政策

甄選候選人時將會以不同的多元性角度為基準，包括但不限於在紡織行業的經驗、性別、年齡、文化及教育背景、道德水平、專業經驗、技能、知識及服務年期。最終決定將會以獲選的候選人為董事會帶來的裨益及貢獻為依歸。

# Corporate Governance Report

## 企業管治報告

During the Year, the NC had reviewed and compared the diversity of the Board with all the listed companies in Hong Kong, in terms of the number of directors a board has, the number of INEDs, the board's gender and average age. The NC also reviewed the professional qualification and expertise of all the Directors. The Board is of the view that board diversity has been achieved. The Board's composition (together with details on the Directors' textile industry experience, age, gender and holding of office in textile association) is as follows:

年內，提名委員會已審核董事會的多元性，並就董事會人數、獨立非執行董事人數、董事會性別及平均年齡方面與香港所有上市公司比較。提名委員會亦已審核所有董事的專業資格及專業知識。董事會認為已實現董事會多元性。董事會的組成(包括有關董事於紡織行業的經驗、年齡、性別及有否於紡織業協會擔任職務的詳情)如下：

Name 姓名	Textile Industry experience 紡織行業經驗	Age 年齡	Gender 性別	Hold office in Textile Association 有否於紡織業協會擔任職務
REN Weiming 任維明	Yes 有	63	Male 男	Yes 有
SHEN Yueming 沈躍明	Yes 有	61	Male 男	No 否
ZHANG Hongwen 張鴻文	Yes 有	56	Male 男	No 否
SHEN Hong 沈鴻	Yes 有	56	Female 女	No 否
NGAN Kam Wai Albert 顏金煒	Yes 有	74	Male 男	Yes 有
LAU Ying Kit 劉英傑	No 否	49	Male 男	No 否
LO Kwong Shun Wilson 羅廣信	No 否	49	Male 男	No 否
YAN Jianmiao 嚴建苗	No 否	57	Male 男	No 否

### Measurable objectives

The Company's measurable objectives of the Board diversity policy are as follows:

- 1) At least half of the members of the Board should have textile industry experience.
- 2) At least one Director should hold office/honorary title in textile association(s) in order to ensure the Company receive first-hand information about the development and challenges of the industry.

### 可計量目標

本公司的董事會多元性政策的可計量目標如下：

- 1) 最少一半董事會成員具紡織行業經驗。
- 2) 最少一名董事於紡織業協會擔任職務／擁有榮譽職銜，以確保本公司取得行業發展及挑戰的第一手資料。

# Corporate Governance Report

## 企業管治報告

3) There must be one female Director at the minimum. Gender is not the primary consideration subject to the Company's compliance with any applicable requirements. The primary consideration of Board member candidates will be based on the merit and the contribution the selected candidates will bring to the Board.

With seven male Directors and one female Director currently in the Board, the board gender diversity is considered achieved. The Board and NC will continue considering potential successors to the Board to maintain or enhance gender diversity.

### Gender diversity of general workforce

As at 31 December 2022, Kingdom had 4,087 employees, including those from the production, research and development and management teams. Female staff accounted for approximately 63% of the workforce as the production of linen yarn calls for a relative high degree of attentiveness and deftness which is more common with women, and the majority of them are between the ages of 31 and 50.

The general workforce is considered to be with proper gender diversity.

### AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group as well as the Group's internal audit function and to provide advice and comments to the Board.

The Audit Committee is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);

3) 必須至少有一名女性董事。在本公司遵守任何適用規定的情況下，性別並非主要考量因素。董事會成員候選人的主要考量因素將會以獲選的候選人為董事會帶來的裨益及貢獻為依歸。

董事會目前由七名男性董事及一名女性董事組成，因而被視為已實現董事會性別多元性。董事會及提名委員會將繼續考慮董事會的潛在繼任者，以保持或加強性別多元性。

### 一般勞工的性別多元性

於二零二二年十二月三十一日，金達員工總人數為4,087人，包括生產、研發、管理團隊員工；女性員工約佔63%，因生產亞麻紗過程需要較細心及手指靈巧，所以女性員工居多，年齡層大多分佈在31-50歲。

一般勞工被認為具有適當的性別多元性。

### 審核委員會

審核委員會遵照上市規則第3.21及3.22條成立，並訂出符合企業管治守則的書面職權範圍。審核委員會的主要職責為檢討及監察本集團財務申報程序、風險管理及內部監控制度以及本集團的內部審核職能，並向董事會提供意見及評議。

審核委員會負責釐定本公司的企業管治政策，並履行下列企業管治職責：

- 制訂及檢討本集團有關企業管治的政策及常規，並提出推薦建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本集團遵守所有法律及監管規定(如適用)的政策及常規；

# Corporate Governance Report

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- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
- to review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Audit Committee consists of three members, namely Mr. Lau Ying Kit, Mr. Lo Kwong Shun Wilson and Mr. Yan Jianmiao, all of whom are independent non-executive Directors. Mr. Lau Ying Kit, who has appropriate professional qualifications and experience in accounting matters, was appointed as the Chairman of the Audit Committee.

During the Year, the Audit Committee held three meetings. At the meetings, the Audit Committee reviewed the Company's relationship with the external auditor, discussed with the Company's external auditor on the tasks performed by them including the nature and scope of their audit and reporting obligations, and reviewed the terms of engagement and their remuneration, reviewed the Company's final results for the year ended 31 December 2021, interim results for the six months ended 30 June 2022 and the continuing connected transactions with the external auditors, and communicated with the external auditors twice without the presence of the management in 2022. The Audit Committee also reviewed and approved the internal audit report and considered the effectiveness of the Group's internal audit function. The attendance record of each member of the Audit Committee at the said meetings is set out in the table below:

Name of Directors	董事姓名	Attendance/Number of Meetings 出席／會議次數
Mr. Lau Ying Kit ( <i>Chairman</i> )	劉英傑先生 (主席)	3/3
Mr. Lo Kwong Shun Wilson	羅廣信先生	3/3
Mr. Yan Jianmiao	嚴建苗先生	3/3

During the Year, the Audit Committee revised the terms of reference of the Audit Committee, and reviewed the Company's corporate governance policies and practices, the Group's internal control functions, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, internal control and risk management, the compliance with the Model Code, and the Company's compliance with the CG Code and disclosures in this Corporate Governance Report.

- 制訂、檢討及監察適用於本集團僱員及董事的行為守則及遵例手冊 (如有)；及
- 檢討本集團遵守企業管治守則及於企業管治報告內披露規定的情況。

審核委員會由三名成員組成，分別為劉英傑先生、羅廣信先生及嚴建苗先生，全屬獨立非執行董事。於會計事宜擁有適當專業資格及經驗的劉英傑先生獲委任為審核委員會主席。

年內，審核委員會共舉行三次會議。於會議上，審核委員會已審閱本公司與外部核數師的關係，與本公司外部核數師討論彼等執行的任務，包括審核的性質及範圍及報告責任，並審閱委聘條款及其薪酬，與外部核數師審閱本公司截至二零二一年十二月三十一日止年度的末期業績、截至二零二二年六月三十日止六個月的中期業績及持續關連交易，並於二零二二年在並無管理層出席的情況下與外部核數師進行兩次溝通。審核委員會亦審閱及批准內部審核報告及審議本集團內部審核職能的有效性。各審核委員會成員於上述會議的出席記錄載於下表：

年內，審核委員會已修訂審核委員會職權範圍並檢討本公司的企業管治政策及常規、本集團內部監控職能、董事及高級管理層的培訓及持續專業發展、本公司遵守法律及監管規定的政策及常規、內部監控及風險管理、遵守標準守則的情況，以及本公司遵守企業管治守則的情況以及本企業管治報告中的披露。

# Corporate Governance Report

## 企業管治報告

The Directors are collectively responsible for preparing the consolidated financial statements of the Group which have been prepared on a going concern basis and in compliance with the requirements of the Listing Rules. There has been no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditors.

### AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.

Management has provided sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval. Management accounts with both financial and operational data were circulated to all Directors on a monthly basis to give a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Company has in place a sound and effective internal control system to safeguard the Shareholders' investment and the Group's assets. The Company has an internal audit function. The Audit Committee is entrusted by the Board to monitor the effectiveness of the Group's internal control and risk management systems on an ongoing basis so as to ensure that the internal control and risk management systems in place, including the resources, staff qualifications and experience, training programmes, accounting, internal audit, compliance and financial reporting functions of the Company are adequate.

董事共同負責按持續經營基準，並遵照上市規則的規定編製本集團的合併財務報表。就遴選及委任外部核數師一事，董事及審核委員會之間並無分歧。

### 審核、內部監控及風險管理

董事會應對本公司的表現、狀況及前景進行平衡、清晰及全面的評估。

管理層已向董事會提供充分的詮釋及資料，以令其能夠對向其提呈以供批准的財務及其他資料進行知情評估。包含財務及運營數據的管理賬目每月分發予全體董事，以充分詳盡地對本集團的表現、狀況及前景進行平衡及易於理解的評估，以令整體董事會及各董事能夠履行其於上市規則第3.08條及第13章項下的職責。

本公司採納良好及有效的內部監控系統，保障股東投資以及本集團的資產。本公司具有內部審計職能。審核委員會受董事會之託，持續監察本集團內部監控及風險管理系統的成效，從而確保本公司施行內部監控及風險管理系統，包括足夠的資源、員工資格及經驗、培訓計劃、會計、內部審計、合規及財務申報職能。



## Corporate Governance Report 企業管治報告

The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The risk management and internal control systems are reviewed on a half-yearly basis. The Company also has a process for identifying, evaluating and managing significant risks (including ESG risks) associated with the achievement of its operational objectives. The day-to-day operation of the Company is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board/Audit Committee. The Company carries out reviews on the effectiveness of the internal control systems, including financial, operational and compliance controls from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Company has established an optimized risk management and internal control system consisting of the Board, Audit Committee, management team, internal control and all departments of the Company. In respect of risk management and internal control, all departments of the Company are the first line of defence, the internal control and management teams are the second line of defence, and the Audit Committee of the Board is the third line of defence. The Board is ultimately responsible for the development of a sound risk management and internal control system of the Company and the effective implementation of risk management, and is the highest decision-making authority for risk management and internal control of the Company.

The primary objective of risk management is to have all the business risks effectively identified, measured, analysed and controlled, such as having them measured against defined limits, monitored, reported and managed (including mitigation of risks), followed by the pursuit of business development on the premise of keeping risks in check. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee conducted review and assessment of the effectiveness of the Company's internal control systems twice during the Year including financial, operational and compliance controls and risk management.

本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的成效。風險管理及內部監控系統每半年檢討一次。本公司亦有識別、評估及管理與達成營運目標有關的重大風險（包括ESG風險）的程序。本公司的日常營運則委託個別部門，對其本身部門的行為及表現進行問責，並須嚴格遵守董事會／審核委員會制定的政策。本公司不時檢討內部監控系統（包括財務、運營及合規監控）成效，確保其能夠符合及應對靈活及不時轉變的經營環境。

本公司已設立經優化的風險管理及內部監控系統，當中包括董事會、審核委員會、管理團隊，內部監控及本公司所有部門。至於風險管理及內部監控，本公司所有部門為第一道防線，內部監控及管理團隊為第二道防線，而董事會轄下的審核委員會則為最後一道防線。董事會最終負責發展本公司的全面風險管理及內部監控系統以及有效實行風險管理，並為本公司風險管理及內部監控的最高決策權力。

風險管理的主要目的為有效識別、計量、分析及監控所有業務風險，例如按界定上限計量、監察、匯報及管理（包括減低風險）該等風險，繼而在風險監察得當的情況下發展業務。該等系統旨在管理而非消除無法達成業務目標的風險，並僅能為重大錯誤陳述或損失提供合理而非絕對的保證。

年內，審核委員會已對本公司的內部監控系統成效進行兩次檢討及評估，包括財務、經營、合規監控及風險管理。

# Corporate Governance Report

## 企業管治報告

During the Year, the Company scrutinized and identified potential risks associated with its corporate structure and business operation by executing basic risk management procedures in all key operations. A risk register of the Company was established to gain substantial information on its overall risk characteristics, providing a solid foundation for risk management and internal control.

The Company conducted an analysis and assessment on the identified risks based on their possibility and influence, so as to determine the risk levels and identify the significant risks faced by the Company. A summary of key risks identified from the perspective of global economy, industry and company level was reviewed and discussed by the Audit Committee and the Board.

Based on the review of the results of risk management and internal control, no material failure or weakness was found in respect of risk monitoring during the Year. The management procedures of financial reports and information disclosure of the Company were in compliance with the Listing Rules. The Board considered that the risk management and internal control of the Company to be effective during the Year and up to the date of this annual report.

### INSIDE INFORMATION

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under Chapter 13 of the Listing Rules and the SFO and the overriding principle that any inside information of the Company should be announced as soon as practicable. The Company reviews from time to time its internal guidelines on inside information with reference to its own and industry circumstances and the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission.

The Company's policy contains a strict prohibition on unauthorized use of confidential or inside information. The Chairman and the chief financial officer of the Company are the key spokespersons of the Company in all external media communications.

The purpose of streamlining the communications of the Group with the media is to regulate all media communication activities, protect the interests of the Company and keep inside information strictly confidential prior to its disclosure.

年內，本公司透過於所有主要營運執行基本風險管理程序，審視並識別與公司架構及業務營運有關的潛在風險。本公司已設立風險登記冊以獲取有關其整體風險特性的重要資料，為風險管理及內部監控提供堅實基礎。

本公司依照所識別風險出現的可能性及造成的影響對該等風險進行分析及評估，以釐定本公司的風險水平及識別本公司所面對的重大風險。審核委員會及董事會已審閱及討論從全球經濟、行業及公司層面識別的主要風險概要。

經審閱風險管理及內部監控的結果，年內並無發現有關風險監控的重大缺失或不足。本公司財務報告及資料披露的管理程序符合上市規則。董事會認為，本公司的風險管理及內部監控在年內及直至本年報日期行之有效。

### 內幕消息

就處理及發佈內幕消息的程序及內部監控而言，本公司察悉其於上市規則第十三章及證券及期貨條例下的責任，亦察悉應在切實可行範圍內盡快公佈本公司任何內幕消息的凌駕性原則。本公司不時參照其本身及行業情況以及證券及期貨事務監察委員會發出的《內幕消息披露指引》，檢討其有關內幕消息的內部指引。

本公司的政策嚴格禁止未經授權使用機密資料或內幕消息。本公司主席及財務總監為本公司所有對外媒體通訊的主要發言人。

精簡本集團與媒體通訊旨在監管所有媒體通訊活動、保障本公司利益及確保內幕消息於披露前保持機密。

# Corporate Governance Report 企業管治報告

## ANTI-CORRUPTION

Kingdom also advocates the principles of integrity, honesty, equity and compliance in the communication and conduct of its entire staff. It strictly requires its staff to:

- reject any bribe, unfair competition, malpractice and embezzlement of corporate assets;
- refuse to do anything harmful to the Company, the environment and the society; and
- refrain from receiving or offering bribes, illegal political contributions or improper donations, events, gift or services.

Kingdom maintains detailed operating procedures, codes of conduct and reward and punishment systems, and makes sure all its employees understand the importance of and uphold integrity and ethics.

Staff can report to their immediate superiors, the human resource department and the top-ranking executives with respect to any non-compliance such as breach or dereliction of duty, abuse of power, receiving bribes or embezzlement of corporate property by means of mail, electronic mail or phone. The issue will then be reported to the human resources department or the Audit Committee for investigation, collection of evidence, verification and resolution, and upon verification will be handled in accordance with the law.

Topics of anti-bribery and anti-corruption are covered in staff trainings and the same are included in the employee regulations section of the staff handbook.

During the Year, there was no reported case in relation to corruption, bribery, blackmail, fraud and money-laundering, legal actions for anti-competitive behaviour, anti-trust, and monopoly practices. Kingdom will adhere to its corporate ethics and uphold its reputation to prevent corruption. There were also no illegal activities or relevant fine or punishment made against the Group in respect of products, human rights or the society. No political contribution was made in 2021.

## 反貪污

金達亦對積極宣導所有金達員工在日常的言行中具體落實正直、誠實、公平和遵守法令的理念。嚴格要求全集團員工應做到：

- 拒絕任何貪腐、不公平競爭、舞弊及濫用公司資產的行為；
- 不從事任何有害本公司、環境及社會的行為；及
- 禁止行賄與受賄、提供非法政治獻金、不當慈善捐贈或活動、不當禮物或款待的收受等。

金達訂定詳細的作業程式、行為指南與獎懲制度，確保所有員工皆理解及落實誠信及道德行為的重要性。

員工可以通過信函、電子郵件、電話等方式向金達直屬主管、人力資源部和最高主管舉報公司任何員工的各類失職、瀆職、以權謀私、收受賄賂、侵佔公司財物等違規行為，經人力資源部或審核委員會調查、取證、核實、得出結論後將依循法律予以處理。

員工培訓包括反賄賂及反貪污等，相同內容亦載於員工手冊的員工法規章節。

年內，金達沒有任何貪污、賄賂、勒索、欺詐及洗黑錢呈報案件以及涉及反競爭行為、反公平貿易和壟斷行為的法律訴訟，未來金達仍會繼續堅守公司道德規範，秉持優良信譽，預防任何貪瀆事件發生。概無針對本集團的有關產品、人權或社會的非法活動或相關罰款或處罰。二零二一年並無作出任何政治獻金。

# Corporate Governance Report 企業管治報告

## WHISTLE-BLOWING POLICY/GRIEVANCE CHANNEL

In order to protect the legitimate rights and interests of employees, strengthen the effective communication between the employees and the company's management, timely communicate and implement rules and regulations formulated by the company, discover and deal with various hidden problems, establish a harmonious, stable, and united labor relationship and create a good corporate culture, and for individuals to seek advice and raise concerns about responsible business conduct in the Group's operations and business relationships, Kingdom has adopted a whistle-blowing policy, with the following principles:

- Legal, fair and just;
- Equal dialogue and engagement;
- Transparent and barrier-free;
- No retaliation;
- Confidential;
- Simple and easy to use.

The grievance channels include suggestion box, notice board displaying various channels to air grievances, telephone, mobile phone, email (ss@kingdom-china.com) and WeChat. We promise that we will handle any complaint within 10 working days.

## 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 2021 is as follows:

Remuneration bands (RMB)	薪酬範圍 (人民幣)	Number of individuals 人數
RMB1,500,001 – RMB2,000,000	人民幣1,500,001元—人民幣2,000,000元	1

## 舉報政策／申訴渠道

為保障員工合法權益，加強員工與公司管理層之間的有效溝通，及時溝通並執行公司制定的規章制度，發現和處理各種隱患，建立和諧、穩定和團結的勞資關係，並營造良好的企業文化，以及供個人就本集團運營和業務關係中的負責任商業行為尋求意見和提出關注，金達採納舉報政策，其原則如下：

- 合法、公平及公正；
- 平等對話和參與；
- 透明，無隔閡；
- 杜絕報復；
- 機密；
- 簡單易用。

申訴渠道包括意見箱、展示各種申訴渠道的公告欄、電話、手機、電子郵件 (ss@kingdom-china.com) 和微信。一旦接到投訴，我們承諾將在10個工作日內處理。

## 應付高級管理層成員的年度薪酬

截至二零二一年十二月三十一日止年度，高級管理層成員的年度薪酬範圍如下：

# Corporate Governance Report 企業管治報告

## AUDITORS' REMUNERATION

During the Year, the remuneration paid to the Company's external auditors, Ernst & Young, is as follows:

Services rendered	提供的服務	Fee paid 已付費用 RMB'000 人民幣千元
Audit Services	審核服務	2,200
Tax services	稅項服務	573

The responsibilities of the external auditors with respect to the 2022 financial statements are set out in the section headed "Independent Auditors' Report" on page 90. Save as disclosed above and in the section headed "Independent Auditors' Report", the Company did not engage Ernst & Young for any non-audit services during the Year.

## ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the Year, which give a true and fair view of the state of affairs of the Group and of the operating results and cash flow for the year. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on page 82 of this annual report.

## 核數師薪酬

於年內支付予本公司外部核數師安永會計師事務所的薪酬如下：

外部核數師就二零二二年財務報表的責任載於第90頁的「獨立核數師報告」一節。除以上及「獨立核數師報告」一節所披露者外，本公司於年內並無委聘安永會計師事務所提供任何非審核服務。

## 問責及審核

董事知悉彼等有責任編製本集團於年內的合併財務報表所載的一切資料及陳述，並真實而公允地反映本集團事務狀況以及年內的經營業績及現金流量情況。董事認為財務報表已遵照所有適用會計準則及規定而編製，並反映根據董事會及管理層的最佳估計、合理知情及審慎判斷後所得的數額。就董事所知，並無有關任何事件或情況的重大不明朗因素可能對本集團持續經營的能力產生重大質疑。因此，董事已按照持續經營基準編製本集團的合併財務報表。

本集團核數師就其對本集團合併財務報表的呈報責任的聲明載於本年報第82頁的獨立核數師報告。

# Corporate Governance Report

## 企業管治報告

### PUBLIC FLOAT

Within the knowledge of the Board, there have been sufficient public float of not fewer than 25% of number of total outstanding shares of the Company according to the “Disclosure of Interests” records at the website of the Stock Exchange, as of 31 December 2021 and as at the latest practicable date prior to the issue of this annual report.

### SHAREHOLDERS’ RIGHTS

#### (i) Procedures for Shareholders to convene an extraordinary general meeting (the “EGM”) (including making proposals/moving a resolution at the EGM to be called by the Board)

- Any 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 carrying the right of voting at general meetings of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the “**Company Secretary**”), to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including putting forward proposals or moving a resolution at the EGM.
- Eligible Shareholders who wish to require an EGM to be called by the Board for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, for the attention of the Company Secretary. The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) for convening an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM, and signed by the Eligible Shareholder(s) concerned.

### 公眾流通股

據董事會所知，根據聯交所網站「權益披露」記錄，截至二零二一年十二月三十一日及於本年報刊發前之最後實際可行日期，本公司擁有不少於發行在外股份總數25%的充足公眾流通股。

### 股東權利

#### (i) 股東召開股東特別大會（「股東特別大會」）的程序（包括於董事會召開的股東特別大會提呈建議／動議決議案）

- 任何一位或以上於遞呈要求日期持有不少於本公司實繳股本（附有本公司股東大會上投票權）十分之一的股東（「**合資格股東**」）於任何時候均有權透過向本公司董事會或公司秘書（「**公司秘書**」）發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，包括於股東特別大會上提呈建議或動議決議案。
- 有意要求董事會召開股東特別大會以於會上提呈建議或動議決議案的合資格股東，必須將經由合資格股東簽署的書面要求（「**要求**」）遞呈至本公司的香港主要營業地點香港九龍觀塘道348號宏利廣場5樓，收件人應註明為公司秘書。要求必須清楚列明有關合資格股東的姓名、其於本公司的股權、召開股東特別大會的理由、股東特別大會的議程（包括建議於股東特別大會上處理的事項詳情），並由有關合資格股東簽署。

# Corporate Governance Report

## 企業管治報告

- The Company will check the Requisition, and the identity and the shareholding of the Eligible Shareholder(s) will be verified by the Company's branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within two months and/or include the proposal or the resolution proposed by the Eligible Shareholder at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as being not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not convene an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM.
- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholder(s) of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Articles, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

### (ii) Procedures for sending enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong by post or email to [ir@kingdom-china.com](mailto:ir@kingdom-china.com) for the attention of the investors relation department of the Company.

## SHAREHOLDERS MEETINGS

Shareholders are given sufficient notice of Shareholders meetings and the chairman of a meeting will ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from Shareholders on voting by poll.

For each substantially separate issue at a general meeting, a separate resolution will be proposed by the chairman of that meeting.

All Directors (including the chairman of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee) are expected to attend the annual general meeting to answer questions at the annual general meeting.

- 本公司將檢視要求，並向本公司的股份過戶登記分處驗證合資格股東的身份及股權。倘要求被認為恰當及完整，則公司秘書將要求董事會於遞呈要求後兩個月內召開股東特別大會及／或於股東特別大會中載列合資格股東提呈的建議或決議案。與之相反，倘要求被驗證為不完整，則合資格股東將獲告知有關結論，而董事會據此不會召開股東特別大會及／或於股東特別大會中載列合資格股東提呈的建議或決議案。

- 倘遞呈要求後21日內，董事會未有將任何否定的結論告知合資格股東，亦未有安排召開股東特別大會，則合資格股東可自行根據細則召開股東特別大會，而有關合資格股東因董事會未有召開大會而合理產生的所有開支應由本公司向有關合資格股東作出償付。

### (ii) 向董事會提問的程序

股東可將向董事會作出的提問及疑問以郵遞方式遞呈至本公司的香港主要營業地點香港九龍觀塘道348號宏利廣場5樓，收件人應註明為董事會，或電郵至 [ir@kingdom-china.com](mailto:ir@kingdom-china.com)，收件人應註明為本公司投資者關係部。

## 股東大會

股東獲提供有關股東大會的充分通知，而大會主席將確保提供進行投票表決的詳細程序說明以及回答股東就投票表決提出的任何問題。

在股東大會上，大會主席將就每項實際獨立的事宜個別提出決議案。

預期全體董事（包括董事會主席、審核委員會、薪酬委員會及提名委員會）均會出席股東週年大會，並於股東週年大會上回答問題。

# Corporate Governance Report 企業管治報告

## CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Year, there were tidy-up and housekeeping amendments made to the Memorandum of Association of the Company (the “**Memorandum**”) and amendments were made to the Articles of Association of the Company (the “**Articles**”) in order to (i) reflect and align with the new requirements under the amendments on the Listing Rules with effect from 1 January 2022; (ii) enable the Company to convene and hold electronic or hybrid general meetings of members and provide flexibility to the Company in relation to the conduct of general meetings; (iii) reflect other relevant requirements of the Listing Rules and company law of the Cayman Islands; and (iv) make other consequential, tidy-up and housekeeping amendments.

The amendments and the adoption of the new Memorandum and the new Articles have been approved by the Shareholders by way of a special resolution at the annual general meeting and have become effective on 27 May 2022. The full text of the new Memorandum and the new Articles have been published on the websites of the Company and the Stock Exchange.

## INVESTOR RELATIONS

The Group firmly believes the importance of communicating with the investment community and the Shareholders in attaining a high level of transparency. Since its listing, the Group has maintained various communication channels with analysts and fund managers such as one-on-one meetings, telephone communications, and press releases. The general meetings of the Company provide a platform for communication between the Shareholders and the Board. The Chairman of the Board as well as Chairmen of the Remuneration Committee, Nomination Committee and Audit Committee or if, in their absence, other members of the respective committees, and where applicable, the independent board committee, are available to answer questions at the Shareholders’ meetings. The Company endeavours to provide timely and accurate information to the investors to enhance the understanding of the investors about the linen industry, as well as the business development strategy and direction of the Group.

In light of the above, the Group considers that the Group’s current Shareholders’ communication policy is effective. The Group will continue to maintain a close relationship with investors and develop greater understanding about the Group for international investors, to enhance investors’ confidence in the Group.

## 章程文件變動

年內，已對本公司組織章程大綱（「**大綱**」）進行整理及內務修訂，及對本公司組織章程細則（「**細則**」）進行修訂，以(i)反映並符合自二零二二年一月一日起生效的上市規則修訂項下的新規定；(ii)使本公司能夠召集及舉行電子或混合股東大會，為本公司在舉行股東大會方面提供靈活性；(iii)反映上市規則及開曼群島公司法的其他相關規定；及(iv)進行其他相應、整理及內務修訂。

修訂及採納新大綱及新細則已於股東週年大會上由股東以特別決議案的方式批准，並已於二零二二年五月二十七日起生效。新大綱及新細則全文刊載於本公司及聯交所網站。

## 投資者關係

本集團深信與投資者及股東保持有效的溝通，有助於保持本集團高度透明。本集團自上市以來，以多種渠道與分析員及基金經理聯繫，如透過一對一會議、電話交流及發放新聞稿。本公司的股東大會提供一個股東與董事會之間溝通的平台。董事會主席、薪酬委員會主席、提名委員會主席及審核委員會主席，或（如上述人士未克出席）各相關委員會的其他成員，以及獨立董事委員會（如適用）的成員，將可於股東大會上回答問題。本公司致力為投資者提供準確、及時訊息，以進一步提升投資者對亞麻行業、本集團業務發展策略和動向的了解。

鑑於上文所述，本集團認為本集團目前的股東通訊政策有效。本集團將繼續維持與投資者緊密的關係，及加強國際投資者對本集團的認識，以增強投資者對本集團的信心。



# Corporate Governance Report 企業管治報告

As at 31 December 2022, the market capitalisation of the Company was approximately HK\$894,142,760 based on 629,678,000 Shares outstanding at the closing price of HK\$1.42 per Share.

於二零二二年十二月三十一日，本公司市值約為894,142,760港元，乃基於629,678,000股發行在外股份按收市價每股1.42港元計算。

The details of the substantial shareholders of the Company can be found on page 39 of this annual report.

本公司主要股東的詳情可參閱本年報第39頁。

## CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Kingdom Holdings Limited  
5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon, Hong Kong  
(For the attention of the Investor Relations Department)

Fax: +852 3628 2284

Email: ir@kingdom-china.com

## 聯絡資料

股東可透過以下途徑發出上述提問或要求：

地址：金達控股有限公司  
香港九龍  
觀塘道348號  
宏利廣場5樓  
(收件人：投資者關係部)

傳真：+852 3628 2284

電郵：ir@kingdom-china.com

## DISCLAIMER

The contents of the section headed “Shareholders’ Rights” are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the Shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims all liabilities and losses incurred by its Shareholders in reliance on any contents of this section headed “Shareholders’ Rights”.

## 免責聲明

「股東權利」一節所載內容僅供參考，並僅為遵守披露規定而提供。有關資料並不表示且不應被視為本公司給予股東的法律或其他專業意見。股東務請就彼等作為本公司股東享有的權利尋求獨立法律或其他專業意見。本公司概不就其股東因倚賴本節「股東權利」任何內容而產生的任何責任及損失承擔責任。





# Independent Auditor's Report 獨立核數師報告



To the shareholders of Kingdom Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)

## OPINION

We have audited the consolidated financial statements of Kingdom Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 97 to 212, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“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.

致金達控股有限公司股東  
(於開曼群島註冊成立的有限公司)

## 意見

我們已審計列載於第97至212頁的金達控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表,此合併財務報表包括於二零二二年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益表、合併全面收益表、合併權益變動表和合併現金流量表,以及合併財務報表附註,包括主要會計政策概要。

我們認為,該等合併財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的《國際財務報告準則》(「國際財務報告準則」)真實而中肯地反映了貴集團於二零二二年十二月三十一日的合併財務狀況及截至該日止年度的合併財務表現及合併現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

## 意見的基礎

我們已根據香港會計師公會(「香港會計師公會」)頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計合併財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告核數師就審計合併財務報表承擔的責任部分闡述的責任，包括與這些事項相關的責任。相應地，我們的審計工作包括執行為應對評估合併財務報表的重大錯誤陳述風險而設計的程序。我們執行審計程序的結果，包括應對下述事項所執行的程序，為對隨附的合併財務報表發表審計意見提供了基礎。

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 該事項在審計中是如何應對的
<i>Assessment on impairment for non-current assets</i> 非流動資產的減值評估	
<p>As at 31 December 2022, the carrying amount of property, plant and equipment, right-of-use assets and other intangible assets was RMB1,150 million in aggregate, which represented 40% of the Group's total assets. As the carrying amount of the Group's net assets was higher than the Company's market capitalisation, management performed an impairment test on its non-current assets. This assessment requires management to make certain key assumptions, such as cash flow projections covering a five-year period, the future growth rate and the discount rate, which are highly judgemental.</p> <p>於二零二二年十二月三十一日，物業、廠房及設備、使用權資產及其他無形資產的賬面金額合共為人民幣1,150,000,000元，佔貴集團資產總值的40%。由於貴集團資產淨值的賬面金額高於貴公司的市值，故管理層已對非流動資產進行減值測試。此舉要求管理層作出若干關鍵假設，如五年期現金流量預測、未來增長率及貼現率，非常主觀。</p>	<p>Our audit procedures included assessing the identification of cash-generating units and key assumptions, including those related to future increases in expected growth rates, turnover and discount rates, projection periods and disposal values of the non-current assets at the end of the projection period applied. In performing our audit procedures, we involved our internal valuation specialists in assessing the valuation methodology used and the key assumptions applied and performed sensitivity analyses on the key assumptions.</p> <p>我們的審計程序包括評估現金產生單位的識別及該等關鍵假設，包括與於預測期末適用的預期增長率、營業額及折現率、預測期及非流動資產出售價值的未來增長有關者。於進行審計程序時，我們已委聘內部估值專家評估所用估值方法及關鍵假設，並對關鍵假設進行敏感性分析。</p>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (continued)

### 關鍵審計事項 (續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 該事項在審計中是如何應對的
<i>Assessment on impairment for non-current assets</i> 非流動資產的減值評估	
Detailed information about the significant accounting judgements and estimates on impairment for non-current assets is provided in note 3 to the financial statements. 有關非流動資產減值的重大會計判斷及估計的詳盡資料於財務報表附註3提供。	We also reviewed the historical financial performance of the business units and compared it with the original forecasts when evaluating management's budgeting process. We have also reviewed the relevant disclosures in the financial statements. 我們亦已檢討業務單位的歷史財務表現，並與其原有預測比較，從而評估管理層制定預算的過程。我們亦審查財務報表的相關披露。

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 年報內的其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括合併財務報表及我們的核數師報告。預期我們將於本核數師報告日期後取得年報。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀上文指出可供查閱的其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們對於核數師報告日前取得的其他信息所執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。我們就此概無任何報告。

# Independent Auditor's Report 獨立核數師報告

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

## 董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

## 核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

# Independent Auditor's Report

## 獨立核數師報告

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

(continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

### 核數師就審計合併財務報表承擔的責任 (續)

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對 貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。



# Independent Auditor's Report 獨立核數師報告

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

(continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 matter. 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.

## 核數師就審計合併財務報表承擔的責任 (續)

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們就有關獨立性的相關專業道德要求，並與他們就有關獨立性的相關專業道德要求，並與他們就有可能合理地被認為會影響我們獨立性的所有關係和其他事項進行溝通，以及在適用的情況下，為消除威脅採取行動或應用防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

# Independent Auditor's Report 獨立核數師報告

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

(continued)

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai.

## 核數師就審計合併財務報表承擔的責任 (續)

出具本獨立核數師報告的審計項目合夥人是孫龍偉。

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

28 March 2023

**安永會計師事務所**  
執業會計師  
香港

二零二三年三月二十八日

# Consolidated Statement of Profit or Loss

## 合併損益表

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

		Notes 附註	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
REVENUE	收入	5	2,021,055	1,799,690
Cost of sales	銷售成本		(1,634,155)	(1,508,105)
Gross profit	毛利		386,900	291,585
Other income and gains	其他收益及得益	5	54,431	7,136
Selling and distribution expenses	銷售及分銷開支		(41,532)	(34,381)
Administrative expenses	行政開支		(118,427)	(98,406)
Other expenses	其他開支		(13,192)	(3,803)
Finance costs	財務成本	6	(33,852)	(39,044)
Gain on disposal of a subsidiary	出售一家附屬公司的得益	30	500	–
PROFIT BEFORE TAX	除稅前溢利	7	234,828	123,087
Income tax expense	所得稅開支	10	(63,020)	(32,587)
PROFIT FOR THE YEAR	年內溢利		171,808	90,500
Attributable to:	由下列項目應佔：			
Owners of the parent	母公司擁有人		175,696	88,223
Non-controlling interests	非控制性權益		(3,888)	2,277
EARNINGS PER SHARE				
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人 應佔每股盈利			
Basic	基本	12	人民幣RMB0.29元	人民幣RMB0.14元
Diluted	攤薄	12	人民幣RMB0.29元	人民幣RMB0.14元

# Consolidated Statement of Comprehensive Income

## 合併全面收益表

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

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	年內溢利	<u>171,808</u>	<u>90,500</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	將於往後期間可能重新分類至損益的其他全面收益：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	<u>(3,081)</u>	<u>(9,722)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	<u>168,727</u>	<u>80,778</u>
Attributable to:	由下列項目應佔：		
Owners of the parent	母公司擁有人	<u>172,615</u>	<u>78,501</u>
Non-controlling interests	非控制性權益	<u>(3,888)</u>	<u>2,277</u>
		<u>168,727</u>	<u>80,778</u>

# Consolidated Statement of Financial Position

## 合併財務狀況表

31 December 2022 二零二二年十二月三十一日

			2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
	<i>Notes</i> <i>附註</i>			
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	1,075,398	1,150,775
Investment properties	投資物業	14	4,533	5,132
Right-of-use assets	使用權資產	15	68,815	87,362
Other intangible assets	其他無形資產	16	6,173	5,987
Prepayments for equipment	設備預付款項		1,082	1,456
Deferred tax assets	遞延稅項資產	17	8,473	7,233
Other non-current assets	其他非流動資產		3,407	3,407
Total non-current assets	非流動資產總值		<b>1,167,881</b>	1,261,352
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	18	685,180	629,221
Trade and notes receivables	應收貿易賬款及應收票據	19	426,267	512,732
Prepayments, deposits and other receivables	預付款、押金及其他應收款項	20	96,225	92,219
Pledged deposits	已抵押存款	22	61,900	44,730
Cash and cash equivalents	現金及現金等價物	22	467,469	249,213
Total current assets	流動資產總值		<b>1,737,041</b>	1,528,115
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and notes payables	應付貿易賬款及應付票據	23	367,096	293,920
Other payables and accruals	其他應付款項及預提費用	24	228,094	210,602
Interest-bearing bank and other borrowings	計息銀行及其他借貸	25	696,344	828,378
Derivative financial instruments	衍生金融工具	21	-	1,275
Dividends payable	應付股息		307	182
Tax payable	應付稅項		27,866	14,948
Total current liabilities	流動負債總額		<b>1,319,707</b>	1,349,305
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>417,334</b>	178,810
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>1,585,215</b>	1,440,162

# Consolidated Statement of Financial Position

## 合併財務狀況表

31 December 2022 二零二二年十二月三十一日

		Notes 附註	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		<u>1,585,215</u>	<u>1,440,162</u>
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	17	40,666	32,129
Interest-bearing bank and other borrowings	計息銀行及其他借貸	25	56,559	57,417
Total non-current liabilities	非流動負債總額		<u>97,225</u>	<u>89,546</u>
Net assets	資產淨值		<u>1,487,990</u>	<u>1,350,616</u>
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	26	6,329	6,329
Treasury shares	庫存股份	27	(13,305)	(13,305)
Reserves	儲備	29	1,412,964	1,272,702
			<u>1,405,988</u>	<u>1,265,726</u>
Non-controlling interests	非控制性權益		<u>82,002</u>	<u>84,890</u>
Total equity	權益總額		<u>1,487,990</u>	<u>1,350,616</u>

**Ren Weiming**  
任維明  
Director  
董事

**Shen Yueming**  
沈躍明  
Director  
董事

# Consolidated Statement of Changes in Equity

## 合併權益變動表

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

		Attributable to owners of the parent 母公司擁有人應佔								Non- controlling interests 非控制性 權益	Total equity 權益總額	
		Issued capital 已發行 股本	Share premium 股份溢價	Treasury shares 庫存股份	Merger reserve 合併儲備	Statutory reserve 法定儲備	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2020 (Restated)	於二零二零年 十二月三十一日 (經重列)	6,329	269,226	(13,305)	204,816	145,113	-	(2,662)	585,747	1,195,264	44,371	1,239,635
Profit for the year	年內溢利	-	-	-	-	-	-	-	88,223	88,223	2,277	90,500
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	(9,722)	-	(9,722)	-	(9,722)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(9,722)	88,223	78,501	2,277	80,778
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	12,515	-	-	(12,515)	-	-	-
Acquisition of a subsidiary under common control	收購一間共同控制的附屬公司	-	-	-	(8,797)	-	-	-	-	(8,797)	-	(8,797)
Capital contribution from non- controlling shareholders	非控股股東注資	-	-	-	-	-	-	-	-	-	46,000	46,000
Acquisition of non-controlling interests	收購非控制性權益	-	-	-	-	-	758	-	-	758	(758)	-
Dividends paid to non-controlling shareholders	支付予非控股股東的股息	-	-	-	-	-	-	-	-	-	(7,000)	(7,000)
At 31 December 2021	於二零二一年 十二月三十一日	6,329	269,226*	(13,305)	196,019*	157,628*	758*	(12,384)*	661,455*	1,265,726	84,890	1,350,616

# Consolidated Statement of Changes in Equity

## 合併權益變動表

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

		Attributable to owners of the parent 母公司擁有人應佔								Non-controlling interests		Total equity
		Issued capital	Share premium	Treasury shares	Merger reserve	Statutory reserve	Other reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價	庫存股份	合併儲備	法定儲備	其他儲備	匯兌儲備	保留溢利	總計	非控制性權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2021	於二零二一年十二月三十一日	6,329	269,226	(13,305)	196,019	157,628	758	(12,384)	661,455	1,265,726	84,890	1,350,616
Profit for the year	年內溢利	-	-	-	-	-	-	-	175,696	175,696	(3,888)	171,808
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	-	(3,081)	-	(3,081)	-	(3,081)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(3,081)	175,696	172,615	(3,888)	168,727
Transfer from retained profits	轉撥自保留溢利	-	-	-	-	18,724	-	-	(18,724)	-	-	-
Capital contribution from non-controlling shareholders	非控股股東注資	-	-	-	-	-	-	-	-	-	1,000	1,000
Final 2021 dividend declared	已宣派二零二一年末期股息	-	-	-	-	-	-	-	(32,353)	(32,353)	-	(32,353)
At 31 December 2022	於二零二二年十二月三十一日	6,329	269,226*	(13,305)	196,019*	176,352*	758*	(15,465)*	786,074*	1,405,988	82,002	1,487,990

\* These reserve accounts comprise the consolidated reserves of RMB1,412,964,000 (2021: RMB1,272,702,000) in the consolidated statement of financial position.

\* 該等儲備賬包括合併財務狀況表的合併儲備人民幣1,412,964,000元(二零二一年：人民幣1,272,702,000元)。



# Consolidated Statement of Cash Flows

## 合併現金流量表

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

		Notes 附註	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量			
Profit before tax	除稅前溢利		234,828	123,087
Adjustments for:	就下列各項作出的調整：			
Fair value (gain)/loss on derivative instruments – transactions not qualifying as hedges	衍生工具的公允價值 (收益) / 虧損 – 不合資格作對沖 的交易	7	(1,275)	1,275
Depreciation of property, plant and equipment and investment properties	物業、廠房及設備以及 投資物業折舊	13,14	104,772	88,934
Depreciation of right-of-use assets	使用權資產折舊	15	4,226	4,460
Amortisation of other intangible assets	其他無形資產攤銷	16	703	580
Provision/(reversal of provision) for impairment of inventories	存貨減值撥備 / (撥備 轉回)	7	29,144	(3,164)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目虧損	7	11,110	470
Reversal of provision for trade receivables	應收貿易賬款撥備轉 回	19	(586)	(1,423)
Gain on disposal of a subsidiary	出售一家附屬公司的 得益	30	(500)	–
Finance costs	財務成本	6	33,852	39,044
Bank interest income	銀行利息收入	5	(2,173)	(234)
			<b>414,101</b>	253,029
(Increase)/decrease in inventories	存貨 (增加) / 減少		<b>(85,103)</b>	168,012
Decrease/(increase) in trade and notes receivables	應收貿易賬款及應收票 據減少 / (增加)		<b>87,051</b>	(135,466)
Increase in prepayments, deposits and other receivables	預付款、押金及其他應收 款項增加		<b>(4,006)</b>	(18,848)
Proceeds from pledged deposits	已抵押存款的所得款項		<b>395,651</b>	202,999
New pledged deposits	新造已抵押存款		<b>(412,821)</b>	(208,096)
Increase in trade and notes payables	應付貿易賬款及應付票 據增加		<b>73,176</b>	95,057
Increase in other payables and accruals	其他應付款項及預提 費用增加		<b>22,760</b>	4,020
Cash generated from operations	經營產生的現金		<b>490,809</b>	360,707
Interest received	已收利息		<b>2,173</b>	234
Income tax paid	已付所得稅		<b>(42,805)</b>	(2,098)
Net cash flows generated from operating activities	經營活動產生的現金 流量淨額		<b>450,177</b>	358,843

# Consolidated Statement of Cash Flows

## 合併現金流量表

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

		Notes 附註	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量			
Purchases of items of property, plant and equipment and intangible assets	購置物業、廠房及設備項目以及無形資產		(49,890)	(118,567)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項		7,342	4,160
Purchase of right-of-use assets	購置使用權資產		(2,393)	(17,145)
Disposal of a subsidiary	出售一家附屬公司	30	20,360	15,000
Net cash flows used in investing activities	投資活動所用的現金流量淨額		(24,581)	(116,552)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量			
Capital contribution from non-controlling shareholders	非控股股東注資		1,000	46,000
New bank loans	新造銀行貸款		970,624	1,187,859
Repayment of bank loans	償還銀行貸款		(1,102,739)	(1,315,974)
Proceeds from pledged deposits	已抵押存款的所得款項		-	155
New pledged deposits	新造已抵押存款		-	(6,899)
Interest paid	已付利息		(38,805)	(43,173)
Principal portion of lease payments	租賃款項的本金部分	31(b)	(2,110)	(2,404)
Payment for acquisition of a subsidiary under common control	收購一間共同控制的附屬公司的付款		-	(8,800)
Dividends paid	已付股息		(32,353)	-
Dividends paid to non-controlling shareholders	支付予非控股股東的股息		-	(7,000)
Net cash flows used in financing activities	融資活動所用的現金流量淨額		(204,383)	(150,236)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額		221,213	92,055
Cash and cash equivalents at beginning of year	年初現金及現金等價物		249,213	166,882
Effect of foreign exchange rate changes, net	匯率變動影響淨額		(2,957)	(9,724)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		467,469	249,213

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

Kingdom Holdings Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 21 July 2006. The Company's shares were listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 December 2006.

The Group is principally engaged in the manufacture and sale of linen yarn.

The Company's registered address is Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; and the principal place of business is located at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong.

#### Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name of company 公司名稱	Place and date of establishment and nature of legal entity 成立地點及日期及合法實體的性質	Nominal value of issued ordinary/registered share capital 已發行普通股面值/註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Overseas Kingdom Limited	British Virgin Islands ("BVI") 26 July 2006	HK\$0.01/HK\$500	100%	–	Investment holding
Overseas Kingdom Limited	英屬處女群島 (「英屬處女群島」) 二零零六年七月二十六日	0.01港元/500港元	100%	–	投資控股
Kingdom Group Holdings Limited ("Hong Kong Kingdom") 金達集團控股有限公司 (「香港金達」)	Hong Kong, China 10 September 2004 中國香港 二零零四年九月十日	HK\$1,250,000 1,250,000港元	–	100%	Investment holding and trading 投資控股及貿易
Zhejiang Jinyuan Flax Co., Ltd.	PRC 18 March 2003 Wholly foreign owned enterprise	US\$70,000,000	–	100%	Manufacture and sale of linen yarn
浙江金元亞麻有限公司	中國 二零零三年三月十八日， 外商獨資企業	70,000,000美元	–	100%	生產及銷售亞麻紗
Jiangsu Jinyuan Flax Co., Ltd.	PRC 17 October 2003 Limited liability company	US\$18,500,000	–	100%	Manufacture and sale of linen yarn
江蘇金元亞麻有限公司	中國 二零零三年十月十七日， 有限公司	18,500,000美元	–	100%	生產及銷售亞麻紗
Zhejiang Kingdom Linen Co., Ltd.	PRC 28 May 2012 Limited liability company	RMB100,000,000	–	100%	Manufacture and sale of linen yarn
浙江金達亞麻有限公司	中國 二零一二年五月二十八日， 有限公司	人民幣100,000,000元	–	100%	生產及銷售亞麻紗

### 1. 公司及集團資料

金達控股有限公司於二零零六年七月二十一日在開曼群島註冊成立為獲豁免有限公司。本公司股份於二零零六年十二月十二日在香港聯合交易所有限公司（「聯交所」）上市。

本集團主要從事生產及銷售亞麻紗。

本公司的註冊地址為Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands; 其主要營業地點則位於香港九龍觀塘道348號宏利廣場5樓。

#### 有關附屬公司的資料

本公司附屬公司詳情如下：

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

(continued)

#### Information about subsidiaries (continued)

Name of company 公司名稱	Place and date of establishment and nature of legal entity 成立地點及日期及合法實體的性質	Nominal value of issued ordinary/registered share capital 已發行普通股面值/註冊股本	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Kingdom Europe S.R.L.	Italy 7 September 2007	EUR502,646	-	100%	Trading
Kingdom Europe S.R.L.	意大利 二零零七年九月七日	502,646歐元	-	100%	貿易
Kingdom (Ethiopia) Linen PLC	Ethiopia 16 July 2014	ETB1,859,676,000	-	100%	Manufacture and sale of linen yarn
Kingdom (Ethiopia) Linen PLC	埃塞俄比亞 二零一四年七月十六日	1,859,676,000 埃塞俄比亞比爾	-	100%	生產及銷售亞麻紗
Heilongjiang Kingdom Enterprise Co., Ltd.	PRC 11 March 2016 Limited liability company	RMB300,000,000	-	75.33%	Manufacture and sale of linen yarn
黑龍江金達麻業有限公司	中國 二零一六年三月十一日，有限公司	人民幣300,000,000元	-	75.33%	生產及銷售亞麻紗
Kingdom T Sun (Shanghai) Co., Ltd.	PRC 11 October 2019 Limited liability company	RMB15,000,000	-	80%	Trading
金達天晟(上海)商貿有限公司	中國 二零一九年十月十一日，有限公司	人民幣15,000,000元	-	80%	貿易
Zhejiang Kingdom REEL Textile Co., Ltd.	PRC 15 June 2020 Limited liability company	RMB20,000,000	-	100%	Trading
浙江金達瑞優紡織有限公司	中國 二零二零年六月十五日，有限公司	人民幣20,000,000元	-	100%	貿易
Heilongjiang Kingdom Hemp Co., Ltd.	PRC 12 June 2020 Limited liability company	RMB65,000,000	-	81.03%	Sale of industrial hemp
黑龍江金達纖維大麻有限公司	中國 二零二零年六月十二日，有限公司	人民幣65,000,000元	-	81.03%	銷售工業大麻
Heilongjiang Kangyuan Seeds Industry Co., Ltd.	PRC 8 August 2017 Limited liability company	RMB10,000,000	-	60.26%	R&D and sale of hemp seeds
黑龍江康源種業有限公司	中國 二零一七年八月八日，有限公司	人民幣10,000,000元	-	60.26%	研發及銷售大麻籽
Jiangxi Kingdom Fabric Co., Ltd.	PRC 15 December 2021 Limited liability company	RMB70,000,000	-	100%	Manufacture and sale of fabric
江西金達布藝有限公司	中國 二零二一年十二月十五日，有限公司	人民幣70,000,000元	-	100%	生產及銷售面料

### 1. 公司及集團資料(續)

#### 有關附屬公司的資料(續)

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and notes receivables which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000), except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

### 2.1 編製基準

本財務報表乃按照國際會計準則理事會頒佈的《國際財務報告準則》(包括所有《國際財務報告準則》、《國際會計準則》及詮釋)及香港《公司條例》的披露規定編製。除衍生金融工具及應收票據採用公允價值計量外，本財務報表乃根據歷史成本慣例編製。除非另有標明，否則本財務報表以人民幣呈列而所有價值已四捨五入至最接近的千位數(人民幣千元)。

#### 合併基準

合併財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零二二年十二月三十一日止年度的財務報表。附屬公司為由本公司直接或間接控制的實體(包括結構性實體)。倘本集團參與投資對象業務可獲得或有權獲得可變回報以及能透過對投資對象行使其權力(即本集團獲賦予現有能以主導投資對象相關活動的既存權利)影響該等回報，即代表本集團取得控制權。

通常情況下，存在大多數表決權形成控制權之推定。倘本公司直接或間接擁有的投資對象表決權或類似權利不足大多數，本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的表決權及潛在表決權。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.1 編製基準 (續)

#### 合併基準 (續)

附屬公司與本公司的財務報表的報告期間相同，並採用一致會計政策編製。附屬公司的業績由本集團取得控制權的日期起合併入賬，並繼續合併入賬直至該等控制權終止日期為止。

所有集團內公司間資產及負債、權益、收入、開支及與本集團成員公司間交易有關的現金流量均於合併賬目時全數抵銷。

倘有事實或情況顯示上文所述的三項控制權元素其中一項或多項出現改變，則本集團會重新評估其是否控制投資對象。附屬公司擁有權益的變動（並無失去控制權）按權益交易入賬。

倘本集團失去對附屬公司的控制權，則會終止確認(i)該附屬公司的資產（包括商譽）及負債、(ii)任何非控制性權益的賬面金額及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公允價值、(ii)任何保留投資的公允價值及(iii)損益中任何因此產生的盈餘或虧絀。過往於其他全面收益內確認的本集團應佔部分按與猶如本集團直接出售有關資產或負債時所規定的相同基準重新分類至損益或保留溢利（如適用）。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to IFRS standards 2018-2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As the Group has no business combination that occurred in 2022, the amendments did not have any impact on the financial position and performance of the Group.

### 2.2 會計政策及披露的變動

本集團已於本年度財務報表內首次採納下列經修訂《國際財務報告準則》。

《國際財務報告準則》第3號的修訂本	<i>概念框架提述</i>
《國際會計準則》第16號的修訂本	<i>物業、廠房及設備：擬定用途前的所得款項</i>
《國際會計準則》第37號的修訂本	<i>虧損合約－達成合約的成本</i>
《國際財務報告準則》二零一八年至二零二零年的年度改進	《國際財務報告準則》第1號、《國際財務報告準則》第9號、《國際財務報告準則》第16號相應闡釋範例及《國際會計準則》第41號的修訂本

下文列出適用於本集團的經修訂《國際財務報告準則》的性質及影響：

- (a) 《國際財務報告準則》第3號的修訂本以二零一八年六月頒佈的引用*財務報告概念框架*（「概念框架」）取代引用先前*財務報表編製及呈列框架*，而毋須大幅度改變其規定。該等修訂亦就《國際財務報告準則》第3號就實體引用概念框架以釐定構成資產或負債之內容之確認原則增設一項例外情況。該例外情況規定，對於可能屬於《國際會計準則》第37號或《國際財務報告詮釋委員會》一詮釋第21號範圍內的負債及或然負債而言，倘該等負債屬單獨產生而非於業務合併中產生，則應用《國際財務報告準則》第3號的實體應分別參考《國際會計準則》第37號或《國際財務報告詮釋委員會》一詮釋第21號，而非概念框架。此外，該等修訂本澄清或然資產於收購日期不符合確認條件。本集團已對於二零二二年一月一日或之後發生的業務合併提前應用該等修訂本。由於本集團於二零二二年並無發生業務合併，因此該等修訂本對本集團的財務狀況及表現並無任何影響。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 *Inventories*, in profit or loss. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

### 2.2 會計政策及披露的變動(續)

- (b) 《國際會計準則》第16號的修訂本禁止實體從物業、廠房及設備項目的成本中扣除資產達到管理層預定的可使用狀態(包括位置與條件)過程中產生的全部出售所得款項。實體於損益確認任何有關項目的出售所得款項及《國際會計準則》第2號存貨釐定的該等項目成本。由於物業、廠房及設備於可供使用前概無所生產項目出售，因此該等修訂本對本集團的財務狀況或表現並無任何影響。
- (c) 《國際會計準則》第37號的修訂本澄清，就根據《國際會計準則》第37號評估合約是否屬虧損性而言，履行合約的成本包括與合約直接相關的成本。與合約直接相關的成本包括履行該合約的增量成本(例如直接勞工及材料)及與履行合約直接相關的其他成本分配(例如分配履行合約所用物業、廠房及設備項目的折舊開支以及合約管理及監管成本)。一般及行政成本與合約並無直接關連，除非根據合約明確向對手方收取費用，否則不包括在內。本集團已就於二零二二年一月一日尚未履行其所有責任的合約提前採納該等修訂本，且尚未識別出虧損合約。因此，該等修訂本對本集團的財務狀況或表現並無任何影響。



# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (d) *Annual Improvements to IFRS standards 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendment that is applicable to the Group are as follows:

IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

### 2.2 會計政策及披露的變動(續)

- (d) 《國際財務報告準則》二零一八年至二零二零年的年度改進載列《國際財務報告準則》第1號、《國際財務報告準則》第9號、《國際財務報告準則》第16號相應闡釋範例及《國際會計準則》第41號的修訂本。適用於本集團的該等修訂本詳情如下：

《國際財務報告準則》第9號*金融工具*：澄清於實體評估是否新訂或經修改金融負債的條款與原金融負債的條款存在實質差異時所包含的費用。該等費用僅包括借款人與貸款人之間已支付或收取的費用，包括借款人或貸款人代表其他方支付或收取的費用。本集團已自二零二二年一月一日起提前採納該修訂本。由於年內本集團的金融負債並無變動或轉換，因此該修訂本對本集團的財務狀況或表現並無任何影響。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
IFRS 17	Insurance Contracts <sup>1</sup>
Amendments to IFRS 17	Insurance Contracts <sup>1, 5</sup>
Amendment to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information <sup>6</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the “2020 Amendments”) <sup>2, 4</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”) <sup>2</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

### 2.3 已頒佈但尚未生效的《國際財務報告準則》

本集團並無於本財務報表應用以下已頒佈但尚未生效的新訂及經修訂《國際財務報告準則》。

《國際財務報告準則》第10號及《國際會計準則》第28號的修訂本	投資者與其聯營公司或合營公司之間出售或注入資產 <sup>3</sup>
《國際財務報告準則》第16號的修訂本	售後租回的租賃負債 <sup>2</sup>
《國際財務報告準則》第17號	保險合約 <sup>1</sup>
《國際財務報告準則》第17號的修訂本	保險合約 <sup>1, 5</sup>
《國際財務報告準則》第17號的修訂本	首次應用《國際財務報告準則》第17號及《國際財務報告準則》第9號—比較資料 <sup>6</sup>
《國際會計準則》第1號的修訂本	將負債分類為流動或非流動 (「二零二零年修訂本」) <sup>2, 4</sup>
《國際會計準則》第1號的修訂本	附帶契諾的非流動負債 (「二零二二年修訂本」) <sup>2</sup>
《國際會計準則》第1號及《國際財務報告準則實務報告》第2號的修訂本	會計政策披露 <sup>1</sup>
《國際會計準則》第8號的修訂本	會計估計的定義 <sup>1</sup>
《國際會計準則》第12號的修訂本	與單一交易產生的資產及負債相關的遞延稅項 <sup>1</sup>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

- <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> No mandatory effective date yet determined but available for adoption
- <sup>4</sup> As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024
- <sup>5</sup> As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023
- <sup>6</sup> An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of IFRS 17

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

- <sup>1</sup> 於二零二三年一月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零二四年一月一日或之後開始之年度期間生效
- <sup>3</sup> 尚未釐定強制生效日期，惟可予採納
- <sup>4</sup> 作為二零二二年修訂本的結果，二零二零年修訂本的生效日期遞延至於二零二四年一月一日或之後開始之年度期間
- <sup>5</sup> 作為於二零二零年六月頒佈的《國際財務報告準則》第17號修訂本的結果，《國際財務報告準則》第4號已作出修訂，以延長允許保險人應用《國際會計準則》第39號而非《國際財務報告準則》第9號的暫時豁免，適用於二零二三年一月一日之前開始的年度期間
- <sup>6</sup> 選擇應用該修訂本所載有關分類重疊的過渡選擇權的實體應於首次應用《國際財務報告準則》第17號時採用

有關預期適用於本集團的《國際財務報告準則》的進一步資料描述如下。

《國際財務報告準則》第16號的修訂本訂明賣方一承租人於計量售後租回交易中產生的租賃負債時所採用的規定，以確保賣方一承租人不確認與其保留的使用權有關的任何損益。該等修訂本自二零二四年一月一日或之後開始的年度期間生效，並將追溯應用於《國際財務報告準則》第16號首次應用日期（即二零一九年一月一日）之後簽訂的售後租回交易。允許提早應用。該等修訂本預期不會對本集團的財務報表產生任何重大影響。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. In 2022, the IASB issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

《國際會計準則》第1號的修訂本負債分類為流動或非流動澄清將負債分類為流動或非流動的規定，特別是釐定實體是否有權於報告期間後延遲清償負債至少12個月。負債的分類不受該實體行使權利延遲清償負債的可能性所影響。該等修訂本亦澄清被視為清償負債的情況。於二零二二年，國際會計師公會發佈二零二二年修訂本以進一步澄清，於貸款安排產生的負債的契諾中，僅實體必須於報告日期或之前遵守的契諾方會影響該負債分類為流動或非流動。此外，二零二二年修訂本規定，將貸款安排產生的負債分類為非流動負債的實體須進行額外披露，前提是該實體在遵守未來契諾的情況下，有權於報告期間後12個月內延遲清償該等負債。該等修訂於二零二四年一月一日或之後開始的年度期間生效，且將追溯應用，惟允許提早應用。提早應用二零二零年修訂本的實體須同時應用二零二二年修訂本，反之亦然。本集團目前正在評估該等修訂的影響及是否需對現有貸款協議作出修訂。根據初步評估，該等修訂預期不會對本集團的財務報表產生任何重大影響。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to IFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently revisiting the accounting policy disclosures to ensure consistency with the amendments.

Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

《國際會計準則》第1號的修訂本會計政策披露要求實體披露其重大會計政策資料而非其主要會計政策。倘會計政策資料與實體財務報表所載其他資料一併考慮時，可能合理預期影響一般用途財務報表的主要使用者基於該等財務報表作出的決定，則該等資料屬重大。《國際財務報告準則實務報告》第2號的修訂本為如何將重大的概念應用於會計政策披露提供了非強制性指導。《國際會計準則》第1號的修訂本於二零二三年一月一日或之後開始的年度期間生效，並允許提早應用。《國際財務報告準則實務報告》第2號的修訂本規定的指引乃非強制性，故該等修訂本的生效日期屬非必要。本集團目前正在重新審視會計政策披露，以確保與修訂本保持一致。

《國際會計準則》第8號的修訂本澄清會計估計變動與會計政策變動的區別。會計估計被定義為財務報表中存在計量不確定的貨幣金額。該等修訂本亦闡明實體如何使用計量技術及輸入值以制定會計估計。該等修訂本於二零二三年一月一日或之後開始的年度報告期間生效，並適用於該期間開始時或之後發生的會計政策變動及會計估計變動。允許提早應用。該等修訂本預期不會對本集團的財務報表造成任何重大影響。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 12 narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted.

The Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group will recognise a deferred tax asset and a deferred tax liability for deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained profits at the beginning of the earliest comparative period presented.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Business combinations

An acquisition of a business which is a business combination under common control is accounted for in a manner similar to a uniting of interests whereby the assets and liabilities acquired are accounted for at carryover predecessor values to the other party to the business combination within all periods presented as if the operations of the Group and the business acquired had always been combined. The difference between the consideration paid by the Group and the net assets or liabilities of the business acquired is adjusted against equity.

### 2.3 已頒佈但尚未生效的《國際財務報告準則》(續)

《國際會計準則》第12號的修訂本縮小《國際會計準則》第12號初始確認例外的範圍，使其不再適用於產生相等的應納稅及可抵扣暫時性差異的交易，例如租賃及棄置義務。因此，實體須就該等交易產生的暫時性差異確認遞延稅項資產（前提是有足夠的應課稅溢利）及遞延稅項負債。該等修訂本於二零二三年一月一日或之後開始的年度報告期間生效，並應適用於在呈列的最早比較期間期初與租賃及棄置義務相關的交易，任何累積影響確認為對該日保留溢利或其他權益組成部分（如適用）期初結餘的調整。此外，該等修訂本應前瞻性地適用於租賃及棄置義務以外的交易。允許提早應用。

本集團已應用初始確認例外情況，不對與租賃相關的交易之暫時性差異確認遞延稅項資產及遞延稅項負債。於首次應用該等修訂本時，本集團將與使用權資產及租賃負債相關的可扣減及應課稅暫時性差異確認遞延稅項資產及遞延稅項負債，並將首次應用該等修訂本的累計影響確認為調整呈列的最早比較期間保留溢利期初結餘的調整。

### 2.4 主要會計政策概要

#### 業務合併

收購業務如屬共同控制下的業務合併，則按與權益結合類似的方式入賬，據此，所收購資產及負債以所呈列所有期間結轉至業務合併另一方的先前價值入賬，猶如本集團營運及所收購業務一直合併入賬。本集團已付代價與所收購業務資產淨值或負債淨額之間的差額針對權益作出調整。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement

The Group measures its derivative financial instruments and financial assets at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 2.4 主要會計政策概要 (續)

#### 公允價值計量

本集團於每個報告期末按公允價值計量其衍生金融工具及按公允價值計入其他全面收益的金融資產。所謂公允價值，乃指市場參與者之間於計量日期進行的有序交易中，就出售資產所收取或轉讓負債所支付的價格。公允價值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場或（在未有主要市場的情況下）於資產或負債的最有利市場進行。主要或最有利市場須為本集團可參與的市場。資產或負債的公允價值乃使用市場參與者為資產或負債定價所用的假設計量（假設市場參與者按彼等的最佳經濟利益行事）。

非金融資產的公允價值計量計及市場參與者可從使用該資產得到最高及最佳效用，或把該資產售予另一名可從使用該資產得到最高及最佳效用的市場參與者中產生經濟利益的能力。

本集團使用適用於不同情況且具備充分數據計量公允價值的估值技巧，以盡量利用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

### 2.4 主要會計政策概要 (續)

#### 公允價值計量 (續)

所有於財務報表計量或披露公允價值的資產及負債，均按就公允價值計量整體而言屬重要的最低層輸入值在下述的公允價值等級架構進行分類：

- 第一層 – 按同等資產或負債於活躍市場上的報價 (未經調整) 計算
- 第二層 – 按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為可直接或間接觀察的數據
- 第三層 – 按估值技巧計算，而該等估值技巧中就公允價值計量而言屬重要的最低層輸入值為不可觀察的數據

就按經常性基準於財務報表內確認的資產及負債而言，本集團於每個報告期末藉由重新評估分類 (基於就公允價值計量整體而言屬重大的最低層輸入值) 以決定等級架構內各層之間是否出現轉移。

#### 非金融資產減值

倘若一項資產 (存貨、遞延稅項資產及金融資產除外) 存在減值跡象，或需要進行年度減值測試，則估計資產的可收回金額。一項資產的可收回金額是指資產或現金產生單元的使用價值與其公允價值扣除出售成本兩者之中的較高者。除非該資產因主要依附於其他資產或一組資產產生現金流入而按該資產所屬現金產生單元釐定可收回金額，否則可收回金額以個別資產釐定。於對現金產生單位進行減值測試時，倘公司資產的部分賬面金額能按合理及一致的基礎分配，則分配至單個現金產生單位，否則分配至最小組別的現金產生單位。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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 assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### Related parties

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 that person (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

### 2.4 主要會計政策概要 (續)

#### 非金融資產減值 (續)

僅當資產的賬面金額超過其可收回金額時，才確認減值虧損。對使用價值進行評估時，預期未來現金流量以反映當前市場評定的貨幣時間價值以及資產特有風險的稅前折現率折現至現值。減值虧損於產生期內自損益表與減值資產職能一致的開支類別扣除。

在每個報告期末需評估是否有跡象表明以往確認的減值虧損可能不復存在或有所減少。若有此跡象存在，則估計可收回金額。僅當釐定該項資產的可收回金額的估計有所改變時，以往就該項資產(除商譽外)已確認的減值虧損才可轉回，惟轉回後的數額不能高於該項資產以前年度沒有確認減值虧損時的賬面金額(減去折舊／攤銷後)。該等減值虧損轉回應於產生期內計入損益表，除非該項資產是以重估值入賬，則該等減值虧損轉回應按重估資產的相關會計政策入賬。

#### 關連方

在下列情況下，一方將被視為與本集團有關：

- (a) 該方或其直系親屬：(i)控制或共同控制本集團；(ii)可對本集團發揮重大影響力；或(iii)為本集團或其母公司的主要管理層成員；

或

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

- (b) the party is an entity where 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 of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third party and the other entity is an associate of the third party;
  - (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); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 2.4 主要會計政策概要 (續)

#### 關連方 (續)

- (b) 該方為符合下列任何一項條件的實體：
- (i) 該實體與本集團為同一集團的成員；
  - (ii) 某一實體為另一實體（或其母公司、附屬公司或同系附屬公司）的聯營公司或合營公司；
  - (iii) 該實體與本集團為同一名第三方的合營公司；
  - (iv) 某一實體為一名第三方的合營公司，而另一實體為該名第三方的聯營公司；
  - (v) 該實體乃為本集團或與其有關連的任何實體的僱員福利而設的離職後福利計劃；
  - (vi) 該實體受(a)項所指人士控制或共同控制；
  - (vii) (a)(i)項所指人士可對該實體發揮重大影響力或為該實體（或該實體的母公司）的主要管理層成員；及
  - (viii) 該實體或其所構成集團任何成員公司向本集團或本集團母公司提供主要管理層成員服務。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and buildings	4.5%
Machinery	9.0%
Office equipment	18.0%
Motor vehicles	22.5%
Leasehold improvements	Over the lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)乃以成本減累計折舊及任何減值虧損列示。當一項物業、廠房及設備分類為持作出售或當其為組成分類為持作出售的處置組合一部分時,無須折舊並根據《國際財務報告準則》第5號入賬。一項物業、廠房及設備的成本包括其購買價格及將資產運抵指定地點並使其達到預定可使用狀態的任何直接可歸屬成本。

物業、廠房及設備項目投入運作後產生的支出,如維修保養等,一般於產生期間的損益表內扣除。如符合確認條件,則主要檢查開支作為重置項目於資產賬面金額資本化。當物業、廠房及設備的重大部分每隔一段期間需要替換時,本集團確認該部分為有個別可使用年期的個別資產並將之折舊。

折舊乃按物業、廠房及設備各項目的估計可使用年期以直線法計算,將其成本撇銷至其剩餘價值。用作此用途的主要年折舊率如下:

廠房及樓宇	4.5%
機器	9.0%
辦公室設備	18.0%
汽車	22.5%
租賃物業裝修	租賃期內

倘物業、廠房及設備項目的不同部分的可使用年期有別,該項目的成本乃按合理基準分配至不同部分且個別進行折舊。至少須於各財政年度結束時檢討及調整(如適用)剩餘價值、可使用年期及折舊方法。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents plant and buildings and machinery under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### Investment properties

Investment properties are interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

The Group's investment properties are accounted for using the cost model. The initial recognition and subsequent measurement of land and buildings that are leased out are accounted for using the same measurement and depreciation methods as those of plant and buildings.

### 2.4 主要會計政策概要 (續)

#### 物業、廠房及設備及折舊 (續)

物業、廠房及設備項目包括初始確認的任何重大部分，於出售時或預期於日後使用或出售該項目將不會產生任何經濟利益時終止確認。於資產終止確認的年度，因出售或報銷而於損益表內確認的任何盈虧，乃有關資產的出售所得款項淨額與賬面金額之間的差額。

在建工程指興建中的廠房及樓宇以及機器，並以成本值減任何減值虧損列賬，且不予折舊。成本包括建築期間的直接建築成本及相關借貸資金的資本化借貸成本。在建工程於竣工及可投入使用時重新分類為合適的物業、廠房及設備類別。

#### 投資物業

投資物業乃為賺取租金收入及／或資本增值，而非為了生產或供應產品或服務或行政用途或在日常業務過程中出售而持有的樓宇的權益。

本集團的投資物業使用成本模型入賬。已租出的土地及樓宇的初始確認及後續計量使用與廠房及樓宇所用者相同的計量及折舊方法入賬。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The useful lives of the patents and licences and certified emission rights of the Group are 20 years.

#### Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### 2.4 主要會計政策概要 (續)

#### 無形資產

單獨購買的無形資產初始確認時按成本計量。無形資產的可使用年期評估為有限或無限。年期有限的無形資產隨後於可使用經濟年期內攤銷，並於有跡象顯示無形資產出現減值時進行減值評估。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結束時檢討一次。本集團專利及特許權以及認證排放權的可使用年期為20年。

#### 研發成本

所有研究成本均於產生時在損益表內扣除。

開發新產品項目所產生的開支只會在下列情況下資本化並作遞延處理：本集團可顯示完成該項無形資產以作使用或出售用途在技術上為可行；本集團有意完成該項無形資產，並能夠使用或出售該項資產；該項資產日後將如何產生經濟利益；完成該項目的可用資源量及是否有能力可靠地計量在開發過程中所需開支。不符合此等標準的產品開發開支在產生時支銷。

#### 租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而賦予在一段時間內控制使用已識別資產的權利，則該合約為或包含租賃。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases (continued)

##### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Plant and buildings	2 to 12 years
Motor vehicles	10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### 2.4 主要會計政策概要 (續)

#### 租賃 (續)

##### 本集團作為承租人

本集團對所有租賃 (惟短期租賃除外) 採取單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產的權利。

(a) 使用權資產

本集團於租賃開始日期 (即相關資產可供使用當日) 確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債的金額、已產生初始直接成本及於開始日期或之前作出的租賃款項減任何已收租賃優惠。使用權資產於租期及資產的估計可使用年期 (以較短者為準) 按直線法折舊，如下：

租賃土地	50年
廠房及樓宇	2至12年
汽車	10年

倘於租期結束時，租賃資產的擁有權轉讓至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases (continued)

##### Group as a lessee (continued)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

### 2.4 主要會計政策概要 (續)

#### 租賃 (續)

##### 本集團作為承租人 (續)

##### (b) 租賃負債

於租賃開始日期，租賃負債按租賃期內作出的租賃款項現值確認。租賃款項包括固定付款（含實質定額款項）減任何應收租賃優惠款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃款項亦包括本集團合理確定行使的購買選擇權的行使價及倘在租賃期內反映本集團正行使終止租賃的選擇權時，有關終止租賃支付的罰款。不取決於指數或利率的可變租賃款項在出現觸發付款的事件或條件的期間內確認為支出。

於計算租賃款項的現值時，由於租賃內所含利率不易釐定，故本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映利息的增加，並因支付租賃款項而減少。此外，倘有任何修改（即租期變更、租賃款項變更（例如指數或比率的變更導致對未來付款發生變化）或購買相關資產的選擇權評估的變更）則重新計量租賃負債的賬面金額。

本集團的租賃負債計入計息銀行及其他借貸。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases (continued)

##### Group as a lessee (continued)

##### (c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

##### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

### 2.4 主要會計政策概要 (續)

#### 租賃 (續)

##### 本集團作為承租人 (續)

##### (c) 短期租賃

本集團將短期租賃確認豁免應用於機器及設備的短期租賃 (即自租賃開始日期起計租期為十二個月或以下，並且不包含購買選擇權的租賃)。

短期租賃的租賃款項在租期內按直線法確認為支出。

##### 本集團作為出租人

當本集團作為出租人，其於租賃開始時 (或租賃修訂時) 將各租賃分類為經營租賃或融資租賃。

本集團並未轉讓資產擁有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。當合約包含租賃及非租賃部分時，本集團按相對獨立的售價基準將合約代價分配至各部分。租金收入於租期內按直線法列賬並因其經營性質，而計入損益表之其他收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面金額，並於租期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

相關資產擁有權所附帶的絕大部分風險及回報轉讓予承租人的租賃入賬列作融資租賃。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產

##### *初始確認及計量*

金融資產於初始確認時分類為其後按攤銷成本、按公允價值計入其他全面收益及按公允價值計入損益計量。

於初始確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法（並不會對重大融資成分的影響作出調整）的應收貿易賬款外，本集團初始按公允價值加上（倘金融資產並非按公允價值計入損益）交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易賬款根據下文就「收入確認」所載之政策按《國際財務報告準則》第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允價值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息（「純粹為支付本金及利息」）的現金流量。不論業務模式，現金流量純粹為支付本金及利息的金融資產按公允價值計入損益進行分類及計量。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

##### 初始確認及計量 (續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量的金融資產於旨在持有金融資產以收集合約現金流量的業務模式內持有，而按公允價值計入其他全面收益分類及計量的金融資產則於旨在持有以收集合約現金流量及出售的業務模式內持有。並無於上述業務模式內持有的金融資產則按公允價值計入損益分類及計量。

所有以一般方式購買及出售的金融資產於交易日（即本集團承諾購買或出售資產當日）予以確認入賬。一般方式購買及出售為須在市場規例或慣例一般規定的期間內將資產交付的金融資產購買或出售。

##### 後續計量

金融資產視乎其分類進行後續計量如下：

##### 按攤銷成本列賬之金融資產（債務工具）

按攤銷成本列賬之金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，於損益表內確認盈虧。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

##### Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

##### 後續計量 (續)

按公允價值計入其他全面收益的金融資產 (債務工具)

就按公允價值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或轉回於損益表中確認，並按與按攤銷成本列賬之金融資產相同的方式計量。其餘公允價值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公允價值變動將重新計入損益表。

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產於財務狀況表按公允價值入賬，而淨公允價值變動於損益表內確認。

該類別包括衍生工具。

當嵌入混合合約 (包含金融負債及非金融主體) 的衍生工具當經濟特徵及風險與主體不緊密相關；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非按公允價值計入損益計量時，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公允價值計量，且其變動於損益表內確認。僅當合約條款出現變動，大幅改變其他情況下所需現金流量時；或當原分類至按公允價值計入損益的金融資產獲重新分類時，方進行重新評估。

嵌入混合合約 (包含金融資產主體) 的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公允價值計入損益的金融資產。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 2.4 主要會計政策概要 (續)

#### 終止確認金融資產

一項金融資產(或(如適用)一項金融資產的一部分或一組類似金融資產的一部分)主要在以下情形被終止確認(即從本集團的合併財務狀況表移除):

- 從資產取得現金流量的權利已過期; 或
- 本集團已轉移其從資產取得現金流量的權利或已根據「轉付」安排承擔將取得的現金流量全部向第三方支付義務,且不得有重大延誤;及(a)本集團已轉移該資產的絕大部分風險及回報;或(b)本集團既沒有轉移也沒有保留該資產的絕大部分風險及回報,但是已轉移該資產的控制權。

倘本集團已轉移其從資產取得現金流量的權利或已訂立轉付安排,則會評估保留資產擁有權風險與回報的情況。倘沒有轉移也沒有保留資產的絕大部分風險與回報,也沒有轉移資產的控制權,則本集團按其於被轉移資產的持續參與程度確認該資產。在此情況下,本集團亦確認相關債務。被轉移資產及相關債務乃基於反映本集團保留的權利與義務的基礎計量。

本集團以擔保形式持續涉及轉讓資產,該已轉讓資產乃以該項資產的原賬面金額與本集團可能須支付的最高代價兩者中的較低者計量。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值

本集團確認對並非按公允價值計入損益的所有債務工具預期信貸虧損（「預期信貸虧損」）的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

#### 一般方式

預期信貸虧損分兩個階段進行確認。就自初始確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來十二個月內可能發生違約事件而導致的信貸虧損（十二個月預期信貸虧損）。就自初始確認起已經顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備（全期預期信貸虧損）。

於各報告日期，本集團評估金融工具之信貸風險自初始確認以來是否顯著增加。於作出此項評估時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險進行比較，並考慮合理可靠的資料，包括過往經驗及無需付出不必要成本或精力即可獲得的前瞻性資料。

倘合約付款逾期90日，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無合理預期收回合約現金流量，則會撇銷該金融資產。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of financial assets (continued)

##### General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

##### Simplified approach

For trade receivables that do not contain a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (續)

##### 一般方式 (續)

按公允價值計入其他全面收益的債務投資及按攤銷成本列賬的金融資產於一般方式下會產生減值，除採用簡化方式計量的應收貿易賬款外，該等債務投資及金融資產將按以下階段分類以計量預期信貸虧損，詳情如下。

- 第1階段 – 自初始確認以來信貸風險並無顯著增加且虧損撥備乃按相當於十二個月預期信貸虧損計量的金融工具
- 第2階段 – 自初始確認以來信貸風險顯著增加但並無信貸減值金融資產且虧損撥備乃按相當於全期預期信貸虧損計量的金融工具
- 第3階段 – 於報告日期已發生信貸減值（但並非購買或源生信貸減值）且虧損撥備乃按相當於全期預期信貸虧損計量的金融資產

##### 簡化方式

就並無重大融資成分的應收貿易賬款而言，本集團採用簡化方式計算預期信貸虧損。根據簡化方式，本集團將不追蹤信貸風險的變化，而是於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算的撥備矩陣，並按與債務人相關之前瞻性因素及經濟環境調整。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, other payables and accruals, dividend payable, derivative financial instruments and interest-bearing bank and other borrowings.

##### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at amortised cost (loans and borrowings)*

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

### 2.4 主要會計政策概要 (續)

#### 金融負債

##### *初始確認及計量*

金融負債在初始確認時乃歸類為按公允價值計入損益的金融負債、貸款及借貸或應付款項 (如適用)。

所有金融負債初始時均按公允價值確認，如屬貸款及借貸及應付款項，則減去直接應佔交易成本。

本集團的金融負債包括應付貿易賬款及應付票據、其他應付款項及預提費用、應付股息、衍生金融工具及計息銀行借貸及其他借貸。

##### *後續計量*

金融負債視乎其分類進行後續計量如下：

##### *按攤銷成本計量的金融負債 (貸款及借貸)*

初始確認後，計息銀行及其他借貸其後使用實際利率法按攤銷成本計量，惟倘折現的影響不重要，則按成本列賬。當終止確認負債及於使用實際利率法進行攤銷時，於損益表內確認盈虧。

攤銷成本的計算已考慮任何收購折讓或溢價，及構成實際利率整體一部分的費用或成本。實際利率攤銷列入損益表內的財務成本。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Derivative financial instruments

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as forward currency contracts and cross-currency swaps, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

### 2.4 主要會計政策概要 (續)

#### 終止確認金融負債

當金融負債的責任被解除或取消或屆滿時，金融負債將被終止確認。

倘現有金融負債由同一放債人以條款極為不同的負債所取代，或現有負債的條款作出重大修訂，該等交換或修訂乃視為終止確認原負債及確認新負債處理，有關賬面金額的差額於損益表內確認。

#### 對銷金融工具

如有現行可強制執行的法律權利對銷已確認的數額且有意向以淨值為基礎結算，或變賣資產與解除負債同時進行的情況下，金融資產與金融負債方會相互對銷，而淨值列入財務狀況表。

#### 衍生金融工具

##### *初始確認及後續計量*

本集團使用衍生金融工具（如遠期貨幣合約及換匯換利掉期）對沖其外幣風險。該等衍生金融工具於初始確認時按訂立衍生合約當日的公允價值確認，其後再按公允價值重新計量。衍生工具在公允價值為正數時以資產列賬，而於公允價值為負數時則按負債列賬。

衍生工具公允價值變動產生的任何盈虧乃直接計入損益表，惟現金流量對沖的實際部分於其他全面收益內確認，其後如對沖項目影響損益，則重新分類至損益。



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## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

### 2.4 主要會計政策概要 (續)

#### 庫存股份

本公司或本集團購回及持有的自身股本工具 (庫存股份) 直接於權益按成本確認。購買、出售、發行或註銷本集團自身股本工具時，並無於損益表中確認任何收益或虧損。

#### 存貨

存貨以其成本與可變現淨值兩者中的較低者列賬。成本按加權平均計算法釐定，而在製品及製成品則包括直接物料、直接勞工及適當比例的間接成本。可變現淨值按估計售價減去估計完工及出售將予產生的成本釐定。

#### 現金及現金等價物

就合併現金流量表而言，現金及現金等價物包括手頭現金、活期存款及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險的短期高流通量投資，再扣除在催繳時須償還及構成本集團現金管理整體一部分的銀行透支。

就合併財務狀況表而言，現金及現金等價物包括手頭及銀行現金 (包括定期存款)，以及近似現金性質而其用途不受限制的資產。

#### 所得稅

所得稅包括即期及遞延稅項。有關於損益外確認的項目的所得稅於損益以外的其他全面收益或直接於權益內確認。

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## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

即期稅項資產及負債乃於計及本集團經營所在國家的當前詮釋及慣例後，根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），按預期可向稅務機關收回或支付予稅務機關數額計算。

遞延稅項就於報告期末資產及負債的稅項基準及其於財務報告內的賬面金額的所有暫時性差額以負債法撥備。

所有應課稅暫時性差額均被確認為遞延稅項負債，惟下列情況除外：

- 倘若遞延稅項負債的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及
- 就於附屬公司的投資的應課稅暫時性差額而言，倘若轉回暫時性差額的時間可以控制，以及暫時性差額不大可能在可見將來轉回。

對於所有可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，若日後有可能出現應課稅溢利，可用以抵扣該等可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，則遞延稅項資產一律確認入賬，惟下列情況除外：

- 倘若有關可扣減暫時性差額的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初始確認資產或負債，而且在交易時，對會計溢利或應課稅溢利或虧損均無影響；及

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## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or 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.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

- 就於附屬公司的投資的可扣減暫時性差額而言，只有在暫時性差額有可能在可見將來轉回，而且日後有可能出現應課稅溢利，可用以抵扣該等暫時性差額時，方會確認遞延稅項資產。

遞延稅項資產的賬面金額在每個報告期末予以檢討。若不再可能有足夠應課稅溢利用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面金額。過往未確認的遞延稅項資產於每個報告期末重新評估，並於有充足應課稅溢利有可能用以抵扣將收回的全部或部分遞延稅項資產時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率（及稅務法例），以資產被變現或負債被清還期間預期的適用稅率計算。

僅若本集團擁有合法可執行權利將即期稅項資產及即期稅項負債抵銷，及遞延稅項資產與遞延稅項負債是關於同一稅務機關就同一應課稅實體或計劃於各未來期間（預期於相關期間內清償或收回大額的遞延稅項負債或資產）按淨額結算即期稅項負債及資產或同時變現資產及結算負債之不同應課稅實體所徵收的所得稅，則遞延稅項資產與遞延稅項負債可相互抵銷。

#### 政府補助

如能就收取政府補助及將可符合該補助所有附帶條件作出合理保證，該補助乃按公允價值予以確認。若有關補助涉及某一開支項目，則須按有系統方式於其擬補償的成本支銷期間確認為收入。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Government grants (continued)

Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

#### Revenue recognition

##### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

- (a) Sale of linen yarn, hemp yarn and scraps  
Revenue from the sale of linen yarn, hemp yarn and scraps is recognised at the point in time when control of the goods is transferred to the customers, generally upon delivery of the goods.

##### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms.

#### Share-based payments

The Company operates a share award plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details are given in note 28 to the financial statements.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

若有關補助與某一資產有關，則公允價值自資產的賬面金額扣減並以扣減折舊開支的方式撥入損益表。

#### 收入確認

##### 客戶合約收入

當貨物的控制權轉移至客戶時，客戶合約收入按能反映本集團預期有權就該等貨物而換取的代價金額確認。

- (a) 銷售亞麻紗、大麻紗及廢料  
銷售亞麻紗、大麻紗及廢料的收入於貨物的控制權轉移至客戶的時間點確認，通常於交付貨物時確認。

##### 其他收入

利息收入按應計基準以實際利率法使用可在金融工具預計年期或更短期間（如適用）將估計未來現金收入準確折現至金融資產賬面淨額的利率確認。

租金收入於租賃期內按時間比例基準確認。

#### 以股份付款

本公司設有一項股份獎勵計劃，為所有對本集團業務成功作出貢獻的合資格參與人提供激勵及獎賞。本集團的僱員會以股份付款形式收取薪酬，而僱員會提供服務換取權益工具（「以權益結算交易」）。

與僱員進行以權益結算交易的成本，乃參照授出日期的公允價值計量。進一步詳情載於財務報表附註28。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

### 2.4 主要會計政策概要 (續)

#### 以股份付款 (續)

以權益結算交易的成本連同權益相應增加部分在表現及／或服務條件獲履行的期間於僱員福利開支內確認。在歸屬日期前的每個報告期末就以權益結算交易所確認的累計開支，乃反映歸屬期屆滿的程度及本集團對將最終歸屬的權益工具數目的最佳估計。某一期間內在損益表內的扣除或進賬，乃反映已確認累計開支於該期初與該期終時的變動。

釐訂獎勵獲授當日的公允價值時，並無計及服務及非市場表現條件，惟已評估達成該等條件的可能性，作為本集團對將最終歸屬的權益工具數目的最佳估計。市場表現條件已於權益獲授當日的公允價值反映。倘獎勵隨附任何其他條件，而毋須提供相關服務，則視該等條件為非歸屬條件。除非有提供服務及／或存在有關表現條件，否則非歸屬條件會於獎勵的公允價值反映，從而引致即時支銷獎勵。

對於因未達成非市場表現及／或服務條件而最終未歸屬的獎勵，不會確認任何開支。倘獎勵包括一項市場或非歸屬條件，只要所有其他表現及／或服務條件已獲達成，則交易仍會被視為已歸屬，而不論該市場或非歸屬條件是否獲達成。

倘以權益結算的獎勵的條款有所變更，惟已符合獎勵的原先條款，則所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘按變更日期的計量，任何變更導致以股份付款的總公允價值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

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## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

#### Pension scheme

Pursuant to the relevant regulations, the Group has participated in a local municipal government pension scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above. Contributions under the Scheme are charged to the statement of profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.4 主要會計政策概要 (續)

#### 以股份付款 (續)

倘以權益結算的獎勵被註銷，應被視為已於註銷日期歸屬，而任何尚未確認的獎勵開支會立刻確認。此包括未符合屬本集團或僱員控制範圍內的非歸屬條件的任何獎勵。然而，若新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則已註銷的獎勵及新獎勵均應被視為原獎勵的變更，一如前段所述。

未行使購股權的攤薄影響已於計算每股盈利時反映為額外股份攤薄。

#### 退休金計劃

根據有關規例，本集團已參與地方市政府的退休金計劃（「計劃」），為撥支提供僱員的退休福利，本集團須將僱員的基本薪金的若干百分比作為計劃供款。地方政府承擔本集團現在及未來全部退休僱員的退休福利責任。如上所述，根據計劃，本集團唯一責任為持續作出所需供款。計劃供款於產生時自損益表扣除。計劃並無規定沒收供款可用作減少未來供款。

#### 借貸成本

如借貸成本直接歸屬於收購、興建或生產合資格資產（即須經一段相當長時間作準備方可作擬定用途或銷售的資產），則撥充資本作為該等資產成本的一部分。當有關資產大致可作擬定用途或銷售時，即終止將該等借貸成本撥充資本。將待用於合資格資產開支的指定借貸進行臨時投資所賺取的投資收入，則從資本化借貸成本扣除。所有其他借貸成本均於其產生期間支銷。借貸成本包括利息及與公司因借取資金而產生的其他成本。

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## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

#### Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on retranslation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item measured at fair value (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

### 2.4 主要會計政策概要 (續)

#### 股息

末期股息於股東大會上獲股東批准時，獲確認為一項負債。

#### 外幣

本財務報表以人民幣呈列，即本公司的功能貨幣。本集團內的實體各自決定其功能貨幣，各實體的財務報表項目均以所定功能貨幣計量。本集團內的實體的外幣交易初始按有關功能貨幣於交易當日的匯率換算入賬。以外幣計值的貨幣資產及負債，按有關功能貨幣於報告期末的匯率換算。因結算或換算貨幣項目而產生的差額於損益表內確認。

按歷史成本列賬、以外幣計量的非貨幣項目，採用初始交易日期的匯率換算。按公允價值列賬、以外幣計量的非貨幣項目，採用計量公允價值日期的匯率換算。重新換算非貨幣項目所產生的盈虧的處理方法與確認按公允價值計量的項目公允價值變動的盈虧者一致（換言之，於其他全面收益或損益內確認公允價值盈虧的項目的匯兌差額，亦分別於其他全面收益或損益內確認）。

若干海外附屬公司使用人民幣以外貨幣作為功能貨幣。於報告期末，該等實體的資產與負債按報告期末的現行匯率換算為人民幣，其損益表則按與交易日期現行匯率相若的匯率換算為人民幣。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

There is no significant effect on the amounts recognised in the consolidated financial statements arising from the judgements, apart from those involving estimations, made by management in the process of applying the Group's accounting policies.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

因此而產生的匯兌差額於其他全面收益內確認並於匯兌儲備內累計。出售海外業務時，有關該項海外業務的其他全面收益部分在損益表內確認。

就合併現金流量表而言，海外附屬公司的現金流量按現金流動當日的匯率換算為人民幣。海外附屬公司在整個年度內經常產生的現金流量按年內的加權平均匯率換算為人民幣。

### 3. 重大會計判斷及估計

管理層在編製本集團合併財務報表時須作出判斷、估計及假設，而有關判斷、估計及假設會對收入、開支、資產及負債所申報的金額及其隨附披露以及對或有負債的披露造成影響。該等假設及估計的不確定性或引致須對在未來受影響的資產及負債的賬面金額進行重大調整。

#### 判斷

除涉及估計的判斷外，管理層於應用本集團的會計政策的過程中所作出的判斷對合併財務報表所確認的金額並無重大影響。

#### 估計不確定性

於報告期末，存在對下一個財政年度資產及負債的賬面金額作出重大調整的重大風險且關於未來的主要假設及估計不確定性的其他主要來源如下。



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## 合併財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

##### (a) Impairment of non-current assets

The Group assesses whether there are any indicators of impairment for all non-current assets at the end of each reporting period. Non-current assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group identifies that there is only one cash-generating unit comprising of all property, plant and equipment, right-of-use assets and other intangible assets as the operation of the Group is managed on a centralised basis with production allocated across all factories based on their available capacity. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of the non-current assets of the Group has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The assumption that has the most significant impact on the determination of the recoverable amount of the Group's assets is the discount rate and growth rate. The pre-tax discount rate applied to the cash flow projections as at 31 December 2022 was 22%. The growth rate is estimated based on historical growth rate and future economic environment. The carrying amount of non-current assets under impairment testing is RMB1,150 million (2021: RMB1,244 million).

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

##### (a) 非流動資產減值

本集團於每個報告期末評估所有非流動資產是否有任何減值跡象。於有跡象顯示未必可收回賬面金額時，非流動資產會接受減值測試。當資產或現金產生單位的賬面金額超過其可收回金額（指其公允價值扣除出售成本與其使用價值兩者之中的較高者），即存在減值。本集團僅識別一個現金產生單位，包括所有物業、廠房及設備、使用權資產及其他無形資產，因為本集團的營運以集中方式管理，生產乃根據可用產能分配至所有工廠。公允價值扣除出售成本乃根據類似資產的具約束力公平磋商銷售交易所得的數據或可觀察市場價格減出售資產的遞增成本計算。於計算使用價值時，管理層須估計預期該項資產或現金產生單位的未來現金流量，並選擇合適折現率計算該等現金流量的現值。

本集團的非流動資產的可收回金額已根據使用價值計算法釐定，並以經管理層批准的五年期財政預算所預測的現金流量為基準。對釐定本集團資產可收回金額構成最大影響的假設為折現率及增長率。於二零二二年十二月三十一日，用作預測現金流量的稅前折現率為22%。增長率乃根據過往增長率及未來經濟環境估計。進行減值測試的非流動資產的賬面金額為人民幣1,150百萬元（二零二一年：人民幣1,244百萬元）。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

##### (b) *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of related deferred tax assets is RMB7,895,000 (2021: RMB16,697,000).

##### (c) *Write-down of inventories*

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the age and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate. The carrying amount of inventories at 31 December 2022 was RMB685,180,000 (2021: RMB629,221,000). Further details are contained in note 18 to the financial statements.

##### (d) *Provision for expected credit losses on trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by forms of credit insurance).

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

##### (b) *遞延稅項資產*

遞延稅項資產僅在有可能出現應課稅溢利可用以抵扣未動用稅項虧損時，方會就該等虧損獲得確認。在釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅溢利可能的時間及水平連同未來稅項規劃策略，作出重要判斷。相關遞延稅項資產的賬面金額為人民幣7,895,000元（二零二一年：人民幣16,697,000元）。

##### (c) *存貨撇減*

本集團的存貨以其成本與可變現淨值兩者中的較低者列賬。本集團經參考存貨貨齡及存貨狀況以及考慮影響有關存貨銷路的經濟情況後按所估計的可變現價值撇減其存貨。存貨將每年進行檢討，並於適當情況下予以撇減。於二零二二年十二月三十一日，存貨的賬面金額為人民幣685,180,000元（二零二一年：人民幣629,221,000元）。進一步詳情載於財務報表附註18。

##### (d) *應收貿易賬款預期信貸虧損撥備*

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組（即以信貸保險形式）而逾期的日數計算。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

(d) *Provision for expected credit losses on trade receivables (continued)*

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is primarily the manufacture and sale of linen yarn. Management reviews the consolidated results when making decisions about allocating resources and assessing the performance of the Group. Accordingly, no segment analysis is presented.

### 3. 重大會計判斷及估計 (續)

#### 估計不確定性 (續)

(d) *應收貿易賬款預期信貸虧損撥備 (續)*

撥備矩陣最初基於本集團的歷史觀察違約率。本集團將通過調整矩陣以調整歷史信貸虧損經驗及前瞻性資料。例如，若預測經濟狀況（如國內生產總值）於未來一年內惡化，從而導致製造行業的違約數量增加，歷史違約率將得到調整。於各報告日期，歷史觀察違約率將會予以更新，並分析前瞻性估計的變化。

對歷史觀察違約率、預測經濟狀況及預期信貸虧損之間的相關性評估乃一項重要的估計。預期信貸虧損的金額對環境及預測經濟狀況敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦可能無法表示客戶於日後的實際違約情況。有關本集團應收貿易賬款的預期信貸虧損資料於財務報表附註19披露。

### 4. 經營分部資料

為方便管理，本集團已組織成一個單一業務單位，即生產及銷售亞麻紗。管理層於就分配本集團資源作出決定及評估本集團表現時會審閱合併業績。因此，本集團並無呈列分部分析。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 4. OPERATING SEGMENT INFORMATION (continued)

#### Geographical information

##### (a) Revenue from external customers

An analysis of the Group's geographical information on revenue attributed to the regions on the basis of customer locations for the year ended 31 December 2022 is set out in the following table:

Mainland China	中國大陸
European Union	歐盟
Non-European Union countries	非歐盟國

##### (b) Non-current assets

Mainland China	中國大陸
Ethiopia	埃塞俄比亞

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

#### Information about major customers

No revenue amounting to 10 percent or more of the Group's total revenue was derived from sales to a single customer for the year ended 31 December 2022 (2021: Nil).

### 4. 經營分部資料 (續)

#### 地理資料

##### (a) 來自外部客戶收入

下表載列本集團於截至二零二二年十二月三十一日止年度按客戶所在地劃分的地區應佔收入的地理資料分析：

#### Revenue from external customers

##### 來自外部客戶收入

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
774,455	673,137
552,726	563,110
693,874	563,443
<b>2,021,055</b>	<b>1,799,690</b>

##### (b) 非流動資產

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
790,849	861,900
368,559	392,219
<b>1,159,408</b>	<b>1,254,119</b>

上文所載的非流動資產資料乃基於資產(遞延稅項資產除外)所處的位置。

#### 有關主要客戶的資料

於截至二零二二年十二月三十一日止年度，並無向單一客戶進行的銷售收入佔本集團總收入10%或以上(二零二一年：無)。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS

Revenue from contracts with customers, which is also the Group's turnover, represents the sales value of linen yarn, hemp yarn and scraps, net of sales tax and deduction of any sales discounts and returns. The performance obligation is satisfied upon delivery of linen yarn, hemp yarn and scraps and payment is generally due within 30 to 150 days from delivery, except for new customers, where payment in advance is normally required.

An analysis of revenue from contracts with customers, other income and gains is as follows:

Type of goods or services	貨品或服務類型
Sale of linen yarn, hemp yarn and scraps	銷售亞麻紗、大麻紗及廢料
Other services	其他服務

  

Timing of revenue recognition	收入確認時間
Goods transferred at a point in time	於某一時點轉讓的貨品
Services provided over time	隨時間提供的服務

Revenue recognised that was included in contract liabilities at the beginning of the reporting period was RMB16,955,000 (2021: RMB19,752,000).

### 5. 收入、其他收益及得益

客戶合約收入（亦即本集團營業額）指亞麻紗、大麻紗及廢料的銷售價值，經扣除銷售稅及扣減任何銷售折扣及退還。履約責任於交付亞麻紗、大麻紗及廢料時完成，且款項通常應自交付後30至150日內支付，惟新客戶通常須預付款項。

客戶合約收入、其他收益及得益的分析如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
1,966,803	1,751,747
54,252	47,943
<u>2,021,055</u>	<u>1,799,690</u>
1,966,803	1,751,747
54,252	47,943
<u>2,021,055</u>	<u>1,799,690</u>

所確認的計入報告期初合約負債的收入為人民幣16,955,000元（二零二一年：人民幣19,752,000元）。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 5. REVENUE, OTHER INCOME AND GAINS (continued)

The information about the remaining performance obligations for contracts with original expected duration of one year or less is not disclosed as a practical expedient under IFRS 15.

### 5. 收入、其他收益及得益 (續)

根據《國際財務報告準則》第15號，有關原預定期限為一年或以內的合約的剩餘履約責任的資料並無按可行權宜方法進行披露。

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
<b>Other income</b>	<b>其他收益</b>		
Foreign exchange differences, net	外匯差額，淨額	37,087	–
Government grants	政府補助	12,863	4,641
Bank interest income	銀行利息收入	2,173	234
Others	其他	2,308	2,261
		<u>54,431</u>	<u>7,136</u>

### 6. FINANCE COSTS

Interest on bank loans	銀行貸款的利息	38,419	42,687
Interest on lease liabilities	租賃負債的利息	386	489
Total interest expense on financial liabilities not at fair value through profit or loss	未按公允價值計入損益的金融負債的利息開支總額	<u>38,805</u>	43,176
Less: Interest capitalised	減：資本化利息	(4,953)	(4,132)
		<u>33,852</u>	<u>39,044</u>

### 6. 財務成本

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款的利息	38,419	42,687
Interest on lease liabilities	租賃負債的利息	386	489
Total interest expense on financial liabilities not at fair value through profit or loss	未按公允價值計入損益的金融負債的利息開支總額	<u>38,805</u>	43,176
Less: Interest capitalised	減：資本化利息	(4,953)	(4,132)
		<u>33,852</u>	<u>39,044</u>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/ (crediting):

### 7. 除稅前溢利

本集團除稅前溢利於扣除／（計入）下列各項後得出：

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Cost of inventories sold	出售存貨成本	1,634,155	1,460,162
Depreciation of property, plant and equipment and investment properties	物業、廠房及設備以及投資物業折舊	104,772	88,934
Depreciation of right-of-use assets	使用權資產折舊	4,226	4,460
Amortisation of other intangible assets	其他無形資產攤銷	703	580
Research and development ("R&D") expenses	研究及開發（「研發」）開支	33,856	31,723
Lease payment not included in the measurement of lease liabilities	未計入租賃負債計量的租賃款項	604	604
Auditors' remuneration	核數師酬金	2,200	1,950
Employee benefit expense (including directors' and chief executive's remuneration):	僱員福利開支（包括董事及最高行政人員薪酬）：		
Wages, salaries and other benefits	工資、薪金及其他福利	225,404	214,670
Pension scheme contributions*	退休金計劃供款*	36,360	23,866
		<b>261,764</b>	<b>238,536</b>
Foreign exchange differences, net	外匯差額，淨額	(37,087)	162
Fair value gain/(loss) on derivative instruments	衍生工具的公允價值得益／（虧損）		
– transactions not qualifying as hedges	– 不合資格作對沖的交易	1,275	(1,275)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	11,110	470
Provision/(Reversal of provision) for impairment of inventories	存貨減值撥備／（撥備轉回）	29,144	(3,164)
Reversal of impairment of trade receivables	應收貿易賬款減值轉回	(586)	(1,423)
Bank interest income	銀行利息收入	(2,173)	(234)
Gain on disposal of a subsidiary	出售一家附屬公司的得益	(500)	–

\* There is no forfeited contribution for the Group to offset future contribution.

\* 本集團概無沒收供款可用作抵銷未來供款。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Fees	袍金
Other emoluments:	其他酬金：
Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

#### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

Mr. Lau Ying Kit	劉英傑先生
Mr. Yan Jianmiao	嚴建苗先生
Mr. Lo Kwong Shun Wilson	羅廣信先生

There were no other emoluments payable to the independent non-executive directors during the year (2021: Nil).

### 8. 董事及最高行政人員薪酬

年內，根據上市規則、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條以及《公司(披露董事利益資料)規例》第2部披露的董事及最高行政人員薪酬如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
437	437
3,740	3,730
72	90
<b>4,249</b>	<b>4,257</b>

#### (a) 獨立非執行董事

年內向獨立非執行董事支付的袍金如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
125	125
104	104
104	104
<b>333</b>	<b>333</b>

年內並無應付獨立非執行董事的其他酬金(二零二一年：無)。





# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

#### (b) Executive directors, non-executive director and the chief executive (continued)

2021 二零二一年

2021	二零二一年
Executive directors	執行董事
Mr. Ren Weiming*	任維明先生*
Mr. Shen Yueming	沈躍明先生
Mr. Zhang Hongwen	張鴻文先生
Ms. Shen Hong	沈鴻女士
Non-executive director	非執行董事
Mr. Ngan Kam Wai Albert	顏金煒先生

### 8. 董事及最高行政人員薪酬(續)

#### (b) 執行董事、非執行董事及最高行政人員(續)

	Salaries, allowances and benefits Fees 薪金、津貼 袍金 RMB'000 人民幣千元	in kind 及實物利益 RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total remuneration 薪酬總額 RMB'000 人民幣千元
Executive directors				
Mr. Ren Weiming*	–	1,750	–	1,750
Mr. Shen Yueming	–	750	45	795
Mr. Zhang Hongwen	–	750	45	795
Ms. Shen Hong	–	480	–	480
	–	3,730	90	3,820
Non-executive director				
Mr. Ngan Kam Wai Albert	104	–	–	104
	104	–	–	104
	104	3,730	90	3,924

\* Mr. Ren Weiming, who is an executive director of the Company, also acts as the chief executive officer of the Company.

\* 本公司執行董事任維明先生亦兼任本公司行政總裁。

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## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2021: four) directors, including the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining one (2021: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

Salaries, allowances and benefits in kind	薪金、津貼及實物利益
Pension scheme contributions	退休金計劃供款

The remuneration of the non-director and non-chief executive highest paid employee fell within the following band:

HK\$1,500,000 to HK\$2,000,000	1,500,000港元至2,000,000港元
--------------------------------	-------------------------

During the year ended 31 December 2022, none of the directors and chief executive, or any of the non-director and non-chief executive highest paid employees waived or agreed to waive any remuneration (2021: None). None of the directors and the chief executive, or any of the non-director and non-chief executive highest paid employees received any payment from the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2021: None).

### 9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括四名（二零二一年：四名）董事，當中包括最高行政人員，其薪酬詳情載於上文附註8。年內，餘下一名（二零二一年：一名）非本公司董事或最高行政人員的最高薪酬僱員的薪酬詳情如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
1,575	1,246
15	15
<b>1,590</b>	<b>1,261</b>

非董事及非最高行政人員的最高薪酬僱員的薪酬處於以下範圍：

#### Number of employees 僱員人數

2022 二零二二年	2021 二零二一年
<b>1</b>	<b>1</b>

於截至二零二二年十二月三十一日止年度，概無董事及最高行政人員或任何非董事及非最高行政人員的最高薪酬僱員放棄或同意放棄任何薪酬（二零二一年：無）。概無董事及最高行政人員或任何非董事及非最高行政人員的最高薪酬僱員從本集團收取任何款項以吸引其加入本集團或於加入本集團時作為獎勵或作為離職補償（二零二一年：無）。

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## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 10. INCOME TAX

Major components of the Group's income tax expense for the year are as follows:

Current – Mainland China	即期—中國大陸
– Charge for the year	– 一年內支出
– Overprovision in respect of prior years	– 過往年度超額撥備
Current – Hong Kong	即期—香港
– Charge for the year	– 一年內支出
– Under-provision in respect of prior years	– 過往年度撥備不足
Current – Italy	即期—意大利
– Charge for the year	– 一年內支出
– Under-provision in respect of prior years	– 過往年度撥備不足
Deferred (note 17)	遞延 (附註17)
Total tax charge for the year	年內稅項支出總額

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands.
- (ii) In accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, the provision for current income tax of subsidiaries in Mainland China has been based on a statutory rate of 25% of the assessable profits of these companies for the year, except for Zhejiang Kingdom Linen Co., Ltd. ("Zhejiang Kingdom"), an indirectly wholly-owned subsidiary of the Group. Zhejiang Kingdom obtained the High-new Technology Certificate for the years from 2019 to 2022 and is entitled to a tax rate of 15%.

### 10. 所得稅

本集團於年內的所得稅開支主要項目如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
47,485	150
(2,138)	(901)
8,861	3,094
459	–
1,056	153
–	1,788
7,297	28,303
<b>63,020</b>	<b>32,587</b>

- (i) 根據開曼群島及英屬處女群島規則及法規，本集團毋須繳納開曼群島或英屬處女群島任何所得稅。
- (ii) 根據已通過並於二零零八年一月一日生效的《中國企業所得稅法》，中國大陸附屬公司即期所得稅撥備已根據年內該等公司的應課稅溢利按25%法定稅率計算，惟本集團的一間間接全資附屬公司浙江金達亞麻有限公司（「浙江金達」）除外。浙江金達取得於二零一九年至二零二二年各個年度的高新技術認證，可享有15%稅率。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 10. INCOME TAX (continued)

- (iii) Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong up to HK\$2 million. Assessable profits over HK\$2 million are subject to a tax rate of 16.5%.
- (iv) Pursuant to the rules and regulations of Italy, the Group is subject to tax at an income tax rate of 28.82%, which comprises the Italy Corporate Income Tax at 24% and the Italy Regional Income Tax at 4.82%.
- (v) Pursuant to the rules and regulations of Ethiopia, the Group is subject to tax at an income tax rate of 30%. The Group enjoys a tax holiday of profit tax exemption of 5 years since 2020.

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

### 10. 所得稅 (續)

- (iii) 香港利得稅按於香港產生的至多2百萬港元估計應課稅溢利以8.25%稅率計提撥備。超逾2百萬港元的應課稅溢利須按16.5%的稅率繳稅。
- (iv) 根據意大利規則及法規，本集團須按28.82%稅率繳納所得稅，當中包括按24%稅率計算的意大利企業所得稅及按4.82%稅率計算的意大利地區所得稅。
- (v) 根據埃塞俄比亞規則及法規，本集團須按30%稅率繳納所得稅。自二零二零年起，本集團享有5年所得稅豁免的稅務優惠。

按本公司及其大部份附屬公司位處的司法權區的法定稅率計算適用於除稅前溢利的稅項開支，與按實際稅率計算的稅項開支的對賬如下：

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	<u>234,828</u>	<u>123,087</u>
Tax at an applicable tax rate of 25%	按25%的適用稅率計算的稅項	58,707	30,772
Effect of different/beneficial tax rates (Overprovision)/Under-provision in respect of prior years	不同/優惠稅率影響 過往年度(超額撥備)/撥備不足	(6,683)	(1,101)
Income not subject to tax	毋須課稅的收入	(1,679)	887
Tax losses not recognised	未確認的稅項虧損	(3,112)	(1,036)
Expenses not deductible for tax	不可扣稅的開支	3,931	4,166
Tax credit arising from additional deduction of R&D expenditures of subsidiaries in Mainland China	中國大陸附屬公司研發開支加計扣除產生的稅項抵免	1,723	2,042
Accrual of a withholding tax liability	預扣稅負債計提	(4,408)	(6,936)
Tax effect of deductible temporary differences not recognised	未確認可扣減暫時性差額的稅務影響	7,454	3,793
		<u>7,087</u>	-
Total tax charge for the year	年內稅項支出總額	<u>63,020</u>	<u>32,587</u>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 11. DIVIDEND

Proposed final – HK9.0 cents (2021: HK6.0 cents) per ordinary share	建議末期股息—每股普通股 9.0港仙(二零二一年： 6.0港仙)
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At the meeting of the board of directors of the Company held on 28 March 2023, the payment of a final dividend of HK9.0 cents per ordinary share totalling approximately RMB50,623,000 was recommended for the year ended 31 December 2022, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 616,447,000 (2021: 616,447,000) in issue during the year, as adjusted to reflect the treasury shares held during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

### 11. 股息

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
<u>50,623</u>	<u>30,889</u>

於二零二三年三月二十八日舉行的本公司董事會會議上，董事會建議派發截至二零二二年十二月三十一日止年度末期股息每股普通股9.0港仙，合共約人民幣50,623,000元，須待本公司股東於應屆股東週年大會上批准後，方可作實。

### 12. 母公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據母公司普通股權益持有人應佔年內溢利及年內已發行普通股加權平均數616,447,000股(二零二一年：616,447,000股)計算，並已作出調整以反映年內持有的庫存股份。

每股攤薄盈利乃根據母公司普通股權益持有人應佔年內溢利計算。計算時使用的普通股加權平均數乃年內已發行普通股數目(與計算每股基本盈利所使用者相同)，以及假設全部攤薄潛在普通股被視為獲行使或兌換為普通股後無償發行的普通股加權平均數。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(continued)

The calculations of basic and diluted earnings per share amounts are based on:

Earnings attributable to ordinary equity holders of the parent used in the basic earnings per share calculation 用作計算每股基本盈利的母公司普通股權益持有人應佔盈利

#### Shares

Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation

Effect of dilution – weighted average number of ordinary shares:

Share award plan\*

#### 股份

用作計算每股基本盈利的年內已發行普通股加權平均數

攤薄影響 – 普通股加權平均數：

股份獎勵計劃\*

### 12. 母公司普通股權益持有人應佔每股盈利 (續)

每股基本及攤薄盈利的計算方式如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
<b>175,696</b>	<b>88,223</b>

#### Number of shares 股份數目

2022 二零二二年 '000 千股	2021 二零二一年 '000 千股
<b>616,447</b>	<b>616,447</b>
–	–
<b>616,447</b>	<b>616,447</b>

\* The share award is subject to profit target which is contingently issuable and as the condition is not met by the end of the year, it is not included in the calculation of diluted earnings per share calculation.

\* 股份獎勵須達成或然可發出的溢利目標，由於年底前未達成該條件，故未計入每股攤薄盈利計算的計算中。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT

31 December 2022

### 13. 物業、廠房及設備

二零二二年十二月三十一日

		Plant and buildings 廠房及樓宇	Machinery 機器	Office equipment 辦公室設備	Motor vehicles 汽車	Leasehold improvements 租賃物業裝修	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2021 and at 1 January 2022:	於二零二一年 十二月三十一日及 二零二二年一月一日：							
Cost	成本	715,915	855,238	128,499	9,719	27,603	118,920	1,855,894
Accumulated depreciation	累計折舊	(172,350)	(441,573)	(66,358)	(6,648)	(18,190)	-	(705,119)
Net carrying amount	賬面淨額	<u>543,565</u>	<u>413,665</u>	<u>62,141</u>	<u>3,071</u>	<u>9,413</u>	<u>118,920</u>	<u>1,150,775</u>
At 1 January 2022, net of accumulated depreciation	於二零二二年一月一日， 扣除累計折舊	543,565	413,665	62,141	3,071	9,413	118,920	1,150,775
Additions	添置	4,231	1,053	4,355	3,339	1,302	35,054	49,334
Depreciation provided during the year	年內折舊撥備	(33,036)	(56,366)	(8,954)	(681)	(5,136)	-	(104,173)
Transfers	轉撥	80,400	24,152	908	-	15,819	(121,279)	-
Disposals	出售	-	(752)	(10,686)	-	-	(7,014)	(18,452)
Disposal of a subsidiary	出售一家附屬公司	-	-	-	-	-	(2,087)	(2,087)
Exchange realignment	匯兌調整	-	-	1	-	-	-	1
At 31 December 2022 net of accumulated depreciation	於二零二二年 十二月三十一日， 扣除累計折舊	<u>595,160</u>	<u>381,752</u>	<u>47,765</u>	<u>5,729</u>	<u>21,398</u>	<u>23,594</u>	<u>1,075,398</u>
At 31 December 2022:	於二零二二年 十二月三十一日：							
Cost	成本	800,546	863,763	120,332	13,058	44,724	23,594	1,866,017
Accumulated depreciation	累計折舊	(205,386)	(482,011)	(72,567)	(7,329)	(23,326)	-	(790,619)
Net carrying amount	賬面淨額	<u>595,160</u>	<u>381,752</u>	<u>47,765</u>	<u>5,729</u>	<u>21,398</u>	<u>23,594</u>	<u>1,075,398</u>



# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

31 December 2021

		Plant and buildings 廠房及樓宇 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Leasehold improvements 租賃物業裝修 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
At 31 December 2020 and at 1 January 2021:	於二零二零年 十二月三十一日及 二零二一年一月一日：							
Cost	成本	435,404	711,440	122,133	10,367	22,373	390,366	1,692,083
Accumulated depreciation	累計折舊	(145,467)	(412,088)	(55,627)	(8,113)	(14,300)	-	(635,595)
Net carrying amount	賬面淨額	<u>289,937</u>	<u>299,352</u>	<u>66,506</u>	<u>2,254</u>	<u>8,073</u>	<u>390,366</u>	<u>1,056,488</u>
At 1 January 2021, net of accumulated depreciation	於二零二一年一月一日， 扣除累計折舊	289,937	299,352	66,506	2,254	8,073	390,366	1,056,488
Additions	添置	5,192	7,560	3,737	1,794	2,650	166,326	187,259
Depreciation provided during the year	年內折舊撥備	(26,883)	(45,788)	(11,195)	(579)	(3,892)	-	(88,337)
Transfers	轉撥	275,320	154,484	3,186	-	2,582	(435,572)	-
Disposals	出售	-	(1,943)	(90)	(398)	-	(2,200)	(4,631)
Exchange realignment	匯兌調整	(1)	-	(3)	-	-	-	(4)
At 31 December 2021, net of accumulated depreciation	於二零二一年 十二月三十一日， 扣除累計折舊	<u>543,565</u>	<u>413,665</u>	<u>62,141</u>	<u>3,071</u>	<u>9,413</u>	<u>118,920</u>	<u>1,150,775</u>
At 31 December 2021:	於二零二一年 十二月三十一日：							
Cost	成本	715,915	855,238	128,499	9,719	27,603	118,920	1,855,894
Accumulated depreciation	累計折舊	(172,350)	(441,573)	(66,358)	(6,648)	(18,190)	-	(705,119)
Net carrying amount	賬面淨額	<u>543,565</u>	<u>413,665</u>	<u>62,141</u>	<u>3,071</u>	<u>9,413</u>	<u>118,920</u>	<u>1,150,775</u>

As at 31 December 2022, the Group's property, plant and equipment with a net carrying amount of approximately RMB298,487,000 (2021: RMB322,481,000) were pledged to secure bank loans granted to the Group as set out in note 25 to the financial statements.

誠如財務報表附註25所載，於二零二二年十二月三十一日，本集團賬面淨額約人民幣298,487,000元（二零二一年：人民幣322,481,000元）的物業、廠房及設備已予質押，作為本集團獲授銀行貸款的擔保。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 14. INVESTMENT PROPERTIES

### 14. 投資物業

		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面金額	5,132	5,729
Depreciation provided during the year	年內折舊撥備	(599)	(597)
Carrying amount at 31 December	於十二月三十一日的賬面金額	<b>4,533</b>	<b>5,132</b>

The Group's investment properties are commercial properties in Shanghai and Jiaying, the PRC. The directors of the Company have determined that the investment properties consist of one class of asset, i.e., commercial, based on the nature, characteristics and risks of the property. The Group's investment properties were revalued on 31 December 2022 based on valuations performed by Haiyan Zhonglian Asset Assessment Limited Corporation and Jiaying Dongxing Asset Assessment Firm (LLP), independent professionally qualified valuers, at RMB17,461,000. Each year, the Group's property manager and the chief financial officer decide, after approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The investment properties are leased to third parties under operating leases or held by the Group for capital appreciation, further summary details of which are included in note 15 to the consolidated financial statements.

本集團的投資物業乃位於中國上海及嘉興的商用物業。本公司董事根據投資物業的性質、特性及風險，確定投資物業由一類資產組成，即商用類別。於二零二二年十二月三十一日，本集團根據獨立專業合資格估值師海鹽中聯資產評估有限公司及嘉興東興資產評估事務所（普通合夥）所進行的估值工作，將本集團的投資物業重新估值為人民幣17,461,000元。每年，本集團的物業經理及財務總監在取得審核委員會的批准後，選定並委任一名外聘估值師負責對本集團的投資物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業水準。

投資物業按經營租賃出租予第三方或由本集團持作資本增值，其進一步詳情於合併財務報表附註15概述。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Recurring fair value measurement for:  
Commercial properties

經常性公允價值計量：  
商用物業

### 14. 投資物業(續)

#### 公允價值等級架構

下表顯示本集團投資物業的公允價值計量等級架構：

Fair value measurement as at 31 December 2022 using 採用以下項目於二零二二年十二月三十一日 進行的公允價值計量			
Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	17,461	17,461

Fair value measurement as at  
31 December 2021 using  
採用以下項目於二零二一年十二月三十一日  
進行的公允價值計量

Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一層) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二層) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三層) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
-	-	18,858	18,858

Recurring fair value measurement for:  
Commercial properties

經常性公允價值計量：  
商用物業

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2021: Nil).

Set out below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

### 14. 投資物業 (續)

#### 公允價值等級架構 (續)

年內，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出 (二零二一年：無)。

下文載列投資物業估值所用的估值方法及主要輸入值的概要：

	Valuation technique 估值方法	Significant unobservable inputs 重大不可觀察輸入值	Range or weighted average 範圍或加權平均數	
			2022 二零二二年	2021 二零二一年
Shanghai Commercial Property I 上海商用物業I	Discounted cash flow method 現金流量折現法	Estimated rental value (per sq. m. and per month) 估計租金價值 (每平方米及每月)	RMB192 人民幣192元	RMB192 人民幣192元
		Rent growth (p.a.) 租金增長 (每年)	2%-4%	3%-5%
		Long term vacancy rate 長期空置率	Nil 無	Nil 無
		Discount rate 折現率	2.70%	3.25%

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy (continued)

### 14. 投資物業(續)

#### 公允價值等級架構(續)

	Valuation technique 估值方法	Significant unobservable inputs 重大不可觀察輸入值	Range or weighted average 範圍或加權平均數	
			2022 二零二二年	2021 二零二一年
Shanghai Commercial Property II 上海商用物業II	Discounted cash flow method 現金流量折現法	Estimated rental value (per sq. m. and per month) 估計租金價值 (每平方米及每月)	<b>RMB196</b>	RMB217
			<b>人民幣196元</b>	人民幣217元
			3%-5%	3%-5%
			<b>Nil</b> 無	Nil 無
			<b>3.00%</b>	3.25%
Jiaxing Commercial Property 嘉興商用物業	Market comparison method 市場比較法	Adjusted market price (per sq. m.) 經調整市價(每平方米)	<b>RMB7,612</b>	RMB8,796
			<b>人民幣7,612元</b>	人民幣8,796元

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 14. INVESTMENT PROPERTIES (continued)

#### Fair value hierarchy (continued)

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

### 15. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of plant and buildings, motor vehicles and leasehold land. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of plant and buildings generally have lease terms between 2 and 12 years, while motor vehicles generally have lease terms of 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

### 14. 投資物業 (續)

#### 公允價值等級架構 (續)

根據現金流量折現法，公允價值乃採用資產的壽命期內有關擁有權的利益及負債（包括退出價值或終端價值）的假設進行估計。該方法涉及對物業權益的一連串現金流量的預測。市場衍生的折現率應用於預測現金流量以便確立與資產有關的收益流的現值。退出收益通常是單獨決定且不同於折現率。

現金流量的持續時間及流入和流出的具體時間乃由諸如租金檢討、租約續租及相關轉租、重建或翻新等事件決定。適當的持續時間受市場行為（即物業類別的特性）影響。定期現金流量按總收益扣除空置、不可收回開支、收賬損失、租賃獎勵、維修費用、代理和佣金費用及其他經營和管理費用估算。該一連串定期經營收益淨額，連同預計於預測期終結時的終端價值估計金額，會進行折現。

### 15. 租賃

#### 本集團作為承租人

本集團就多項廠房及樓宇、汽車及租賃土地訂立租賃合約。已提前作出一次性付款以向業主獲取租賃土地，租期為50年至70年，而根據該等土地租賃的條款，將不會繼續支付任何款項。廠房及樓宇的租期通常介乎2至12年，而汽車的租期通常為10年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 15. LEASES (continued)

#### The Group as a lessee (continued)

##### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

As at 1 January 2021	於二零二一年一月一日
Additions	添置
Decrease	減少
Depreciation charge	折舊開支
Exchange realignment	匯兌調整
As at 31 December 2021 and 1 January 2022	於二零二一年 十二月三十一日及 二零二二年一月一日
Additions	添置
Depreciation charge	折舊開支
Disposal of a subsidiary	出售一家附屬公司
Exchange realignment	匯兌調整
As at 31 December 2022	於二零二二年 十二月三十一日

### 15. 租賃(續)

#### 本集團作為承租人(續)

##### (a) 使用權資產

本集團年內使用權資產的賬面金額及變動如下：

Leasehold land 租賃土地 RMB'000 人民幣千元	Plant and buildings 廠房及樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
62,871	10,024	1,070	73,965
18,086	1,461	-	19,547
(940)	-	-	(940)
(1,934)	(2,337)	(189)	(4,460)
-	(750)	-	(750)
78,083	8,398	881	87,362
2,393	1,130	-	3,523
(1,979)	(2,043)	(204)	(4,226)
(18,047)	-	-	(18,047)
-	203	-	203
60,450	7,688	677	68,815

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 15. LEASES (continued)

#### The Group as a lessee (continued)

##### (b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

Carrying amount at 1 January	於一月一日的賬面金額
New leases	新租賃
Accretion of interest recognised during the year	年內已確認利息增幅
Payments	付款
Exchange realignment	匯兌調整
Carrying amount at 31 December	於十二月三十一日的賬面金額
Analysed into:	分析為：
Current portion	流動部分
Non-current portion	非流動部分

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

### 15. 租賃(續)

#### 本集團作為承租人(續)

##### (b) 租賃負債

年內租賃負債(計入計息銀行及其他借貸項下)的賬面金額及變動如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
9,496	11,189
1,130	1,461
386	489
(2,496)	(2,893)
203	(750)
<b>8,719</b>	<b>9,496</b>
2,160	2,079
<b>6,559</b>	<b>7,417</b>

租賃負債之到期分析於財務報表附註36披露。



# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 15. LEASES (continued)

#### The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

Interest on lease liabilities	租賃負債利息	386	489
Depreciation charge of right-of-use assets	使用權資產折舊開支	4,226	4,460
Expense relating to short-term leases (included in administrative expenses)	與短期租賃有關的開支 (計入行政開支)	604	604
Total amount recognised in profit or loss	於損益中確認的總金額	5,216	5,553

(d) The total cash outflow for leases is disclosed in note 31(c) to the financial statements.

#### The Group as a lessor

The Group leases its investment properties (note 14) consisting of two commercial properties in Shanghai and part of the commercial property in Jiaying under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB323,000 (2021: RMB449,000).

### 15. 租賃 (續)

#### 本集團作為承租人 (續)

(c) 於損益中確認的租賃相關款項如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
386	489
4,226	4,460
604	604
5,216	5,553

(d) 租賃現金流出總額於財務報表附註 31(c)披露。

#### 本集團作為出租人

本集團根據經營租賃安排租賃其投資物業 (附註14) (包括上海的兩處商用物業及嘉興的部分商業物業)。此等租賃的條款一般規定租戶支付保證金及訂明可根據當時的市況定期對租金作出調整。本集團年內確認的租金收入為人民幣323,000元 (二零二一年：人民幣449,000元)。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 15. LEASES (continued)

#### The Group as a lessor (continued)

At 31 December 2022, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

Within one year	一年內
Within second to fifth year	第二至第五年
Total	總計

### 15. 租賃(續)

#### 本集團作為出租人(續)

於二零二二年十二月三十一日，本集團根據與租戶訂立的不可撤銷經營租賃於未來期間的未折現租賃應收款項如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
174	435
522	–
<b>696</b>	<b>435</b>

### 16. OTHER INTANGIBLE ASSETS

31 December 2022

At 1 January 2022, net of accumulated amortisation	於二零二二年一月一日，扣除累計攤銷
Additions	添置
Amortisation provided during the year	年內計提攤銷
At 31 December 2022, net of accumulated amortisation	於二零二二年十二月三十一日，扣除累計攤銷
At 31 December 2022:	於二零二二年十二月三十一日：
Cost	成本
Accumulated amortisation	累計攤銷
Net carrying amount	賬面淨額

### 16. 其他無形資產

二零二二年十二月三十一日

Patents and licences 專利及特許權 RMB'000 人民幣千元	Certified emission rights 認證排放權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2,000	3,987	5,987
–	889	889
(200)	(503)	(703)
<b>1,800</b>	<b>4,373</b>	<b>6,173</b>
2,000	10,569	12,569
(200)	(6,196)	(6,396)
<b>1,800</b>	<b>4,373</b>	<b>6,173</b>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 16. OTHER INTANGIBLE ASSETS (continued)

31 December 2021

### 16. 其他無形資產(續)

二零二一年十二月三十一日

		Patents and licences 專利及特許權 RMB'000 人民幣千元	Certified emission rights 認證排放權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2021, net of accumulated amortisation	於二零二一年一月一日， 扣除累計攤銷	2,000	4,158	6,158
Additions	添置	–	409	409
Amortisation provided during the year	年內計提攤銷	–	(580)	(580)
At 31 December 2021, net of accumulated amortisation	於二零二一年 十二月三十一日， 扣除累計攤銷	<u>2,000</u>	<u>3,987</u>	<u>5,987</u>
At 31 December 2021:	於二零二一年 十二月三十一日：			
Cost	成本	2,000	10,226	12,226
Accumulated amortisation	累計攤銷	–	(6,239)	(6,239)
Net carrying amount	賬面淨額	<u>2,000</u>	<u>3,987</u>	<u>5,987</u>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 17. DEFERRED TAX

The movements in deferred tax assets and liabilities of the Group during the year are as follows:

#### Deferred tax assets:

	Accrual	Allowance for doubtful debts	Provision for inventories	Elimination of unrealised profits	Depreciation in excess of related depreciation allowance	Loss available for offsetting against future taxable profits	Fair value loss on derivative financial instruments	Deductible donation expenses	Total
	RMB'000	RMB'000	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	人民幣千元	人民幣千元
At 1 January 2021									
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)	1,317	92	3,632	1,162	4,310	28,701	-	286	39,500
	(428)	134	(1,533)	(546)	(658)	(12,004)	319	-	(14,716)
At 31 December 2021 and 1 January 2022									
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year (note 10)	889	226	2,099	616	3,652	16,697	319	286	24,784
	117	(146)	5,852	1,383	(158)	(8,802)	(319)	(286)	(2,359)
At 31 December 2022									
	1,006	80	7,951	1,999	3,494	7,895	-	-	22,425

### 17. 遞延稅項

本集團遞延稅項資產及負債於年內的變動如下：

#### 遞延稅項資產：

	Accrual	Allowance for doubtful debts	Provision for inventories	Elimination of unrealised profits	Depreciation in excess of related depreciation allowance	Loss available for offsetting against future taxable profits	Fair value loss on derivative financial instruments	Deductible donation expenses	Total
	RMB'000	RMB'000	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	人民幣千元	人民幣千元
At 1 January 2021									
遞延稅項(附註10)	1,317	92	3,632	1,162	4,310	28,701	-	286	39,500
	(428)	134	(1,533)	(546)	(658)	(12,004)	319	-	(14,716)
At 31 December 2021 and 1 January 2022									
遞延稅項(附註10)	889	226	2,099	616	3,652	16,697	319	286	24,784
	117	(146)	5,852	1,383	(158)	(8,802)	(319)	(286)	(2,359)
At 31 December 2022									
	1,006	80	7,951	1,999	3,494	7,895	-	-	22,425

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 17. DEFERRED TAX (continued)

#### Deferred tax liabilities:

		Withholding tax on undistributed profits of Mainland China subsidiaries 中國大陸 附屬公司 未分派溢利 的預扣稅 RMB'000 人民幣千元	Fair value gains on derivative financial instruments 衍生金融 工具的公允 價值得益 RMB'000 人民幣千元	Unrealised exchange gain in Italy 意大利 未變現 匯兌得益 RMB'000 人民幣千元	Depreciation allowance in excess of related depreciation 折舊撥備 超出有關 折舊的金額 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2021	於二零二一年一月一日	13,729	-	714	21,650	36,093
Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year (note 10)	年內自合併損益表扣除/ (計入合併損益表) 的 遞延稅項 (附註10)	3,793	-	(71)	9,865	13,587
At 31 December 2021 and 1 January 2022	於二零二一年 十二月三十一日及 二零二二年一月一日	17,522	-	643	31,515	49,680
Deferred tax charged to the consolidated statement of profit or loss during the year (note 10)	年內自合併損益表扣除的 遞延稅項 (附註10)	418	-	552	3,968	4,938
At 31 December 2022	於二零二二年 十二月三十一日	17,940	-	1,195	35,483	54,618

### 17. 遞延稅項 (續)

#### 遞延稅項負債：

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 17. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

Deferred tax of the Group as at 31 December 2022 and 2021 relates to the following:

Deferred tax assets arising from:	下列各項產生的遞延稅項資產：
- Allowance for doubtful debts	- 呆賬撥備
- Provision for inventories	- 存貨撥備
- Elimination of unrealised profits	- 抵銷未變現溢利
- Accrual	- 預提費用
- Loss available for offsetting against future taxable profit	- 用以抵銷日後應課稅溢利的虧損
- Deductible donation expenses	- 可扣減捐款開支
- Fair value losses on derivative financial instruments	- 衍生金融工具的公允價值虧損
- Depreciation in excess of related depreciation allowance	- 折舊超出有關折舊撥備的金額

### 17. 遞延稅項 (續)

為作呈列之用，若干遞延稅項資產及負債已於合併財務狀況表內對銷。為作財務呈報之用，本集團的遞延稅項結餘分析如下：

本集團於二零二二年及二零二一年十二月三十一日的遞延稅項與下列各項有關：

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
80	226
7,951	2,099
1,999	616
1,006	889
7,895	16,697
-	286
-	319
3,494	3,652
<b>22,425</b>	<b>24,784</b>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 17. DEFERRED TAX (continued)

### 17. 遞延稅項 (續)

		31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Deferred tax liabilities arising from:	下列各項產生的遞延稅項負債：		
– Withholding tax on undistributed profits of Mainland China subsidiaries	– 中國大陸附屬公司未分派溢利的預扣稅	(17,940)	(17,522)
– Depreciation allowance in excess of related depreciation	– 折舊撥備超出有關折舊的金額	(35,483)	(31,515)
– Unrealised exchange gain in Italy	– 意大利未變現匯兌得益	(1,195)	(643)
		<u>(54,618)</u>	<u>(49,680)</u>
Deferred tax, net	遞延稅項淨額	<u>(32,193)</u>	<u>(24,896)</u>
Reflected in the consolidated statement of financial position:	於合併財務狀況表內反映：		
– Deferred tax assets	– 遞延稅項資產	8,473	7,233
– Deferred tax liabilities	– 遞延稅項負債	(40,666)	(32,129)

The Group has tax losses arising in Mainland China of RMB31,580,000 (2021: RMB68,914,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have been recognised in respect of these losses as it is considered probable that taxable profits will be available against which the above items can be utilised.

本集團於中國大陸產生的稅項虧損為人民幣31,580,000元(二零二一年：68,914,000元)，將於五年內到期以抵銷未來應課稅溢利。已就該等虧損確認遞延稅項資產，乃由於被認為很可能存在可動用上述項目抵銷的應課稅溢利。

The Group has tax losses arising in Mainland China of RMB10,351,000 (2021: RMB7,689,000) that will expire in five years for offsetting against future taxable profits and has tax losses arising in Ethiopia of RMB18,513,000 (2021: RMB8,437,000) and in Hong Kong of RMB6,328,000 (2021: RMB3,358,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the above items can be utilised.

本集團於中國大陸產生的稅項虧損為人民幣10,351,000元(二零二一年：人民幣7,689,000元)，將於五年內到期以抵銷未來應課稅溢利，於埃塞俄比亞及香港的稅項虧損為人民幣18,513,000元(二零二一年：人民幣8,437,000元)及人民幣6,328,000元(二零二一年：人民幣3,358,000元)，可無限期用於抵銷產生虧損公司的未來應課稅溢利。並無就該等虧損確認遞延稅項資產，乃由於被認為未必存在可動用上述項目抵銷的應課稅溢利。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 17. DEFERRED TAX (continued)

Pursuant to the Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated after 31 December 2007. A 10% withholding tax is also levied on dividends declared to foreign investors from the foreign investment enterprises established in Italy and Ethiopia.

As at 31 December 2022, other than the amount recognised in the consolidated financial statements, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China and Italy. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China and Italy for which deferred tax liabilities have not been recognised totalled approximately RMB500,623,000 at 31 December 2022 (2021: RMB529,023,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

### 18. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

As at 31 December 2022, inventories with a carrying amount of RMB40,000,000 (2021: RMB40,000,000) were pledged to secure loans granted to the Group as set out in note 25 to the financial statements.

### 17. 遞延稅項 (續)

根據《企業所得稅法》，在中國大陸境內成立的外商投資企業向外國投資者宣派的股息須徵收10%的預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後產生的盈利。在意大利及埃塞俄比亞成立的外商投資企業向外國投資者宣派的股息亦須徵收10%的預扣稅。

於二零二二年十二月三十一日，除合併財務報表內確認的金額外，本集團並無就其在中國大陸及意大利成立的附屬公司須繳納預扣稅的未匯出盈利所應付的預扣稅確認遞延稅項。董事認為，該等附屬公司於可預見將來不大可能分派該等未匯出盈利。於二零二二年十二月三十一日，與於中國大陸及意大利附屬公司的投資有關而並無就此確認遞延稅項負債的暫時性差額總額合共約為人民幣500,623,000元（二零二一年：人民幣529,023,000元）。

本公司向其股東派付股息並無附帶所得稅稅務後果。

### 18. 存貨

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
333,258	322,234
66,869	58,796
285,053	248,191
<b>685,180</b>	<b>629,221</b>

於二零二二年十二月三十一日，賬面金額為人民幣40,000,000元（二零二一年：人民幣40,000,000元）的存貨已予質押，作為本集團獲授貸款的擔保，如財務報表附註25所載。



# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES

Trade receivables	應收貿易賬款
Notes receivable	應收票據
Impairment	減值

Customers are normally granted credit terms ranging from 30 days to 150 days depending on the creditworthiness of the individual customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The Group's notes receivable were all aged within six months and were neither past due nor impaired. The expected credit losses for notes receivable are assessed to be minimal.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

Within 1 month	一個月以內
1 to 2 months	一至兩個月
2 to 3 months	兩至三個月
Over 3 months	超過三個月

### 19. 應收貿易賬款及應收票據

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
273,073	399,627
153,520	114,017
(326)	(912)
<b>426,267</b>	<b>512,732</b>

客戶一般獲授予信貸期30天至150天，視乎個別客戶的信譽而定。本集團力求持續嚴格控制未收回的應收款項，並設有信貸控制部以將信貸風險減至最低。高級管理層定期審閱逾期結餘。應收貿易賬款並不計息。

本集團的應收票據賬齡均為六個月內，並無逾期亦無減值。應收票據的預期信貸虧損被評估為微乎其微。

於報告期末，本集團的應收貿易賬款按發票日分類並扣減虧損撥備的賬齡分析如下：

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
148,389	274,160
49,438	60,851
37,250	35,114
37,670	28,590
<b>272,747</b>	<b>398,715</b>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

At beginning of year	於年初
Impairment losses, net (note 7)	減值虧損淨額 (附註7)
Amount written off as uncollectible	撇減為不可收回的金額

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

#### As at 31 December 2022

Expected credit loss rate	預期信貸虧損率
Gross carrying amount (RMB'000)	總賬面金額 (人民幣千元)
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)

#### As at 31 December 2021

Expected credit loss rate	預期信貸虧損率
Gross carrying amount (RMB'000)	總賬面金額 (人民幣千元)
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)

### 19. 應收貿易賬款及應收票據 (續)

應收貿易賬款減值虧損撥備變動如下：

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
912	2,410
(586)	(1,423)
-	(75)
<b>326</b>	<b>912</b>

於各報告日期均採用撥備矩陣進行減值分析，以計量應收貿易賬款的預期信貸虧損。撥備率乃基於因就擁有類似虧損模式的多個客戶分部進行分組（即以信貸保險形式）而逾期的日數計算。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘應收貿易賬款逾期超過一年，則予以撇銷，且不受執行工作規限。

下表使用撥備矩陣載列有關本集團應收貿易賬款信貸風險狀況的資料：

#### 於二零二二年十二月三十一日

Current 即期	Past due 逾期			Total 總計
	Less than 1 month 一個月以內	1 to 3 months 一至三個月	Over 3 months 超過三個月	
0.00%	0.22%	1.91%	15.91%	0.12%
261,230	7,829	2,355	1,659	273,073
-	17	45	264	326

#### 於二零二一年十二月三十一日

Current 即期	Past due 逾期			Total 總計
	Less than 1 month 一個月以內	1 to 3 months 一至三個月	Over 3 months 超過三個月	
0.00%	0.25%	2.21%	11.72%	0.23%
367,774	11,771	15,458	4,624	399,627
-	29	341	542	912

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

#### Notes receivable that are not derecognised in their entirety

As at 31 December 2022, the Group endorsed certain notes receivable accepted by banks in the PRC (the “Endorsed Notes”) with a carrying amount of RMB59,843,000 (31 December 2021: RMB33,674,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to these Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the endorsement, the Group does not retain any rights on the use of the Endorsed Notes, including sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Notes to which the suppliers have recourse was RMB59,843,000 as at 31 December 2022 (31 December 2021: RMB33,674,000).

#### Notes receivable that are derecognised in their entirety

As at 31 December 2022, the Group endorsed certain notes receivable accepted by banks in the PRC (the “Derecognised Notes”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB34,897,000 (31 December 2021: RMB23,373,000). The Derecognised Notes had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors of the Company, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors of the Company, the fair values of the Group’s Continuing Involvement in the Derecognised Notes are not significant.

### 19. 應收貿易賬款及應收票據 (續)

#### 並無全數終止確認的應收票據

於二零二二年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「經背書票據」），賬面金額為人民幣59,843,000元（二零二一年十二月三十一日：人民幣33,674,000元），以結清應付該等供應商的應付貿易賬款（「背書」）。本公司董事認為，本集團仍保留重大風險及回報，包括有關該等經背書票據的違約風險，故本集團繼續確認經背書票據及相關已結清應付貿易賬款的全部賬面金額。於背書後，本集團並無保留任何使用經背書票據的權利，包括向任何其他第三方出售、轉讓或質押經背書票據。以供應商具有追索權的經背書票據結清的應付貿易賬款於二零二二年十二月三十一日的賬面總額為人民幣59,843,000元（二零二一年十二月三十一日：人民幣33,674,000元）。

#### 全數終止確認的應收票據

於二零二二年十二月三十一日，本集團向其若干供應商背書若干由中國的銀行接納的應收票據（「終止確認票據」），賬面總額為人民幣34,897,000元（二零二一年十二月三十一日：人民幣23,373,000元），以結清應付該等供應商的應付貿易賬款。終止確認票據由報告期末起計一至六個月內到期。根據中國票據法，終止確認票據的持有人有權於中國的銀行違約時向本集團提出追索（「持續參與」）。本公司董事認為，本集團已轉移有關終止確認票據的絕大部分風險及回報。因此，本集團已終止確認終止確認票據及相關應付貿易賬款的全部賬面金額。本集團持續參與終止確認票據及購回該等終止確認票據的未貼現現金流量的最高損失風險相等於有關賬面金額。本公司董事認為，本集團持續參與終止確認票據的公允價值並不重大。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 19. TRADE AND NOTES RECEIVABLES (continued)

#### Notes receivable that are derecognised in their entirety (continued)

The Group has not recognised any gain or loss on the date of transfer of the Derecognised Notes in 2022 (2021: Nil). No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The Endorsement has been made evenly throughout the year.

### 20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Value added tax recoverable	可收回增值稅
Prepayments	預付款
Deposits and other receivables	押金及其他應收款項

The above balances are unsecured and non-interest-bearing and repayable on demand.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2022 and 2021, the loss allowance was assessed to be minimal.

The carrying amount of prepayments, deposits and other receivables approximates to their fair value due to their short-term maturity.

### 19. 應收貿易賬款及應收票據 (續)

#### 全數終止確認的應收票據 (續)

於二零二二年，本集團並未於轉讓終止確認票據當日確認任何得益或虧損（二零二一年：無）。本集團均無於年內或累計確認持續參與的任何得益或虧損。背書乃於年內平均作出。

### 20. 預付款、押金及其他應收款項

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
17,272	16,861
66,128	61,456
12,825	13,902
<b>96,225</b>	<b>92,219</b>

上述結餘為無抵押、不計息及須於要求時償還。

計入上述結餘的金融資產與近期並無拖欠記錄及逾期的應收款項有關。於二零二二年及二零二一年十二月三十一日，評估虧損撥備微乎其微。

由於短期內到期，故預付款、押金及其他應收款項的賬面金額與其公允價值相若。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 21. DERIVATIVE FINANCIAL INSTRUMENTS

### 21. 衍生金融工具

		31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Liabilities:	負債：		
Foreign currency forward contracts – current	外匯遠期合約—即期	-	1,275
(i)	The Group uses forward currency contracts to manage some of its foreign currency transaction exposures. These currency forward contracts are not designated as cash flows, fair value or net investment hedges and are entered into for periods consistent with foreign currency transaction exposures, generally from one to twelve months.		(i) 本集團使用遠期貨幣合約管理其部分外幣交易風險。該等貨幣遠期合約未指定為現金流量、公允價值或淨投資對沖，而訂立的期間與外幣交易風險一致（一般為一至十二個月）。

### 22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 22. 現金及現金等價物以及已抵押存款

		31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	529,369	293,943
Less: Pledged deposits for letters of credit	減：已就信用證抵押的存款	(61,900)	(44,730)
Cash and cash equivalents	現金及現金等價物	467,469	249,213
Denominated in RMB	以人民幣計值	161,331	134,612
Denominated in HK\$	以港元計值	2,412	8,575
Denominated in EUR	以歐元計值	5,670	8,160
Denominated in US\$	以美元計值	358,074	131,290
Denominated in other currencies	以其他貨幣計值	1,882	11,306
Cash and bank balances	現金及銀行結餘	529,369	293,943

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (continued)

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

### 23. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and notes payables as at 31 December 2022, based on the invoice date, is as follows:

Within 1 month	一個月以內
1 month to 3 months	一至三個月
Over 3 months	超過三個月

The above balances are unsecured and non-interest-bearing with credit terms of 90 days. The carrying amount of trade and notes payables at the end of each reporting period approximates to their fair value due to their short-term maturity.

### 22. 現金及現金等價物以及已抵押存款 (續)

人民幣不可自由兌換為其他貨幣。然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款按根據每日銀行存款利率計算之浮動利率計息。銀行結餘與已抵押存款存放於近期無違約歷史且信譽良好之銀行。

### 23. 應付貿易賬款及應付票據

於二零二二年十二月三十一日，按發票日分類的應付貿易賬款及應付票據賬齡分析如下：

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
65,609	26,092
252,383	207,178
49,104	60,650
<b>367,096</b>	<b>293,920</b>

上述結餘為無抵押及不計息，信貸期為90日。於各報告期末，由於短期內到期，故應付貿易賬款及應付票據的賬面金額與其公允價值相若。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 24. OTHER PAYABLES AND ACCRUALS

### 24. 其他應付款項及預提費用

		31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Contract liabilities (i)	合約負債(i)	49,377	16,955
Payroll payables	應付薪金	28,747	25,993
Accruals	預提費用	8,049	2,181
Other payables	其他應付款項	141,921	165,473
		<b>228,094</b>	<b>210,602</b>

(i) Details of contract liabilities are as follows:

(i) 合約負債的詳情如下：

		31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元	1 January 2021 二零二一年 一月一日 RMB'000 人民幣千元
Short-term advances received from customers	收取客戶的短期墊款	49,377	16,955	19,752
Sale of goods	貨品銷售			

Contract liabilities include short-term advances received to deliver products. The increase and decrease in contract liabilities in 2022 and 2021 was mainly due to the increase and decrease in short-term advances received from customers in relation to the sales of products at the end of the year.

合約負債包括為交付產品而收取的短期墊款。於二零二二年及二零二一年的合約負債增加及減少乃主要由於年末收取的與產品銷售有關的短期客戶墊款增加及減少。

The above balances are unsecured and non-interest-bearing. The carrying amount of other payables and accruals at the end of each reporting period approximates to their fair value due to their short-term maturity.

上述結餘為無抵押及不計息。於各報告期末，由於短期內到期，故其他應付款項及預提費用的賬面金額與其公允價值相若。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 25. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 25. 計息銀行及其他借貸

		31 December 2022 二零二二年 十二月三十一日			31 December 2021 二零二一年 十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity	RMB'000 人民幣千元	Effective interest rate (%) 實際利率 (%)	Maturity	RMB'000 人民幣千元
<b>Current</b>	<b>即期</b>						
Secured bank loans	有抵押銀行貸款	3.70-5.00	2023	408,000	0.47-4.6	2022	443,521
Unsecured bank loans	無抵押銀行貸款	2.00-5.00	2023	280,233	1.67-5.00	2022	376,827
Other loans – unsecured	其他貸款—無抵押	3.65	2023	5,951	3.85	2022	5,951
Lease liabilities (note 15)	租賃負債 (附註15)	4.41	2023	2,160	4.35	2022	2,079
				<u>696,344</u>			<u>828,378</u>
<b>Non-current</b>	<b>非即期</b>						
Other loans – unsecured	其他貸款—無抵押	4.91	2024	50,000	4.91	2024	50,000
Lease liabilities (note 15)	租賃負債 (附註15)	4.41	2024-2031	6,559	4.35	2023-2031	7,417
				<u>56,559</u>			<u>57,417</u>
				<u>752,903</u>			<u>885,795</u>

Analysed into:  
Bank loans repayable:  
Within one year

分析為：  
應償還銀行貸款：  
一年內

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
<u>688,233</u>	<u>820,348</u>



# Notes to Consolidated Financial Statements 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

## 25. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Other borrowings repayable:	應償還其他借貸：
Within one year	一年內
In the second year	第二年
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)
Over five years	五年以上

*Note:*

As at 31 December 2022, the current interest-bearing bank borrowings with a carrying amount of RMB408,000,000 (2021: RMB443,521,000) were secured by certain property, plant and equipment, and inventories with carrying amounts of RMB298,487,000 (2021: RMB322,481,000), and RMB40,000,000 (2021: RMB40,000,000), respectively.

The carrying amount of the current interest-bearing bank and other loans of the Group approximates to their fair value due to their short-term maturity.

The fair values of the non-current interest-bearing other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing other loans as at 31 December 2022 was assessed to be insignificant. Management has assessed that the carrying amount of the non-current interest-bearing other loans of the Group approximates to their fair value because the fixed interest rate is close to the currently available rate.

## 25. 計息銀行及其他借貸 (續)

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
8,111	8,030
51,251	1,493
2,308	51,726
3,000	4,198
<b>64,670</b>	<b>65,447</b>

*附註：*

於二零二二年十二月三十一日，賬面金額為人民幣408,000,000元（二零二一年：人民幣443,521,000元）的即期計息銀行借貸以賬面金額分別為人民幣298,487,000元（二零二一年：人民幣322,481,000元）及人民幣40,000,000元（二零二一年：人民幣40,000,000元）的若干物業、廠房及設備及存貨作抵押。

由於短期內到期，故本集團即期計息銀行及其他貸款的賬面金額與其公允價值相若。

非即期計息其他貸款的公允價值乃使用具有類似條款、信貸風險及剩餘到期日的工具目前可用的利率貼現預期未來現金流量計算。於二零二二年十二月三十一日，本集團本身對計息其他貸款的不履約風險被評定為並不重大。按管理層的評估，本集團的非即期計息其他貸款的賬面金額與其公允價值相若，原因為固定利率接近目前可用利率。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 26. SHARE CAPITAL

Authorised:

Ordinary shares of HK\$0.01 each 每股0.01港元普通股

### 26. 股本

法定：

31 December 2022 二零二二年 十二月三十一日		31 December 2021 二零二一年 十二月三十一日	
Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
<u>3,000,000,000</u>	<u>30,000</u>	<u>3,000,000,000</u>	<u>30,000</u>

Issued and fully paid:

已發行及繳足：

At the beginning and  
the end of the year 於年初及年末

31 December 2022 二零二二年十二月三十一日			31 December 2021 二零二一年十二月三十一日		
Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
	HK\$'000 千港元	RMB'000 人民幣千元 equivalent 等值		HK\$'000 千港元	RMB'000 人民幣千元 equivalent 等值
<u>629,678,000</u>	<u>6,297</u>	<u>6,329</u>	<u>629,678,000</u>	<u>6,297</u>	<u>6,329</u>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 27. TREASURY SHARES

### 27. 庫存股份

	31 December 2022 二零二二年十二月三十一日			31 December 2021 二零二一年十二月三十一日		
	Number of shares 股份數目	Amount 金額		Number of shares 股份數目	Amount 金額	
		HK\$'000 千港元	RMB'000 人民幣千元 equivalent 等值		HK\$'000 千港元	RMB'000 人民幣千元 equivalent 等值
	At the beginning and end of the year 於年初及年末	13,230,750	14,632	13,305	13,230,750	14,632

On 26 August 2016, the Company adopted a share award plan, which is not subject to the provisions of Chapter 17 of the Listing Rules (the "Share Award Plan"). The board of directors may, at their discretion, grant shares of the Company to eligible participants. The Company has appointed a trustee for administration of the Share Award Plan (the "Trustee"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Plan for the benefit of the Company's award holders. The Company's shares will be purchased by the Trustee in the market with cash paid by the Company and held in the trust for relevant award holders until such shares are vested in accordance with the provisions of the Share Award Plan. Upon vesting, the Trustee shall either transfer the vested awarded shares at no cost to such award holders or sell the vested awarded shares at the then prevailing market price by way of market order and remit the net proceeds to the award holders in accordance with the direction given by such award holders. The Trustee purchased 19,400,000 shares of the Company at a total consideration of approximately RMB19,508,000 and 19,370,000 shares were granted to award holders. During the year ended 31 December 2022, no shares were vested and transferred to award holders.

於二零一六年八月二十六日，本公司採納一項股份獎勵計劃（「股份獎勵計劃」），該計劃不受上市規則第十七章條文所規限。董事會可酌情向合資格參與人授出本公司股份。本公司已委聘受託人（「受託人」）管理股份獎勵計劃。受託人的主要活動乃為本公司獎勵持有人的利益就股份獎勵計劃管理及持有本公司股份。本公司的股份將由受託人於市場上使用本公司支付的現金購入並以信託方式為相關獎勵持有人而持有，直至有關股份根據股份獎勵計劃條文予以歸屬為止。於歸屬後，受託人須按照該等獎勵持有人作出的指示，將已歸屬的獎勵股份免費轉讓予該等獎勵持有人，或於市場上按當時現行的市價盤出售已歸屬的獎勵股份並將所得款項淨額匯付予獎勵持有人。受託人以總代價約人民幣19,508,000元購入本公司19,400,000股股份，19,370,000股股份已授予獎勵持有人。截至二零二二年十二月三十一日止年度，概無股份已歸屬及轉讓予獎勵持有人。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 28. SHARE AWARD PLAN

On 25 May 2018, the board of directors (including all independent non-executive directors), based on the recommendation of the remuneration committee, resolved to grant a total of 19,370,000 awarded shares, which have been acquired by the Trustee from the open market by using the Company's internal resources, to 92 employees who were eligible persons ("Grantees").

The 19,370,000 awarded shares to be granted to the Grantees represented (i) nearly 3.08% of the issued share capital of the Company as at the grant date; and (ii) the value of approximately RMB19,508,000 based on the calculation of the share purchase records.

1,010,000 of the 19,370,000 awarded shares were granted to 37 Grantees who were employees and have served the Group for 30 years or more, or each of the employee couples who have served the Group for 30 years or more. These awarded shares of approximately 1 million will be vested on the first anniversary upon the grant date.

30% of 18,360,000 of the 19,370,000 awarded shares shall vest on the first anniversary from the grant date and the other 30% and 40% of shares shall vest on the second and third anniversaries from the grant date, respectively.

Moreover, whether these 18,360,000 awarded shares shall be vested depends on two requirements: the Group's net profit target and personnel annual performance evaluation. For the net profit target, the Group's audited net profit is to reach RMB100 million in 2019, RMB150 million in 2020, and RMB200 million in 2021. If the Group misses the target in year one, the 30% shares awarded can only be vested if the Group meets the target in the next year. If the Group continuously misses the target in year two, the shares of year one will no longer be vested. As for the personnel evaluation, the Grantees shall receive 100% of their awarded shares for that year if the evaluation result is "Pass" and receive 75% or 50% of their awarded shares for "Need Improvements" or "Fail".

### 28. 股份獎勵計劃

於二零一八年五月二十五日，董事會（包括全體獨立非執行董事）根據薪酬委員會之推薦建議，議決向92名屬合資格人士之僱員（「承授人」）授出合共19,370,000股獎勵股份，該等獎勵股份由受託人使用本公司之內部資源於公開市場上收購。

向承授人授出之該等19,370,000股獎勵股份相當於(i)本公司於授出日期之已發行股本近3.08%；及(ii)價值約人民幣19,508,000元（依據股份購買記錄計算）。

19,370,000股獎勵股份中的1,010,000股授予37名承授人（彼等為僱員並已服務本集團30年或以上，或各自已服務本集團30年或以上並為夫婦關係之僱員）。該等約一百萬之獎勵股份將於授出日期後第一週年歸屬。

19,370,000股獎勵股份中的18,360,000股於授出日期後第一週年歸屬30%，另外30%及40%股份分別於授出日期後第二週年及第三週年歸屬。

此外，該等18,360,000股獎勵股份是否歸屬取決於兩項規定：本集團的純利目標及人員年度業績評估。就純利目標而言，本集團經審核純利於二零一九年達到人民幣100,000,000元、於二零二零年達到人民幣150,000,000元及於二零二一年達到人民幣200,000,000元。倘本集團於第一年未達到目標，則僅當本集團於第二年達到目標時方予以歸屬30%的獎勵股份。倘本集團於第二年持續未達到目標，則第一年的股份將不再歸屬。就人員評估而言，倘承授人之評估結果為「通過」，則可獲得該年度100%的獎勵股份，而倘為「需要改進」或「不及格」將獲得75%或50%的獎勵股份。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 28. SHARE AWARD PLAN (continued)

On 25 May 2018, the Company communicated the awarding of shares with its employees by the Notice of Share Award Plan. By the Notice of Share Award Plan, the Company and the employees shared a full understanding of the terms and conditions of the arrangement. 25 May 2018 was the Grant Date.

The fair value of awarded shares was HK\$0.97 per share, which was the market price of the shares on 25 May 2018.

The Company assumed that the employees' resignation rate would be 1.23% and the employees' evaluation result would be 95% of "Pass" and 5% of "Need improvements". However, the possibility of achieving the net profit target would be 0%.

During the year, no awarded shares were vested to the Grantees and the rest of awarded shares will not be vested in the future considering the profit target evaluation. No share award expense was amortised under the Share Award Plan in 2022.

### 29. RESERVES

The changes in the reserves of the Group during the year have been disclosed in the consolidated statement of changes in equity of the Group.

#### Merger reserve

Merger reserve represents the difference between the shareholders' total capital contributions to Hong Kong Kingdom over the nominal value of the shares issued by the Company in exchange therefor as at the date of a reorganisation (the "Reorganisation") of the Group to rationalise the group structure in preparation for the listing of the Company's shares on the Stock Exchange and the difference between the aggregate of the then net assets of the subsidiary acquired and the consideration paid by the Group for the business combination under common control. Details of the Reorganisation are set out in the prospectus of the Company dated 30 November 2006.

### 28. 股份獎勵計劃(續)

於二零一八年五月二十五日，本公司透過股份獎勵計劃通知與其僱員溝通股份獎勵事宜。透過股份獎勵計劃通知，本公司及僱員充分瞭解安排的條款及條件。二零一八年五月二十五日即授出日期。

獎勵股份的公允價值為每股0.97港元，即股份於二零一八年五月二十五日的市價。

本公司假設僱員辭職率為1.23%，而僱員評估結果為95%「通過」，5%「需要改進」。然而，完成純利目標的可能性為0%。

年內，經考慮溢利目標評估情況，概無獎勵股份已歸屬於承授人，而剩餘獎勵股份於日後將不會歸屬。於二零二二年，概無股份獎勵開支根據股份獎勵計劃攤銷。

### 29. 儲備

年內本集團儲備變動已於本集團合併權益變動表內披露。

#### 合併儲備

合併儲備指為籌備本公司股份於聯交所上市，本集團進行重組（「重組」）以精簡集團架構當日，香港金達的股東出資總額與本公司為交換而發行的股份面值的差額及所收購附屬公司當時資產淨值總額與本集團就共同控制下業務合併所支付代價的差額。重組詳情載於本公司日期為二零零六年十一月三十日的招股章程內。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 29. RESERVES (continued)

#### PRC statutory reserve

##### *General reserve fund*

The subsidiaries in Mainland China are required to transfer at least 10% of their profit after taxation, as determined under the PRC accounting regulations, to the general reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

The general reserve fund can be used to make good losses and convert into share capital by the issue of new shares to shareholders in proportion to their existing equity holdings.

#### Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas subsidiaries.

#### Share award reserve

Details of the Company's Share Award Plan and the shares awarded under the plan are included in note 28 to the financial statements.

#### Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in the share premium account are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay its debts as they fall due in the ordinary course of business.

### 29. 儲備 (續)

#### 中國法定儲備

##### 一般儲備金

中國大陸的附屬公司須提撥其按中國會計規章釐定的除稅後溢利最少10%至一般儲備金，直至儲備結餘達到其各自註冊資本的50%為止。提撥此儲備須於分派股息予股東前進行。

一般儲備金可用作補償虧損及以按股東現有持股比例向其發行新股份的方式轉換為股本。

#### 匯兌儲備

匯兌儲備包括換算海外附屬公司財務報表所產生的所有匯兌差額。

#### 股份獎勵儲備

本公司的股份獎勵計劃及根據該計劃授出的股份的詳情，載於財務報表附註28。

#### 股份溢價

股份溢價賬的應用受開曼群島公司法監管。根據開曼群島公司法，倘緊隨建議分派股息日期後，本公司能夠於日常業務過程中清償到期債務，則股份溢價賬中的資金可分派予本公司股東。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 30. DISPOSAL OF A SUBSIDIARY

### 30. 出售一家附屬公司

		2022 二零二二年 RMB'000 人民幣千元
Net assets disposed of:	出售的淨資產：	
Right-of-use assets	使用權資產	18,047
Property, plant and equipment	物業、廠房及設備	2,087
Accruals and other payables	預提費用及其他應付款項	(274)
		<hr/>
		19,860
Gain on disposal of a subsidiary	出售一家附屬公司的得益	500
		<hr/>
		20,360
		<hr/> <hr/>
Satisfied by:	支付方式：	
Cash	現金	20,360
		<hr/> <hr/>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

出售一家附屬公司的現金及現金等價物流入淨額分析如下：

		2022 二零二二年 RMB'000 人民幣千元
Cash consideration	現金代價	20,360
Cash and bank balances disposed of	出售的現金及銀行結餘	-
		<hr/>
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	出售一家附屬公司的現金及現金等價物流入淨額	20,360
		<hr/> <hr/>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

There were no major non-cash transactions during the current financial year.

#### (b) Changes in liabilities arising from financing activities

2022

At 31 December 2021	於二零二一年十二月三十一日
Changes from financing cash flows	融資現金流量之變動
New leases	新租賃
Interest expenses	利息開支
Exchange realignment	匯兌調整
At 31 December 2022	於二零二二年十二月三十一日

2021

At 31 December 2020	於二零二零年十二月三十一日
Changes from financing cash flows	融資現金流量之變動
New leases	新租賃
Interest expenses	利息開支
Exchange realignment	匯兌調整
At 31 December 2021	於二零二一年十二月三十一日

### 31. 合併現金流量表附註

#### (a) 主要非現金交易

於當前財政年度並無主要非現金交易。

#### (b) 融資活動產生之負債變動

二零二二年

Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
876,299	9,496
(132,115)	(2,496)
–	1,130
–	386
–	203
<u>744,184</u>	<u>8,719</u>

二零二一年

Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
1,004,414	11,189
(128,115)	(2,893)
–	1,461
–	489
–	(750)
<u>876,299</u>	<u>9,496</u>



# Notes to Consolidated Financial Statements 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

Within operating activities	經營活動內
Within financing activities	融資活動內

## 31. 合併現金流量表附註 (續)

### (c) 租賃現金流出總額

計入現金流量表的租賃現金流出總額如下：

2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
211	604
<b>2,496</b>	<b>2,893</b>
<b>2,707</b>	<b>3,497</b>

## 32. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

Contracted for property, plant and equipment

就物業、廠房及設備已訂約

## 32. 承擔

於報告期末，本集團的資本承擔如下：

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
<b>208,855</b>	<b>259,247</b>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 33. RELATED PARTY TRANSACTIONS

#### (a) Transactions with companies controlled by one of the Company's directors

- (i) During the year ended 31 December 2022, the Group leased offices and manufacturing facilities located in Mainland China from Zhejiang Kingdom Creative Co., Ltd. ("Kingdom Creative") and incurred operating lease charges of RMB476,000 (2021: RMB476,000). Mr. Ren Weiming has a controlling equity interest in Kingdom Creative. Rental and other terms for these lease arrangements were negotiated between the parties on an arm's length basis with reference to the then prevailing market rates.
- (ii) During the year ended 31 December 2022, the Group purchased electricity from Zhejiang Yuyuan Solar Co., Ltd. with an amount of RMB2,619,000 (2021: RMB2,172,000). Mr. Ren Weiming has a controlling equity interest in this company. The price of electricity was made with a discount rate of approximately 3.5% to the market prices.
- (iii) During the year ended 31 December 2022, the Group purchased chemicals, additives and tools from Zhejiang Jinxiu Jiangnan Silk Co., Ltd. with an amount of RMB2,284,000 (2021: RMB3,345,000). Mr. Ren Weiming has a controlling equity interest in this company. The purchase of raw materials was made according to published prices and conditions offered by the supplier to its major customers.
- (iv) During the year ended 31 December 2022, the Group leased cars from and leased an office to Interconnect Financial Leasing (Shanghai) Co., Ltd., which incurred lease charges of RMB319,000 (2021: RMB356,000) and generated lease income of RMB171,000 (2021: RMB343,000). Mr. Ren Weiming has a controlling equity interest in Interconnect Financial Leasing (Shanghai) Co., Ltd.'s parent company, Kingdom Creative. Rental and other terms for these lease arrangements were negotiated between the parties on an arm's length basis with reference to the then prevailing market rates.

### 33. 關連方交易

#### (a) 與由本公司一名董事控制的公司進行的交易

- (i) 於截至二零二二年十二月三十一日止年度，本集團向浙江金達創業股份有限公司（「金達創業」）租用多個位於中國大陸的辦公室及製造廠房，所產生的經營租賃費用為人民幣476,000元（二零二一年：人民幣476,000元）。任維明先生擁有金達創業的控股權益。該等租賃安排之租金及其他條款乃由雙方參考當時市價公平協商。
- (ii) 於截至二零二二年十二月三十一日止年度，本集團以人民幣2,619,000元（二零二一年：人民幣2,172,000元）向浙江昱源光伏有限公司購電。任維明先生擁有該公司的控股權益。電價較市價折讓約3.5%。
- (iii) 於截至二零二二年十二月三十一日止年度，本集團向浙江錦繡江南絲綢有限公司採購金額為人民幣2,284,000元（二零二一年：人民幣3,345,000元）的化學品、添加劑及工具。任維明先生擁有該公司的控股權益。原材料採購乃根據供應商向其主要客戶提供的已公佈價格及條件作出。
- (vi) 於截至二零二二年十二月三十一日止年度，本集團自滙通融資租賃（上海）有限公司租賃汽車，並向該公司出租辦公室，產生租賃費用人民幣319,000元（二零二一年：人民幣356,000元）及租賃收入人民幣171,000元（二零二一年：人民幣343,000元）。任維明先生擁有滙通融資租賃（上海）有限公司的母公司金達創業的控股權益。該等租賃安排之租金及其他條款乃由雙方參考當時市價公平協商。

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## 合併財務報表附註

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### 33. RELATED PARTY TRANSACTIONS (continued)

#### (b) Compensation of key management personnel of the Group

Short term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

The related party transactions in respect of items (a)(ii) and (a)(iii) above are also disclosed as connected transactions in accordance with Chapter 14A of the Listing Rules.

### 33. 關連方交易(續)

#### (b) 本集團主要管理人員的補償

	2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
	5,315	4,976
	89	105
	<u>5,404</u>	<u>5,081</u>

董事及最高行政人員酬金的進一步詳情載於財務報表附註8。

上文附註第(a)(ii)及(a)(iii)項涉及的關連方交易亦根據上市規則第14A章披露為關連交易。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2022

#### Financial assets

Trade receivables	應收貿易賬款	
Notes receivable	應收票據	
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產	
Pledged deposits	已抵押存款	
Cash and cash equivalents	現金及現金等價物	

#### Financial liabilities

Interest-bearing bank and other borrowings	計息銀行及其他借貸	
Financial liabilities included in other payables and accruals	計入其他應付款項及預提費用的金融負債	
Dividend payable	應付股息	
Trade and notes payables	應付貿易賬款及應付票據	

### 34. 按類別分類的金融工具

於報告期末，各類別金融工具的賬面金額如下：

二零二二年

#### 金融資產

Financial assets at fair value through other comprehensive income 按公允價值計入其他全面收益的金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
	272,747	272,747
153,520	-	153,520
	7,708	7,708
	61,900	61,900
	467,469	467,469
153,520	809,824	963,344

#### 金融負債

Financial liabilities at fair value through profit or loss 按公允價值計入損益的金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
	752,903	752,903
	149,971	149,971
	307	307
	367,096	367,096
	1,270,277	1,270,277

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 34. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

(continued)

2021

#### Financial assets

Trade receivables	應收貿易賬款
Notes receivable	應收票據
Financial assets included in deposits and other receivables	計入押金及其他應收款項的金融資產
Pledged deposits	已抵押存款
Cash and cash equivalents	現金及現金等價物

#### Financial liabilities

Interest-bearing bank and other borrowings	計息銀行及其他借貸
Financial liabilities included in other payables and accruals	計入其他應付款項及預提費用的金融負債
Derivative financial instruments	衍生金融工具
Dividend payable	應付股息
Trade and notes payables	應付貿易賬款及應付票據

### 34. 按類別分類的金融工具 (續)

於報告期末，各類別金融工具的賬面金額如下：(續)

二零二一年

#### 金融資產

Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
按公允價值計入其他全面收益的金融資產	按攤銷成本列賬的金融資產	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
–	398,715	398,715
114,017	–	114,017
–	13,902	13,902
–	44,730	44,730
–	249,213	249,213
<u>114,017</u>	<u>706,560</u>	<u>820,577</u>

#### 金融負債

Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
按公允價值計入損益的金融負債	按攤銷成本列賬的金融負債	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
–	885,795	885,795
–	167,654	167,654
1,275	–	1,275
–	182	182
–	293,920	293,920
<u>1,275</u>	<u>1,347,551</u>	<u>1,348,826</u>

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## 合併財務報表附註

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### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

### 35. 金融工具的公允價值及公允價值等級架構

本集團金融工具的賬面金額及公允價值（其賬面金額與公允價值合理相若者除外）如下：

	Carrying amounts		Fair values	
	賬面金額		公允價值	
	2022	2021	2022	2021
	二零二二年	二零二一年	二零二二年	二零二一年
	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
<b>Financial assets</b>				
Debt instruments at fair value through other comprehensive income	153,520	114,017	153,520	114,017
<b>Financial liabilities</b>				
Derivative financial instruments	-	1,275	-	1,275

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits, current interest-bearing bank and other borrowings, trade and notes payables, dividend payable, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the non-current interest-bearing other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities which is approximate to their carrying amounts. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing other loans as at 31 December 2022 were assessed to be insignificant.

按管理層的評估，現金及現金等價物、應收貿易賬款、計入預付款、押金及其他應收款項的金融資產、已抵押存款、即期計息銀行及其他借貸、應付貿易賬款及應付票據、應付股息、計入其他應付款項及預提費用的金融負債的公允價值與其賬面金額相若，主要是由於該等工具短期內到期所致。非流動計息其他貸款的公允價值乃使用與賬面金額相若的具有類似條款、信貸風險及剩餘到期日的工具目前可用的利率貼現預期未來現金流量計算。於二零二二年十二月三十一日，本集團因計息其他貸款的不履約風險導致的公允價值變動被評定為並不重大。

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## 合併財務報表附註

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### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

The fair values of debt instruments at fair value through other comprehensive income have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

### 35. 金融工具的公允價值及公允價值等級架構(續)

以本集團財務經理為首的財務部負責釐定金融工具公允價值計量的政策及程序。財務經理直接向財務總監及審核委員會匯報。於各報告日期，財務部分析金融工具的價值變動並釐定估值所採用的主要輸入值。估值由財務總監審閱及批准。審核委員會每年討論估值過程及結果兩次以進行中期及年度財務呈報。

金融資產及負債的公允價值按當前交易(強制或清算出售除外)中雙方自願交換工具的金額入賬。

本集團與多個對手方(主要為具AAA信貸評級的金融機構)訂立衍生金融工具。衍生金融工具(包括遠期貨幣合約)乃採用與遠期定價及掉期模型類似的估值方法計量(採用現值計算)。該等模型納入了多項不同的市場可觀察輸入值,包括對手方的信貸素質、外匯即期及遠期匯率與利率曲線。遠期貨幣合約的賬面金額與其公允價值相同。

按公允價值計入其他全面收益的債務工具的公允價值乃通過使用具有類似條款、信貸風險及剩餘到期日的工具目前可用的利率貼現預期未來現金流量計算。公允價值經評估與其賬面金額相若。

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## 合併財務報表附註

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### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Assets measured at fair value:

Notes receivable 應收票據

### 35. 金融工具的公允價值及公允價值等級架構(續)

#### 公允價值等級架構

下表顯示本集團金融工具的公允價值計量等級架構：

#### 按公允價值計量的資產：

	Fair value measurement using			
	採用以下項目進行的公允價值計量			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
31 December 2022	Level 1	Level 2	Level 3	
二零二二年 十二月 三十一日	於活躍市場 的報價 第一層	重大可觀察 輸入值 第二層	重大不可觀察 輸入值 第三層	
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	
Notes receivable 應收票據	153,520	-	153,520	-

	Fair value measurement using			
	採用以下項目進行的公允價值計量			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
31 December 2021	Level 1	Level 2	Level 3	
二零二一年 十二月 三十一日	於活躍市場 的報價 第一層	重大可觀察 輸入值 第二層	重大不可觀察 輸入值 第三層	
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	
Notes receivable 應收票據	114,017	-	114,017	-



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## 合併財務報表附註

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### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts 按公允價值計入損益的金融負債 – 外匯遠期合約

### 35. 金融工具的公允價值及公允價值等級架構 (續)

公允價值等級架構 (續)

按公允價值計量的負債：

Fair value measurement using  
採用以下項目進行的公允價值計量

	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Level 1	Level 2	Level 3
31 December 2022	於活躍市場的報價	重大可觀察輸入值	重大不可觀察輸入值
二零二二年十二月三十一日	第一層	第二層	第三層
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

	-	-	-	-
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Fair value measurement using  
採用以下項目進行的公允價值計量

	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Level 1	Level 2	Level 3
31 December 2021	於活躍市場的報價	重大可觀察輸入值	重大不可觀察輸入值
二零二一年十二月三十一日	第一層	第二層	第三層
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

Financial liabilities at fair value through profit or loss – foreign exchange forward contracts 按公允價值計入損益的金融負債 – 外匯遠期合約

	1,275	-	1,275	-
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During the year ended 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements (2021: Nil).

於截至二零二二年十二月三十一日止年度，公允價值計量在第一層及第二層之間概無轉移，亦無轉入第三層或自第三層轉出 (二零二一年：無)。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

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### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise interest-bearing bank loans, trade and notes payables, dividend payable and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade and notes receivables, prepayments, deposits and other receivables, pledged deposits and cash and cash equivalents that arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

### 36. 財務風險管理目標及政策

本集團的主要金融負債（衍生工具除外）包括計息銀行貸款、應付貿易賬款及應付票據、應付股息及其他應付款項。該等金融負債主要目的是為本集團提供經營業務所需資金。本集團擁有多種不同的金融資產，如應收貿易賬款及應收票據、預付款、押金及其他應收款項、已抵押存款以及現金及現金等價物，乃直接因經營業務而產生。

本集團亦進行衍生工具交易，主要包括遠期貨幣合約，旨在管理本集團營運及其融資來源產生的貨幣風險。

本集團的金融工具產生的主要風險為利率風險、外幣風險、信貸風險及流動性風險。董事會檢討並協定下文概述管理各風險的政策。本集團有關衍生工具的會計政策載於財務報表附註2.4。

#### 利率風險

本集團的市場利率變動風險主要與本集團按浮動利率計息的銀行貸款有關。本集團並無使用衍生金融工具對沖其利率風險。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax for the year (through the impact on the floating rate borrowings). The change in the interest rates has no impact on the Group's equity excluding retained profits.

2022	二零二二年
RMB	人民幣
RMB	人民幣
2021	二零二一年
RMB	人民幣
RMB	人民幣

#### Foreign currency risk

Foreign currency risk is 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 has foreign currency sales and purchases and certain trade receivables, payables and bank balances that are denominated in US\$, EUR and HK\$, which are currencies other than the functional currencies of the Group's subsidiaries, and expose the Group to foreign currency risk.

### 36. 財務風險管理目標及政策 (續)

#### 利率風險 (續)

下表顯示當所有其他變數不變時，本集團年內除稅前溢利對利率合理可能變動的敏感度 (透過對浮動利率借貸的影響)。利率變動對本集團的權益 (保留溢利除外) 並無影響。

(Decrease)/ increase in interest rate 利率 (下跌) / 上升	Increase/ (decrease) in profit before tax 除稅前溢利 增加 / (減少) RMB'000 人民幣千元
(1%)	6,880
1%	(6,880)
(1%)	8,201
1%	(8,201)

#### 外幣風險

外幣風險為因外幣匯率變動而導致金融工具的公允價值或未來現金流量波動的風險。本集團的外幣買賣、若干應收貿易賬款、應付款項及銀行結餘並非以本集團附屬公司的功能貨幣列值，而以美元、歐元及港元列值，使本集團面對外幣風險。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

The Group manages its foreign currency risk by entering into foreign currency forward contracts to hedge its exposure to fluctuations on the translation into RMB of its foreign operations of sales in US\$ and EUR, as described in note 21 to the financial statements. It is the Group's policy to ensure that the net exposure is kept to an acceptable level by buying or selling foreign currencies at a fixed rate where necessary to address short term imbalances. Management will continue to monitor foreign exchange exposure and will continue to consider hedging significant foreign currency exposure by using financial instruments such as foreign currency forward contracts.

The following table demonstrates the sensitivity to a reasonably possible change in the US\$, EUR and HK\$ exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives).

Year ended 31 December 2022

If RMB weakens against US\$  
If RMB strengthens against US\$

截至二零二二年  
十二月三十一日止年度

如人民幣兌美元轉弱  
如人民幣兌美元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
5	26,861
(5)	(26,861)

### 36. 財務風險管理目標及政策 (續)

#### 外幣風險 (續)

如財務報表附註21所述，本集團透過訂立外匯遠期合約對沖其將海外業務以美元及歐元列值的銷售換算為人民幣時波動的風險，從而管理其外幣風險。本集團的政策為於有需要時透過按固定匯率買入或賣出外幣解決短期失衡，以確保風險淨額保持於可接受水平。管理層將繼續監控外匯風險，並繼續考慮透過使用金融工具（如外幣遠期合約）對沖重大外幣風險。

下表顯示當所有其他變數不變時，本集團除稅前溢利對美元、歐元及港元匯率合理可能變動的敏感度（由於貨幣資產及負債（包括外幣衍生工具）的公允價值變動）。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

Year ended 31 December 2021

If RMB weakens against US\$  
If RMB strengthens against US\$

截至二零二一年  
十二月三十一日止年度  
如人民幣兌美元轉弱  
如人民幣兌美元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
--	--

5	20,989
(5)	(20,989)

Year ended 31 December 2022

If RMB weakens against EUR  
If RMB strengthens against EUR

截至二零二二年  
十二月三十一日止年度  
如人民幣兌歐元轉弱  
如人民幣兌歐元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升/(下跌) %	(Decrease)/ increase in profit before tax 除稅前溢利 (減少)/增加 RMB'000 人民幣千元
5	(1,298)
(5)	1,298

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

Year ended 31 December 2021

If RMB weakens against EUR  
If RMB strengthens against EUR

截至二零二一年  
十二月三十一日止年度  
如人民幣兌歐元轉弱  
如人民幣兌歐元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升／(下跌) %	(Decrease)/ increase in profit before tax 除稅前溢利 (減少)／增加 RMB'000 人民幣千元
--	--

5	(3,445)
(5)	3,445

Year ended 31 December 2022

If RMB weakens against HK\$  
If RMB strengthens against HK\$

截至二零二二年  
十二月三十一日止年度  
如人民幣兌港元轉弱  
如人民幣兌港元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升／(下跌) %	(Decrease)/ increase in profit before tax 除稅前溢利 (減少)／增加 RMB'000 人民幣千元
--	--

5	(145)
(5)	145

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

Year ended 31 December 2021

If RMB weakens against HK\$  
If RMB strengthens against HK\$

截至二零二一年  
十二月三十一日止年度  
如人民幣兌港元轉弱  
如人民幣兌港元轉強

Increase/ (decrease) in foreign currency rate 外幣匯率 上升 / (下跌) %	(Decrease)/ increase in profit before tax 除稅前溢利 (減少) / 增加 RMB'000 人民幣千元
5	(2,636)
(5)	2,636

#### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk is primarily attributable to trade and notes receivables and deposits and other receivables. Management has a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of customers is assessed through credit verification procedures.

### 36. 財務風險管理目標及政策 (續)

#### 外幣風險 (續)

#### 信貸風險

信貸風險乃指因對手方將未能履行其於金融工具或客戶合約項下的責任而導致財務損失的風險。本集團的信貸風險主要來自應收貿易賬款及應收票據以及押金及其他應收款項。管理層已制訂信貸政策，並持續監控信貸風險。本集團對要求信貸高於若干金額的所有客戶進行信貸評估。

客戶信貸風險按本集團有關客戶信貸風險管理的既定政策、程序及監控進行管理。客戶的信貸質素透過信用核實程序進行評估。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk (continued)

##### Maximum exposure and year-end staging

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

As at 31 December 2022

Trade receivables*	應收貿易賬款*	
Notes receivable – Normal**	應收票據 – 正常**	
Financial assets included in deposits and other receivables – Normal**	計入押金及其他應收款項的金融資產 – 正常**	
Pledged deposits – Not yet past due	已抵押存款 – 尚未逾期	
Cash and cash equivalents – Not yet past due	現金及現金等價物 – 尚未逾期	

### 36. 財務風險管理目標及政策 (續)

#### 信貸風險 (續)

##### 最高風險及年結階段

下表顯示基於本集團信貸政策的信貸質素及最高風險，該信貸政策主要依據逾期資料（除非其他資料無需付出不必要成本或精力即可獲得）及於十二月三十一日的年結階段分類。所列金額為金融資產賬面總額。

於二零二二年十二月三十一日

	12-month ECLs 十二個月 預期信貸 虧損		Lifetime ECLs 全期預期信貸虧損		
	Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables*	–	–	–	273,073	273,073
Notes receivable – Normal**	153,520	–	–	–	153,520
Financial assets included in deposits and other receivables – Normal**	7,708	–	–	–	7,708
Pledged deposits – Not yet past due	61,900	–	–	–	61,900
Cash and cash equivalents – Not yet past due	467,469	–	–	–	467,469
	<b>690,597</b>	<b>–</b>	<b>–</b>	<b>273,073</b>	<b>963,670</b>



# Notes to Consolidated Financial Statements 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2021

		12-month ECLs 十二個月 預期信貸 虧損		Lifetime ECLs 全期預期信貸虧損		
		Stage 1 第1階段 RMB'000 人民幣千元	Stage 2 第2階段 RMB'000 人民幣千元	Stage 3 第3階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables*	應收貿易賬款*	-	-	-	399,627	399,627
Notes receivable – Normal**	應收票據 – 正常**	114,017	-	-	-	114,017
Financial assets included in deposits and other receivables	計入押金及其他應收款項 的金融資產					
– Normal**	– 正常**	13,902	-	-	-	13,902
Pledged deposits	已抵押存款					
– Not yet past due	– 尚未逾期	44,730	-	-	-	44,730
Cash and cash equivalents	現金及現金等價物					
– Not yet past due	– 尚未逾期	249,213	-	-	-	249,213
		<u>421,862</u>	<u>-</u>	<u>-</u>	<u>399,627</u>	<u>821,489</u>

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

\*\* The credit quality of these financial assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors.

## 36. 財務風險管理目標及政策 (續)

### 信貸風險 (續)

最高風險及年結階段 (續)

於二零二一年十二月三十一日

\* 就本集團採用簡化方法予以減值的應收貿易賬款而言，基於撥備矩陣的資料披露於財務報表附註19。

\*\* 該等金融資產的信貸質素於其未逾期時被視為「正常」，且自初始確認以來概無資料表明金融資產的信貸風險顯著增加。否則，金融資產的信貸質素將被視為「呆賬」。

由於本集團僅與獲認可且信譽良好的第三方進行交易，因此毋須收取抵押品。信貸集中風險乃按客戶／對手方及地區管理。由於本集團應收貿易賬款的客戶基礎廣泛分散於不同分部，故本集團並無重大信貸集中風險。

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, was as follows:

Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他借貸 (不包括租賃負債)	
Lease liabilities	租賃負債	
Dividend payable	應付股息	
Trade and notes payables	應付貿易賬款及應付票據	
Other payables and accruals	其他應付款項及預提費用	

On demand 按要求 RMB'000 人民幣千元	As at 31 December 2022 於二零二二年十二月三十一日					Total 總計 RMB'000 人民幣千元
	Less than 3 months 少於三個月 RMB'000 人民幣千元	3 to 12 months 三至十二個月 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	More than 5 years 多於五年 RMB'000 人民幣千元		
	249,031	454,554	60,000	-		763,585
	628	1,718	3,196	4,655		10,197
	307	-	-	-		307
	31,664	286,327	49,104	-		367,095
	149,971	-	-	-		149,971
	<u>181,942</u>	<u>535,986</u>	<u>505,376</u>	<u>63,196</u>	<u>4,655</u>	<u>1,291,155</u>

On demand 按要求 RMB'000 人民幣千元	As at 31 December 2021 於二零二一年十二月三十一日					Total 總計 RMB'000 人民幣千元
	Less than 3 months 少於三個月 RMB'000 人民幣千元	3 to 12 months 三至十二個月 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	More than 5 years 多於五年 RMB'000 人民幣千元		
	241,690	595,945	50,000	-		887,635
	665	1,961	5,906	4,229		12,761
	182	-	-	-		182
	28,608	204,662	60,650	-		293,920
	167,654	-	-	-		167,654
	<u>196,444</u>	<u>447,017</u>	<u>658,556</u>	<u>55,906</u>	<u>4,229</u>	<u>1,362,152</u>

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group regards total equity as capital and manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the Group's objectives, policies or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and notes payables and other payables, less cash and cash equivalents. Capital includes total equity. The gearing ratios as at the end of the reporting periods were as follows:

### 36. 財務風險管理目標及政策 (續)

#### 資本管理

本集團資本管理的首要目標為保障本集團持續經營的能力，並維持穩健的資本比率，以支持其業務及為股東爭取最大價值。

本集團將權益總額視為資本及管理其資本架構，並視乎經濟狀況的變動作出調整。為維持或調整資本架構，本集團可調整向股東派付的股息、向股東退還資本或發行新股份。於截至二零二二年十二月三十一日及二零二一年十二月三十一日止年度，本集團並無對資本管理的目標、政策或程序作出改變。

本集團使用負債比率監控資本，負債比率界定為債務淨額除以資本總額加債務淨額。債務淨額包括計息銀行及其他借貸、應付貿易賬款及應付票據以及其他應付款項，減去現金及現金等價物。資本包括權益總額。於報告期末的負債比率如下：

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management (continued)

Interest-bearing bank and other borrowings (note 25)	計息銀行及其他借貸 (附註25)
Trade and notes payables	應付貿易賬款及應付票據
Other payables (note 24)	其他應付款項 (附註24)
Less: Cash and cash equivalents	減：現金及現金等價物
Net debt	債務淨額
Total equity	權益總額
Capital and net debt	資本及債務淨額
Gearing ratio	負債比率

### 36. 財務風險管理目標及政策 (續)

#### 資本管理 (續)

31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
752,903	885,795
367,096	293,920
141,921	165,473
(467,469)	(249,213)
<b>794,451</b>	1,095,975
<b>1,487,990</b>	1,352,639
<b>2,282,441</b>	2,448,614
<b>35%</b>	45%

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

### 37. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

		31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	373,363	373,362
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	283,152	335,068
Other receivables	其他應收款項	4,360	4,083
Cash and cash equivalents	現金及現金等價物	628	391
Total current assets	流動資產總值	288,140	339,542
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Amounts due to subsidiaries	應付附屬公司款項	45,452	61,656
Dividend payable	應付股息	307	182
Total current liabilities	流動負債總額	45,759	61,838
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	242,381	277,704
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減 流動負債</b>	615,744	651,066
Net assets	資產淨值	615,744	651,066
<b>EQUITY</b>	<b>權益</b>		
Issued capital	已發行股本	6,329	6,329
Reserves (note)	儲備 (附註)	609,415	644,737
Total equity	權益總額	615,744	651,066

# Notes to Consolidated Financial Statements

## 合併財務報表附註

31 December 2022 二零二二年十二月三十一日

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元	Share award reserve 股份獎勵儲備 RMB'000 人民幣千元	Treasury shares 庫存股份 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2021	於二零二一年一月一日	269,226	370,213	-	(13,305)	21,962	648,096
Loss for the year	年內虧損	-	-	-	-	(3,359)	(3,359)
At 31 December 2021 and 1 January 2022	於二零二一年十二月三十一日及二零二二年一月一日	269,226	370,213	-	(13,305)	18,603	644,737
Loss for the year	年內虧損	-	-	-	-	(2,969)	(2,969)
Final 2021 dividend declared	已宣派二零二一年末期股息	-	-	-	-	(32,353)	(32,353)
At 31 December 2022	於二零二二年十二月三十一日	269,226	370,213	-	(13,305)	(16,719)	609,415

#### Contributed surplus

Contributed surplus represents the excess of the fair value of the shares of Hong Kong Kingdom at the date of the Reorganisation over the nominal value of the shares issued by the Company in exchange therefor.

### 38. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

### 39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2023.

### 37. 本公司財務狀況表 (續)

附註：

本公司儲備概述如下：

#### 繳入盈餘

繳入盈餘指於重組日期香港金達股份的公允價值超出本公司為交換而發行的股份面值的數額。

### 38. 比較金額

若干比較金額已重新分類並重列，以符合本年度的呈列及會計處理方式。

### 39. 批准合併財務報表

董事會已於二零二三年三月二十八日批准及授權刊發本合併財務報表。



The background features a network of white lines connecting various sized circles, set against a backdrop of large, overlapping circles in shades of light green and teal. The overall aesthetic is clean and modern, suggesting a global or interconnected theme.

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