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稀鎂科技
REMTECH

稀鎂科技集團控股有限公司
RARE EARTH MAGNESIUM TECHNOLOGY GROUP HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)

(股份代號：601)

2023年全年業績公告

稀鎂科技集團控股有限公司(「本公司」)董事會(「董事會」)欣然宣佈本公司及其附屬公司截至2023年12月31日止年度的經審核業績。本公告列載本公司2023年年報全文，並符合香港聯合交易所有限公司證券上市規則內有關全年業績初步公告須附載資料的要求。本公司2023年年報的印刷版本將於2024年4月30日寄發予本公司股東，並可於聯交所網站www.hkexnews.hk及本公司的網站www.remt.com.hk閱覽。

承董事會命
稀鎂科技集團控股有限公司
主席
沈世捷

香港，2024年3月28日

於本公佈日期，董事為：

執行董事： 沈世捷先生及池斯樂女士

獨立非執行董事： 鄺炳文先生、張省本先生及林鵬軒先生

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公司資料

CORPORATE INFORMATION

董事

執行董事：

沈世捷 (主席兼行政總裁)
池斯樂

獨立非執行董事：

鄭炳文
張省本
林鵬軒

審核委員會

鄭炳文 (主席)
張省本
林鵬軒

薪酬委員會

沈世捷 (主席)
鄭炳文
張省本

提名委員會

沈世捷 (主席)
鄭炳文
林鵬軒

公司秘書

樊國民

核數師

上會栢誠會計師事務所有限公司
執業會計師
註冊公眾利益實體核數師
香港
九龍尖沙咀
天文道8號
19樓1903A-1905室

主要往來銀行

王道商業銀行股份有限公司
星展銀行(香港)有限公司

DIRECTORS

Executive Directors:

Shum Sai Chit (*Chairman and Chief Executive Officer*)
Chi Sile

Independent Non-executive Directors:

Kwong Ping Man
Cheung Sound Poon
Lin Pengxuan

AUDIT COMMITTEE

Kwong Ping Man (*Chairman*)
Cheung Sound Poon
Lin Pengxuan

REMUNERATION COMMITTEE

Shum Sai Chit (*Chairman*)
Kwong Ping Man
Cheung Sound Poon

NOMINATION COMMITTEE

Shum Sai Chit (*Chairman*)
Kwong Ping Man
Lin Pengxuan

COMPANY SECRETARY

Fan Kwok Man, Raymond

AUDITORS

Prism Hong Kong and Shanghai Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 1903A-1905, 19/F.,
8 Observatory Road,
Tsim Sha Tsui,
Hong Kong

PRINCIPAL BANKERS

O-Bank Co., Ltd
DBS Bank (Hong Kong) Limited

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

主要辦事處

香港
九龍尖沙咀
海港城
港威大廈
第5座16樓

百慕達主要股份過戶登記處及 轉讓登記處

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street, PO Box HM 1624
Hamilton HM 10
Bermuda

香港股份過戶登記分處及 轉讓登記處

卓佳秘書商務有限公司
香港
夏慤道16號
遠東金融中心17樓

網址

<http://www.remt.com.hk>

股票代號

00601

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

16th Floor, Tower 5
The Gateway
Harbour city
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street, PO Box HM 1624
Hamilton HM 10
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

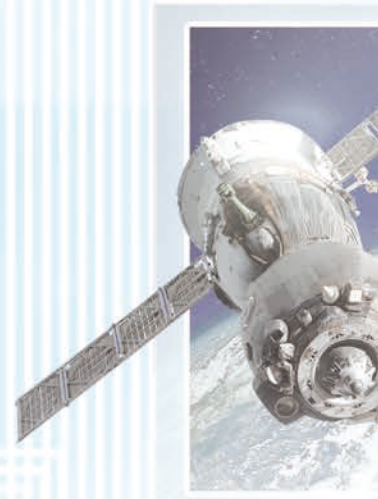
WEBSITE

<http://www.remt.com.hk>

STOCK CODE

00601

主席報告 CHAIRMAN'S STATEMENT

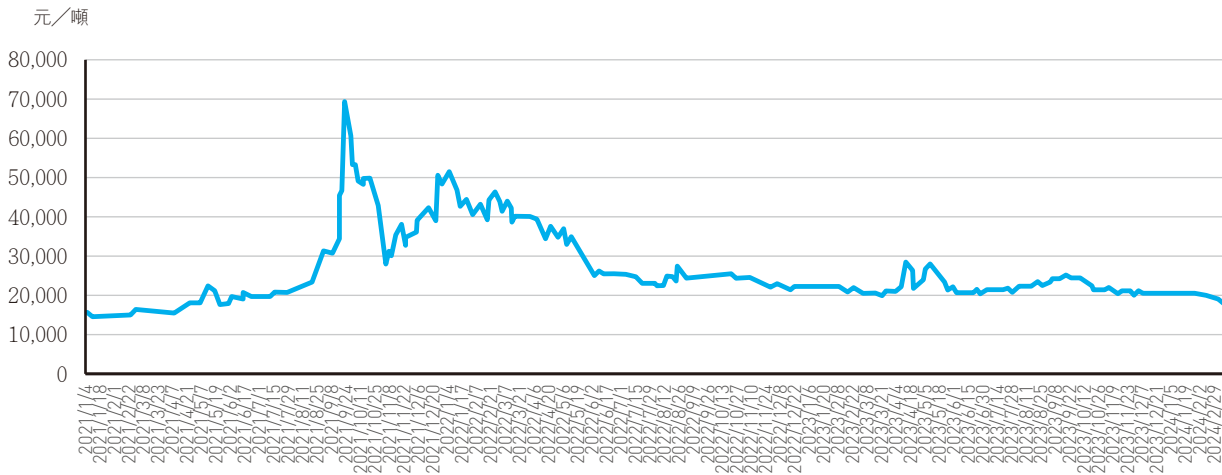


本人謹代表本公司董事會(「董事會」)欣然提呈稀鎂科技集團控股有限公司(「本公司」)及其附屬公司(統稱「稀鎂科技」或「本集團」或「集團」)截至二零二三年十二月三十一日止年度(「年內」)之業績以供各位利益相關者省覽。

「鎂價持續下行觸及三年最低」

2023年，全球經濟增速放緩，經濟大環境欠佳。中國的鎂錠價格整體呈下降趨勢，儘管在4月中旬、5月中旬和9月下旬曾短暫回升，但從10月中旬開始持續下跌。2023年鎂的平均月度價格從1月份的21,811元/噸下降到12月份的20,433元/噸，全年平均價格為21,953元/噸，較去年同期下降了27.5%，達到了三年來的最低點。2024年開年以來鎂市依然承壓延續回落，鎂價繼續下探底部，下遊採購普遍謹慎，工廠企業虧損嚴重，金屬鎂市場壓力重重。

中國金屬鎂出廠價格(元/噸)



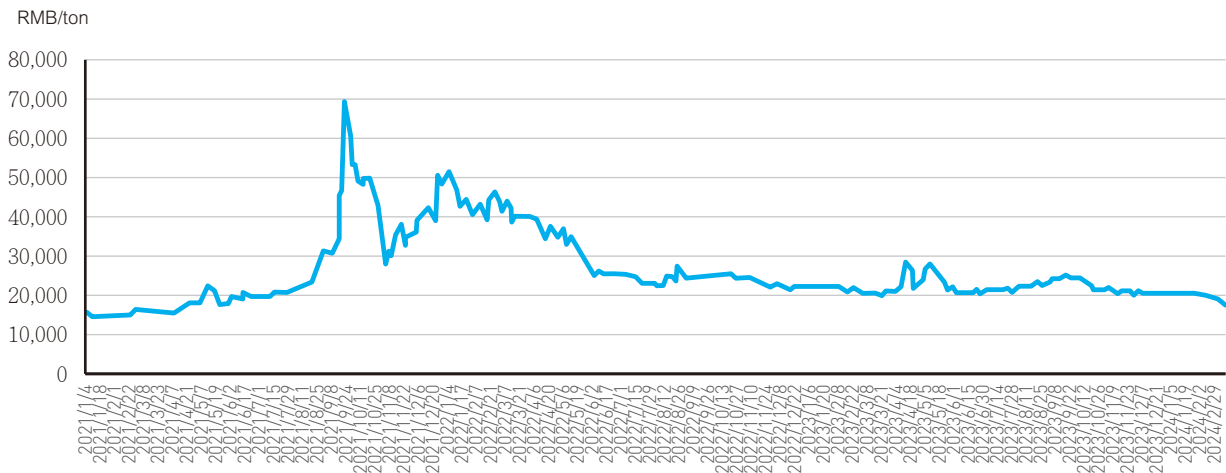


On behalf of the Board of Directors (the "Board"), I am pleased to present the annual results of Rare Earth Magnesium Technology Group Holdings Limited (the "Company") and its subsidiaries (collectively, the "REMT Group" or the "Group") for the year ended 31 December 2023 (the "Year") for all stakeholders to review.

"Magnesium prices continue to decline, reaching a three-year low"

In 2023, the global economy experienced a slowdown, and the overall economic environment was unfavorable. The price of magnesium ingots in China showed a downward trend. Although there were temporary rebounds in mid-April, mid-May, and late September, the decline continued from mid-October. The average monthly price of magnesium in 2023 decreased from 21,811 yuan/ton in January to 20,433 yuan/ton in December. The average price for the whole year was 21,953 yuan/ton, a decrease of 27.5% compared to the same period last year, reaching the lowest point in three years. Since the beginning of 2024, the magnesium market has continued to decline under pressure. Magnesium prices continue to explore the bottom, downstream purchases are generally cautious, and factories and enterprises are suffering from severe losses. The magnesium metal market is under heavy pressure.

Factory price of magnesium ingots in China in 2023 (RMB/ton)





「鎂鋁價格比值回歸合理區間」

鎂價格的持續下行抑制了鎂企業的盈利空間，給企業的運營帶來了挑戰。然而，從鎂與鋁的比價角度來看，低價的鎂有利於推廣鎂基儲氫材料、鎂建築模板等下游新應用領域。鎂比鋁輕1/3，因此通常情況下，鎂的價格是鋁的1.5-2倍，在2023年，鎂鋁價格的比值一直維持在較低水平，有9個月低於1.2，最低下降至1.08，年底為1.18，鎂代替鋁的性價比優勢顯著。回顧過去十年，鎂與鋁的價格比值一直維持在合理的範圍內，除了2021年和2022年由於國際原材料價格上漲以及中國政府環保政策管控等原因引起鎂價劇烈波動之後已經重回至合理區間，性價比優勢再度顯現，功能價值凸顯，鎂及鎂合金創新開發成果日益增加，並將迎來拓展應用的新機遇。

「生產裝置升級改造勢在必行」

整體經濟氛圍欠佳，行業不景氣，所有的鎂從業者未能獨善其身。本集團2023年的成績單並不靚麗，成本高磊，鎂價「跌跌不休」，企業利潤承壓。除此之外，為貫徹落實中國生態環境部等職能部委《關於推進實施焦化行業超低排放的意見》以及中國國家發改委《關於產業結構調整指導目錄》的要求，本集團子公司新疆騰翔鎂製品有限公司(下稱新疆騰翔)所在地新疆哈密當地政府要求指定行業的生產裝置必須進行升級改造，包括新疆騰翔在內主要採用蘭炭尾氣煉鎂的鎂生產企業。本集團境外債務重組工作完成不久，百廢待興，市場需求疲軟，資金運轉緊張，而環保升級改造需要投入大量資金，必然進一步加劇企業經營負擔和資金短缺壓力，管理層正積極籌措融資，探討包括但不限於引進風險投資，股權融資，項目合作等多種融資方式，努力尋求最佳方案以解決資金需求。

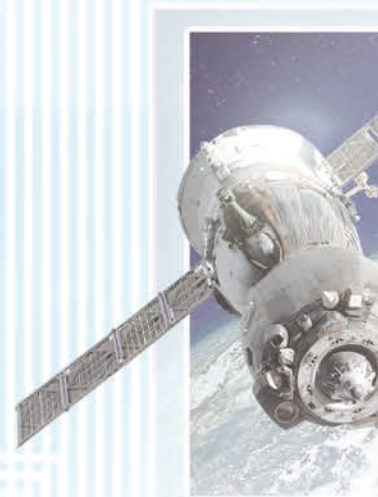


“The magnesium-aluminum price ratio back to reasonable range”

The continuous decline in magnesium prices has restrained the profitability of magnesium enterprises and posed challenges to their operations. However, when looking at the price ratio between magnesium and aluminum, the lower price of magnesium is beneficial for promoting downstream applications such as magnesium-based hydrogen storage materials and magnesium construction templates. Magnesium is one-third lighter than aluminum, so typically, the price of magnesium is 1.5-2 times that of aluminum. In 2023, the price ratio of magnesium to aluminum remained at a relatively low level, with 9 months below 1.2, reaching a minimum of 1.08 and ending the Year at 1.18. These figures indicate a significant cost-effectiveness advantage of magnesium compared to aluminum. Looking back over the past decade, the price ratio between magnesium and aluminum has remained within a reasonable range. After experiencing significant fluctuations in magnesium prices due to factors such as rising international raw material prices and Chinese Government environmental policies in 2021 and 2022, the ratio has returned to a reasonable range, highlighting the cost-effectiveness advantage and functional value of magnesium. The increasing innovation and development of magnesium and magnesium alloys are creating new opportunities for expanded applications.

“Upgrading and transforming production facilities are imperative”

The overall economic environment is unfavorable, and the industry is facing a downturn, impacting all players in the magnesium industry. The performance of the Group in 2023 was not impressive, with high costs and continuously declining magnesium prices, putting pressure on the Company profits. Meanwhile, in response to the requirements of the Chinese Government's Ministry of Ecology and Environment and other functional departments regarding the promotion of ultra-low emissions in the coking industry, as well as the guidelines for industrial restructuring issued by the National Development and Reform Commission, the local government in Hami, Xinjiang, where REMT's subsidiary Xinjiang Tengxiang Magnesium Products Co., Ltd. (“Xinjiang Tengxiang”) is located, has mandated that designated industry production facilities must undergo upgrading and renovation. This includes major magnesium production enterprises like Xinjiang Tengxiang, which primarily utilise lanthanum coke tail gas for magnesium refining. Shortly after completing the restructuring of our offshore debts, we still face numerous challenges. Market demand is weak, and there is a tight cash flow. However, the environmental upgrade and renovation require a significant amount of capital investment. The management is actively seeking financing and exploring various financing methods, including but not limited to introducing venture capital, equity financing, project partnerships, and other financing options. They are making efforts to find the best possible solution to meet the funding requirements.



展望

新疆騰翔是本集團的重點生產基地。為響應中國政府有關部門對相關產業的環保要求，新疆騰翔蘭炭生產線老舊產能的生產裝置升級改造勢在必行，管理層積極為本公司境外融資平台創造條件，拓寬融資渠道，極力籌措資金以應對環保升級改造。另一方面，集團董事會也將積極研討業務轉型的可行性，以增強本集團長期可持續發展動能。本人謹代表本集團對各股東、董事會成員、客戶、銀行及合作夥伴和全體同仁一直以來對本集團的大力支持致以衷心的感謝，對集團全體員工的卓越表現致以誠摯的謝意。在全球產業鏈調整以及消費市場低迷等內外部環境如此複雜的今天，我們所面臨的挑戰是巨大的，讓我們披荊斬棘，勇往直前；讓我們抓住機遇，迎接變革，不斷創新和進步！

沈世捷
主席

香港，二零二四年三月二十八日



PROSPECTS

Xinjiang Tengxiang is a key production base of our Group. In response to the environmental requirements set by the relevant Chinese Government departments, it is imperative to upgrade and transform the outdated production facilities of the lanthanum charcoal production line at Xinjiang Tengxiang. The management team is actively creating conditions for offshore financing platform, expanding financing channels, and making every effort to raise funds to address the environmental upgrade and transformation needs. Additionally, the Board will actively explore the feasibility of business transformation to enhance the long-term sustainable development momentum of the Group. On behalf of the Group, I would like to sincerely thank all shareholders, members of the Board, customers, banks, partners, and all colleagues for their strong support to the Group. I would also like to express heartfelt gratitude to all employees of the Group for their outstanding performance. In the face of the complex internal and external environment, such as global industrial chain adjustments and a sluggish consumer market, the challenges we are facing are immense. Let us bravely face obstacles and move forward with determination. Let us seize opportunities, embrace change, and continuously innovate and progress!

Shum Sai Chit

Chairman

Hong Kong, 28 March 2024

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

業務回顧與分析

在本報告年度內，集團的收入為港幣263,491,000元（2022年：港幣383,899,000元），較去年同期下降了31.4%。本年度，集團整體毛虧損為港幣85,281,000元，相較於去年同期的總毛利潤港幣46,614,000元，情況有所逆轉。歸屬於股東的虧損為港幣423,600,000元（2022年：盈利港幣1,404,000元）。

BUSINESS REVIEW AND ANALYSIS

During the Year, the revenue of the Group was HK\$263,491,000 [2022: HK\$383,899,000], representing a year-on-year decrease of 31.4%. During the Year, the overall gross loss was HK\$85,281,000, turning from a overall gross profit of HK\$46,614,000 in the comparative periods. The loss attributable to shareholders was HK\$423,600,000 [2022: profit of HK\$1,404,000].

財務業務摘要

FINANCIAL AND BUSINESS SUMMARY

		二零二三年 2023 千港元 HK\$'000 (經審核) [Audited]	二零二二年 2022 千港元 HK\$'000 (經審核) [Audited]	二零二一年 2021 千港元 HK\$'000 (經審核) [Audited]
損益表 Statement of profit or loss				
收入	Revenue	263,491	383,899	416,060
毛利	Gross (loss)/profit	[85,281]	46,614	68,775
毛利率	Gross (loss)/profit margin	[32.4%]	12.1%	16.5%
本公司擁有人應佔 (虧損)/溢利	(Loss)/Profit attributable to owners of the Company	[423,600]	1,404	[331,883]
純利率	Net profit margin	不適用 N/A	0.4%	不適用 N/A
財務狀況表 State of financial position				
資產總額	Total asset	1,442,531	1,873,174	2,360,619
權益總額	Total equity	612,961	1,095,952	1,188,942
銀行現金(包括已抵押 銀行存款)	Cash at banks (including pledged bank deposits)	39,954	38,297	35,568
指標 Indicators				
借貸比率	Gearing ratio	47.7	34.3%	37.1%
股本收益率	Return on equity	不適用 N/A	0.1%	不適用 N/A

主要經營數據分析

與去年相比，集團在2023年的收入減少了約港幣120,408,000元，或下降了31.4%。

2023年全球經濟放緩以及充滿挑戰的經濟環境，對全球各行業造成了影響。在中國，鎂錠的價格呈現整體下降趨勢。儘管年中有過短期回升，但第四季度開始持續下跌。這種經濟氣氛，加上行業內的困境，顯著導致了我們收入的減少。

儘管集團鎂產品的銷售量輕微增加，從2022年的11,098噸增至2023年的12,300噸，但鎂產品的平均售價從2022年的每噸港幣34,592元降至2023年的每噸港幣21,337元。顯著的價格下降是導致收入減少的主要原因。

因此，集團錄得整體毛虧損港幣85,281,000元，而去年同期報告的毛利潤港幣46,614,000元。

其他經營費用分析

銷售及分銷費用

銷售及分銷費用約為港幣2,301,000元(2022年：港幣3,073,000元)，主要由市場推廣費用和銷售人員工資組成。銷售及分銷費用與收入比率約為0.9%(2022年：0.8%)。

行政開支

行政開支主要包括員工薪酬、折舊與攤銷、審計及專業費用以及研發成本。本年度，行政開支約為港幣83,658,000元(2022年：港幣126,222,000元)。減少主要是由於約港幣28,620,000元的長期待攤前期付款於2022年確認，而2023年則未有類似費用。

MAIN OPERATION DATA ANALYSIS

The Group's revenue in 2023 witnessed a decline of approximately HK\$120,408,000, or 31.4%, compared to the previous year.

The global economic slowdown in 2023, alongside a challenging economic environment, impacted industries worldwide. In the PRC, magnesium ingot prices followed a generally decreasing trend. Despite interim recoveries in the middle of the year, a persistent downturn commenced in the fourth quarter of 2023. This economic climate, coupled with industry-specific hurdles, significantly contributed to our revenue shortfall.

Despite a slight increase in the Group's sales volume of magnesium products, from 11,098 tons in 2022 to 12,300 tons in 2023, the average selling price of the Group's magnesium products decreased from HK\$34,592 per ton in 2022 to HK\$21,337 per ton in 2023. This substantial price drop was the primary driver behind the revenue decline.

Consequently, the Group faced an overall gross loss of HK\$85,281,000, a contrast to the HK\$46,614,000 gross profit reported in the previous year's comparative period.

OTHER OPERATING EXPENSES ANALYSIS

Selling and Distribution Expenses

Selling and distribution expenses were approximately HK\$2,301,000 (2022: HK\$3,073,000), which mainly comprised of marketing expenses and sales staff wages. Selling and distribution expenses to revenue ratio was approximately 0.9% (2022: 0.8%).

Administrative Expenses

Administrative expenses primarily consisted of staff remuneration, depreciation and amortization, audit and professional fees, as well as research and development costs. For the year, administrative expenses amounted to approximately HK\$83,658,000 (2022: HK\$126,222,000). The decrease is primarily attributable to a provision for long outstanding prepayments of approximately HK\$28,620,000, which was recognized in 2022; however, no similar amount was recognized in 2023.

債務重組收益

在2022年，根據債權人計畫獲得債權人(「債權人計畫」)及香港高等法院在2022年5月的批准與認可，確認了約港幣267,382,000元的債務重組收益。2023年並未確認此類收益。

減值及撥備

在2023年，集團就非流動資產認列了減值損失準備金，金額約為港幣203,902,000元(2022年：港幣61,530,000元)。該撥備屬於一次性非現金項目，這與集團鎂業務持續虧損的表現有關。

此外，集團在2023年錄得約港幣3,992,000元對貿易應收賬款、存款及其他存款的預期信用損失撤銷，而2022年曾認列港幣104,191,000元的撥備。這一撤銷主要代表了2023年這些陳年貿易應收賬款的收回。

財務成本

本年度的財務成本總計約為港幣48,793,000元，較去年同期增加了港幣27,870,000元，或增長了133.2%。這一財務成本的上升主要是由於根據債權人計畫及其發行的可轉換債券，全年計入借款的有效利息費用所致。在2023年，這些費用為港幣45,230,000元(2022年：港幣17,303,000元)。這些有效利息費用屬於非現金性質，並未影響公司的現金流。

流動性及財務資源

集團的資產負債比率，即總借款除以總資產，為47.7%(2022年：34.3%)。截至2023年12月31日，銀行存款為港幣39,954,000元(2022年：港幣28,599,000元)。

Gain on debt restructuring

In 2022, a gain on debt restructuring of approximately HK\$267,382,000 was recognized following the approval and sanctioning of the creditors' scheme by the scheme creditors ("Creditors' Scheme") and the High Court of Hong Kong in May 2022. No such gain was recognized in 2023.

Impairment and Allowance

In 2023, the Group recognised a provision for impairment loss on non-current assets, amounting to approximately HK\$203,902,000 (2022: HK\$61,530,000). This provision is a non-recurring and non-cash item, which has been attributed to the continuous loss-making performance of the Group's magnesium business.

Furthermore, the Group has recorded a reversal of allowance for expected credit loss on trade receivables, deposits and other deposits of HK\$3,992,000 in 2023, in which an allowance of HK\$104,191,000 was recognized in 2022. This reversal of allowance mainly represented the collection of these aged trade receivables in 2023.

Finance Costs

The finance cost for the year totaled approximately HK\$48,793,000, representing a year-on-year increase of HK\$27,870,000, or 133.2%. This rise in finance costs is mainly due to the full-year effect of recognizing effective interest expenses on borrowings under the Creditors' Scheme and the convertible bonds issued pursuant to it. In 2023, these amounted to HK\$45,230,000 (2022: HK\$17,303,000). These effective interest expenses are non-cash in nature and did not impact the Company's cash flow.

Liquidity and Financial Resources

The Group's gearing ratio, representing the total borrowings divided by total assets, was 47.7% (2022: 34.3%). At 31 December 2023, cash in bank was HK\$39,954,000 (2022: HK\$28,599,000).

非流動資產減值

2023年，由於全球經濟放緩，集團的鎂產品業務表現不佳而導致虧損。鑑於現金產生單位(「CGU」)的經濟表現低於預期，管理層指出可能的減值並進行了資產評估。截至評估日，物業、廠房及設備；使用權資產；無形資產；及礦業權的賬面金額分別約為港幣1,020,495,000元、港幣31,738,000元、港幣13,196,000元，及港幣35,871,000元。

集團估計包括企業資產在內的CGU的可收回金額約為港幣1,101,300,000元。此值按五年現金流預測計算，使用前稅折現率13.90%及增長率2.16%，與行業預測一致。

減值評估顯示，現金生成單位(CGU)的可回收金額低於其賬面金額。因此，對於物業、廠房及設備；使用權資產；無形資產；以及礦業權，分別認列了減值損失港幣188,941,000元、港幣5,876,000元、港幣2,443,000元和港幣6,642,000元，以確保沒有任何資產的賬面金額低於其可回收金額。

匯率風險

本集團主要在中國內地及香港經營業務，故此承受多種外匯風險，主要涉及人民幣、港元及美元。外匯風險源於未來商業交易、已確認資產及負債，以及外國經營的投資淨額。本集團管理層預期該等業務的外幣風險淨額並不大。因此，本集團現時並無對沖外匯風險。

本集團擬定期審視持有除港元以外之貨幣之流動資產及負債以評估外匯風險並於必要時考慮使用對沖工具。

IMPAIRMENT OF NON-CURRENT ASSETS

In 2023, the Group's magnesium product business underperformed, incurring losses due to the global economic slowdown. Given the poorer than expected economic performance of the cash-generating unit ("CGU"), management indicated potential impairment and assessed the assets. The carrying amounts for property, plant, and equipment; right-of-use assets; intangible assets; and mining rights were approximately HK\$1,020,495,000, HK\$31,738,000, HK\$13,196,000, and HK\$35,871,000, respectively.

The Group estimated the recoverable amount of the CGU, including corporate assets, at around HK\$1,101,300,000. The value in use was calculated based on five-year cash flow projections, with a pre-tax discount rate of 13.90% and a growth rate of 2.16%, in line with industry forecasts.

The impairment assessment indicated that the CGU's recoverable amount was lower than its carrying amount. The impairment loss recognized for property, plant and equipment; right-of-use assets; intangible assets; and mining rights was HK\$188,941,000, HK\$5,876,000, HK\$2,443,000, and HK\$6,642,000, respectively, ensuring no asset's carrying amount fell below its recoverable amount.

Exchange rate risk

The Group mainly operates in the Mainland China and Hong Kong and is exposed to foreign exchange risk arising from primarily with respect to Renminbi, Hong Kong Dollars and United States Dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's management does not expect the net foreign currency risk from these activities to be significant and hence, the Group does not presently hedge the foreign exchange risks.

The Group has planned to periodically reviews liquid assets and liabilities held in currencies other than Hong Kong Dollars to evaluate its foreign exchange risk exposure and consider the usage of hedging instruments when necessary.

利率風險

對於利息敏感型產品及投資，本集團以動態基準分析其利率風險，並考慮適當時透過各種手段以低成本方式管理該風險。

信貸風險

本集團一直以來十分重視我們客戶的信貸風險。為最大程度減少信貸風險，本集團管理層已授權相關工作小組，負責釐定信貸限額，信貸審批及其他監控程序，以確保採取跟進措施收回逾期債務，而本集團可根據每一客戶先前的交易記錄和信貸往績，定期評估及追蹤所有客戶的賬戶。

流動資金風險

於二零二三年十二月三十一日止年度，本集團之流動借款約為111,228,000港元，而其現金及現金等價物僅約為39,954,000港元。誠如財務報表附註40所載，倘本集團不能籌措足夠資金滿足其金融債務，則會遭受流動性風險。

本公司董事已審慎考慮本集團之未來流動資金狀況。

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由集團及附屬公司的職能部門負責監控和落實。本集團之主要功能是對營運程序、權限及匯報框架作出指引。管理層將會定期評估主要之營運風險及業務發展所帶來的影響，制定相應措施，完善內控制度，以及時有效應對和規避風險。

Interest rate risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Credit risk

The Group has always been aware of the credit risk exposure of our customers. In order to minimise the credit risk, management of the Group has authorised a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The procedures required that all clients were regularly assessed so that the Group could keep track of their transaction records and credit history.

Liquidity risk

As at 31 December 2023, the Group's current borrowings amounted to approximately HK\$111,228,000 while its cash and cash equivalents only amounted to approximately HK\$39,954,000. As disclosed in note 40 to the financial statements, the Group is exposed to liquidity risk if it is not able to raise sufficient fund to meet its financial obligations.

The directors of the Company have given careful consideration to the future liquidity of the Group.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with functional departments of the Group and its subsidiaries. Key function of the Group is to guide their standard operating procedures, limits of authority and reporting framework. Our management will assess key operational exposures and effect raised in business development regularly, implement relevant measures and improve the internal control so that risk can be responded and mitigated on a timely and effective manner.

為貫徹落實中國生態環境部等職能部委《關於推進實施焦化行業超低排放的意見》以及中國國家發改委《關於產業結構調整指導目錄》的要求，本集團子公司新疆騰翔鎂製品有限公司(下稱新疆騰翔)所在地新疆哈密當地政府要求指定行業的生產裝置必須進行升級改造，比如水泥、蘭炭生產線等，包括新疆騰翔在內主要採用蘭炭尾氣煉鎂的鎂生產企業。由於新疆騰翔蘭炭生產線於2010年10月建成投產，運行至今蘭炭生產線設施老化陳舊、能效水平低、工藝技術落後已不符合中國政府的產業政策，哈密區域內焦化企業升級改造已列入2024年當地政府監管督導重點，並要求新疆騰翔公司盡快實施對蘭炭生產裝置落後工藝進行升級改造。本集團境外債務重組工作完成不久，百廢待興，市場需求疲軟，資金運轉緊張，環保升級改造需要投入大量資金，必然進一步加劇企業經營負擔和資金短缺壓力，管理層正積極籌措融資，探討包括但不限於引進風險投資，股權融資，項目合作等多種融資方式，努力尋求最佳方案以解決資金需求。

In response to the requirements of the Chinese Government's Ministry of Ecology and Environment and other functional departments regarding the promotion of ultra-low emissions in the coking industry, as well as the guidelines for industrial restructuring issued by the National Development and Reform Commission, the local government in Hami, Xinjiang, where REMT's subsidiary Xinjiang Tengxiang Magnesium Products Co., Ltd. ("Xinjiang Tengxiang") is located, has mandated that designated industry production facilities must undergo upgrading and renovation. This includes major magnesium production enterprises like Xinjiang Tengxiang, which primarily utilise lanthanum coke tail gas for magnesium refining. Due to the fact that the lanthanum charcoal production line at Xinjiang Tengxiang was built and put into operation in October 2010, the facilities of the production line have become aged, outdated, and inefficient, with a low level of energy efficiency and outdated technology. It no longer complies with the industrial policies of the Chinese government. The upgrade and transformation of coking enterprises in the Hami region have been included as a key focus of local government supervision and regulation in 2024. Xinjiang Tengxiang has been requested to promptly implement the upgrade and transformation of the outdated technology in the lanthanum charcoal production facilities. Shortly after completing the restructuring of our offshore debts, we still face numerous challenges. Market demand is weak, and there is a tight cash flow. However, the environmental upgrade and renovation require a significant amount of capital investment. The management is actively seeking financing and exploring various financing methods, including but not limited to introducing venture capital, equity financing, project partnerships, and other financing options. They are making efforts to find the best possible solution to meet the funding requirements.

投資風險

投資風險乃界定為因各項外在因素轉變導致任何某項投資相對其預期回報期延長或投資回報低於預期或投資項目發生虧損的可能性。本集團深明持續開拓業務類型和區域，對集團業務發展的重要性，並落實在年度重點工作任務中。項目投資框架的主要考慮因素為平衡各類投資之風險及回報，因而風險評估乃投資決策過程中的重要一環。本集團已設立適當的投資項目評估和盡職調查程序，並會於批准投資前進行詳細分析。本集團之投資項目進度會定期更新，並向董事局匯報。

本集團境外債務重組已於2022年完成，但境內銀行借貸訴訟已進入執行階段。誠如2023年中期業績內披露，於2021年6月2日接獲一間中國內地銀行針對白山天安未能履行貸款條款的中國法院傳訊令狀，該銀行向白山天安提呈申索，要求立即償還所有未償還本金、利息及其他相關費用。相關銀行貸款由白山天安擁有位於中國吉林省白山市的土地使用權、廠房及機器設備等作出抵押。截至本報告日期，該銀行貸款之結欠本金總計人民幣64,000,000元。日前，本公司收到白山法院日期為2024年2月5日之執行裁定書並獲悉，白山法院已於2024年3月10日至2024年3月11日期間拍賣白山天安資產，拍賣總底價約人民幣1.3279億元。拍賣所得款項預計將優先用於償還白山天安的相關債務。白山天安的產能已閑置多年。截止本報告發佈之日，該拍賣已流拍。

Investment risk

Investment risk can be defined as the likelihood of extension of its return period relative to the expected return or occurrence of losses on any particular investment attributable to changes of external factors. The Group is well aware of the importance of exploring various business opportunities and territories on a continual basis, and implemented this as the key task of the year. Key concern of projects investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper investment assessment and due diligence procedures have been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

The Group's offshore debt restructuring was completed in 2022, but domestic bank loan litigation has entered the execution stage. As mentioned in the 2023 Interim Results, Baishan Tianan Magnesium Metal Mining Co., Ltd. ("Baishan Tianan"), received a summons from a PRC court on 2 June 2021, due to Baishan Tianan's failure to fulfill the loan terms with a bank in the PRC. The bank filed a claim against Baishan Tianan, demanding immediate repayment of all outstanding principal, interest, and other relevant fees. The related bank loan was secured by the land use rights, factory buildings, and machinery equipment owned by Baishan Tianan located in Baishan City, Jilin Province, China (the "Baishan Tianan Assets"). As of the date of this report, the outstanding principal amount owed to the bank is RMB64,000,000. The Company has received an execution ruling from the Baishan Court dated 5 February 2024, and has been informed that the Baishan Court will auction the Baishan Tianan Assets from 10 March 2024 to 11 March 2024, with a total reserve price of approximately RMB132.79 million. The proceeds from the auction are expected to be used primarily to repay the related debts of Baishan Tianan. The Baishan Tianan Assets have been in idled for years. As of the date of this report, the auction has been unsuccessful.

人力供應及留聘人才之風險

人力資源管理風險主要指由於本集團業務發展迅速，對人才需求迫切，也面對行業對人才的激烈競爭以及人員的流動性，本集團可能面臨着未能有效引進及挽留具備適當及所需技能、經驗及才能之主要人員及人才以配合業務發展的風險，這些主要人員及人才均是達致我們業務目標所需之因素。本集團將會定期對薪酬體系和激勵機制進行全面分析，優化薪酬結構以確保員工薪酬處於市場合理水平，並具有競爭力。同時，開拓招聘渠道，不斷充實高級管理層後備人才，並加強對員工的系統化培訓，提供員工升職機會及拓寬事業前途，弘揚良好的企業文化。

環境政策及表現

環境政策及表現主要指中國政府對環保法規政策的重視程度和愈加嚴格的規管要求，本集團之附屬公司及新併購企業由於建成投運已久，可能存在與國家政府陸續出台的環境與責任要求有某種不足或差距的情況。本集團密切關注環保政策及外在因素的變動對集團業務發展所帶來的影響，本集團以對環境負責和履行社會責任，致力於改善及保持其經營場所所在地環境及社區之長期可持續性，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。本集團日常營運已採納綠色倡議及措施。該等倡議包括資源回收、節約能源措施及節約用水等行動。

MANPOWER AND RETENTION RISK

Manpower risk means huge demand for talents because of the Group's rapid business development while at the same time facing severe competition over specialists from the industry and turnover of manpower. Our Group may face the risk of not being able to recruit and retain key personnel and talents with appropriate and required skills, experience and competence to cope with the expansion of business which would meet with our business objectives. Our Group will periodically conduct a thorough analysis over its remuneration system, as well as incentive mechanism and optimize the compensation structure so as to ensure remuneration packages can align reasonably with market standard and maintain its competitiveness. Meanwhile, recruitment channels are broadened and the talent pool of senior management are strengthened, so as to further enhance the promotion opportunities and career path of employees. Systematic staff training are also being further enhanced to increase the overall effectiveness of training and the dissemination of corporate cultures and values.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Environmental policies and performance mainly means that the PRC Government is paying increasing attention to environmental rules and policies and is imposing more stringent regulatory requirements. The Group's subsidiaries and newly acquired enterprises have been operating for a long while which might lag behind in certain environmental and duty requirements promulgated by the PRC Government. The Group monitors impact on business development closely raised from movements of environmental policy and external factors. Acting in an environmentally responsible manner and performing social responsibilities, the Group is committed to improving and maintaining the long term sustainability of the communities in which it operates. The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Green initiatives and measures have been adopted in daily operation of the Group. Such initiatives include recycling of resources, energy saving measures and water saving practices.

遵守法律及規則

本集團的業務主要由本公司於中國內地的附屬公司進行，而本公司於香港聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至二零二三年十二月三十一日止年度及直至本報告日期，盡我們所知，本集團就中國內地及香港的有關法律及法規，沒有發現重大違反。

與員工及主要持份者之關係

於二零二三年十二月三十一日，本集團所僱用之員工數目約為352名。本集團根據員工之表現、工作經驗和現時市場情況訂定彼等之薪酬。員工福利包括年假、醫療保險及公積金等。本集團並無發生任何導致正常業務運作受影響之勞資糾紛或僱員關係之重大改變。董事認為本集團與僱員關係良好。

本集團明白與商業夥伴、股東、投資者及銀行保持良好關係，是我們達成長遠目標的要素。為了與我們的主要持份者維持密切的關係，本集團已制定相應的投資者關係計劃，並不定期為不同持份者舉辦合適的參與活動，包括股東週年／特別大會、現場考察、研討會和路演等等。故此，高級管理層會在適當情況下與我們的持份者進行良好溝通、適時交流想法及共享集團發展最新動向。年內，本集團與商業夥伴或銀行之間並沒有重大的糾紛。

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in Mainland China while the Company is listed on the Hong Kong Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in Mainland China and Hong Kong. During the year ended 31 December 2023 and up to the date of this report, to the best of our knowledge, the Group has no material non-compliance with the relevant laws and regulations in Mainland China and Hong Kong.

RELATIONSHIP WITH EMPLOYEES AND KEY STAKEHOLDERS

The number of employees of the Group was approximately 352 as at 31 December 2023. The remuneration of employees was determined by the Group with reference to their performance, work experience and current market conditions. Employee benefits include annual leave, medical insurance and provident fund scheme. There has been no labour dispute or significant change in the relationship with the employees that affect the normal operations of the Group. The Directors believe that the Group maintains admirable relations with its employees.

Our Group understands that it is important to maintain good relationship with business partners, shareholders, investors and banks to achieve its long-term goals. To keep up with our key stakeholders closely, the Group has formulated corresponding scheme about investor relationship, and also holds tailored activities from time to time, such as annual/extraordinary general meetings, on-site visits, seminars and road-shows. Accordingly, our senior management has kept good communication, promptly exchanged ideas and shared business latest update about development of the Group with our stakeholders when appropriate. During the year, there was no material dispute between our Group and its business partners or banks.

項目概覽

白雲石礦

本集團之白雲石礦，位於中國吉林省白山市。該礦場以露天開採方式操作，不涉及也不需要額外勘探工程，開發活動僅涉及露天開採時的簡易基建工程，並沒有涉及任何地下勘探以及結構工程。已開採之白雲石為本集團生產金屬鎂產品之原材料。礦場的位置鄰近本集團生產基地，原料的運輸成本亦相對很低。

本集團之白雲石礦乃按中國資源／儲量分類。截至二零二三年十二月三十一日的估計資源量和儲量，按已開採量逐年核減，得出剩餘資源量及儲量。本集團與以往披露估算假設相比並無重大變更。該資源量及儲量由本集團之內部地質專家審核。截至二零二三年十二月三十一日止年度，本集團出產39,227噸之白雲石。與二零二二年十二月三十一日相比，白雲石礦於年內的資源量及礦石儲量並無重大變動。

截至二零二三年十二月三十一日止年度，白雲石礦因開採活動產生之支出約為零港元，而勘探及開發活動之支出則為零港元。

PROJECT OVERVIEW

Dolomite Mine

The Group's dolomite mine is situated in Baishan City, Jilin Province, the PRC. The mine is operated by open-pit method, and therefore no additional exploration works are involved or required. Only simple infrastructure works for open-pit mining are involved in the development activities, and no underground exploration or structural works are involved. The dolomite mined is raw material for producing magnesium products of the Group. The transportation cost for raw material is relatively low due to the close proximity of the mine to the production base of the Group.

The dolomite mine of the Group was reported under the Chinese resource/reserve categories. As at 31 December 2023, the anticipated resource and reserve volumes were determined based on the yearly reduction of quantity mined to calculate the remaining resource and reserve volumes. There is no material change in the assumptions of estimation by the Group as compared with those previously disclosed. The resource and reserve volumes was reviewed by the Group's internal geological experts. For the year ended 31 December 2023, the dolomite output was 39,227 tonnes. As compared with the state as at 31 December 2022, there was no material change in the resource estimate and ore reserve of the dolomite mine.

The expenditure incurred in mining activities of dolomite for the year ended 31 December 2023 were approximately HK\$nil while the expenditure incurred in exploration and development activities was HK\$nil.

企業管治報告

CORPORATE GOVERNANCE REPORT

本公司認同良好的企業管治對於本集團長遠發展之重要性，並致力按本集團所需識別、制定、實施及加強企業管治常規。誠如下文所述，本公司已經成立相關委員會／小組委員會並採納若干內部政策，以改善內部監控及加強本集團業務運作之透明度，務求保障其持分者之利益。

企業管治常規

截至二零二三年十二月三十一日止年度，除已於「主席及行政總裁」部分披露及以下偏離情況外，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載的企業管治守則（「守則」）：

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則（「標準守則」），本集團有關本公司董事（「董事」）進行證券交易之行為守則條款並不遜於標準守則所規定之標準。經向全體董事作出具體查詢後，全體董事確認已於截至二零二三年十二月三十一日止年度遵守標準守則規定之標準。

The Company recognises the importance of good corporate governance to the long-term development of the Group and has devoted considerable efforts in identifying, formulating, implementing and enhancing corporate governance practices in accordance with the needs of the Group. As mentioned below, the Company has established the relevant committees/sub-committee and adopted certain internal policies to improve internal controls and enhance transparency of business operation of the Group with a view to protect the interests of its stakeholders.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2023, the Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), save for the deviations as disclosed in “Chairman and Chief Executive Officer” section.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the directors of the Company (the “Directors”) on terms no less exactly than required standard set out in the Model Code. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2023.

董事會

董事會現時由下列五名董事組成：

執行董事

沈世捷(主席兼行政總裁)
池斯樂

獨立非執行董事

鄭炳文
張省本
林鵬軒

董事會職能

董事會負責制定本集團之整體策略及政策、檢討及監察本集團之財務表現，包括編製及審批財務報表及監管管理層之日常營運工作，考慮本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及彼等所接受之培訓課程及預算是否充足。本集團之日常業務運作及行政事宜交由管理層處理。

董事會會議及常規

董事會定期舉行會議，董事會會議每年最少召開四次，大約每季一次。召開董事會定期會議之通告及議程均於會議前至少十四天發出予所有董事，以便所有董事均能騰空出席及加添議程項目。董事會定期會議之會議文件至少於會議舉行前三天發送予全體董事，以供彼等細閱。董事會會議記錄之初稿均於會後之合理時段內發送予全體董事審閱及提供意見，方始作實。會議記錄已充份及詳細地記載董事於會上所考慮之事項及達致之決定。

THE BOARD

Currently, the Board comprises the following five Directors:

Executive Directors

Shum Sai Chit (*Chairman and Chief Executive Officer*)
Chi Sile

Independent Non-executive Directors

Kwong Ping Man
Cheung Sound Poon
Lin Pengxuan

Functions of the Board

The Board is responsible for formulating the overall strategies and policies of the Group, reviewing and monitoring its financial performance, including preparing and approving financial statements and overseeing operational matters of the management, considering the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programmes and budget. Daily business operations and administrative functions of the Group are delegated to the management.

Board meetings and practices

The Board meets regularly and board meetings are held at least four times a year at approximately quarterly intervals. Notices and agenda of regular board meetings are served to all Directors at least fourteen days before the meetings to ensure that all Directors are given the opportunity to attend and to include matters in the agenda. Discussion materials of regular board meetings are sent to all Directors for their study at least three days prior to the meetings. Draft minutes of board meetings are circulated to all Directors for review and comments within a reasonable time after the meetings prior to confirmation. Minutes are recorded in sufficient detail of the matters considered by the Board and decisions reached.

董事會(續)

董事會會議及常規(續)

於截至二零二三年十二月三十一日止年度內，本公司共舉行過四次董事會會議，各董事於董事會會議、委員會會議及股東大會之個別之出席率如下：

THE BOARD (continued)

Board meetings and practices (continued)

During the year ended 31 December 2023, four board meetings were held by the Company, and the individual attendance rate of each Director at meetings of the Board, its committees and General Meetings is as follows:

		所出席/舉行之會議 Attended/held				
		董事會 會議 Board Meetings	審核 委員會會議 Audit Committee Meetings	提名 委員會會議 Nomination Committee Meetings	薪酬 委員會會議 Remuneration Committee Meetings	股東大會 Members General Meetings
執行董事	Executive Directors					
沈世捷	Shum Sai Chit	4/4	-	1/1	-	1/1
池斯樂	Chi Sile	4/4	-	-	-	1/1
獨立非執行董事	Independent Non-executive Directors					
鄭炳文	Kwong Ping Man	4/4	5/5	1/1	1/1	1/1
張省本	Cheung Sound Poon	4/4	5/5	-	1/1	1/1
林鵬軒	Lin Pengxuan	4/4	5/5	-	-	1/1

按上市規則第3.10(1)及(2)，以及3.10A條之規定，本公司已委任足夠數目之獨立非執行董事，而獨立非執行董事中亦至少有一名具備適當會計或有關財務管理專長。董事會已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而個別作出之年度確認函。

董事會成員之間並無存在包括財務、業務、家屬或其他重大/相關的關係。

Pursuant to Rules 3.10(1) and (2), and 3.10A of the Listing Rules, sufficient number of Independent Non-executive Directors have been appointed and at least one of the remaining Independent Non-executive Directors has appropriate accounting or related financial management expertise. The Board has received annual confirmation of independence from each of its Independent Non-executive Directors as required under Rule 3.13 of the Listing Rules.

There is no financial, business, family or other material/relevant relationships among members of the Board.

董事會(續)

董事之持續專業發展

本公司不時向董事提供有關上市規則、公司條例及其他適用監管規定之最新變動情況。除鼓勵董事參與持續專業發展之課程，以更新及提升彼等之知識及技能外，本公司亦為董事安排與行業有關之內部研討會，以及向彼等提供有關董事責任之閱讀材料。所有董事已向本公司提供彼等於截至二零二三年十二月三十一日止年內已接受之培訓紀錄。

董事於截至二零二三年十二月三十一日止年內曾參與之培訓概述如下：

THE BOARD *(continued)*

Directors' Continuous Professional Development

The Company updates the Directors of the latest changes in the Listing Rules, Companies Ordinance and other applicable regulatory requirements from time to time. Apart from encouraging the Directors to participate in continuous professional development ("CPD") courses to refresh and enhance their knowledge and skills, the Company also arranged an industry-related in-house seminar for the Directors and provided them with reading materials relating to the directors' duties. All Directors have provided the Company with their records of training they received during the year ended 31 December 2023.

A summary of the trainings participated by the Directors during the year ended 31 December 2023 is as follows:

董事	Directors	持續專業發展培訓種類 ^{附註} Types of continuous professional development training ^{Notes}
執行董事	Executive Directors	
沈世捷	Shum Sai Chit	B
池斯樂	Chi Sile	B
獨立非執行董事	Independent Non-executive Directors	
鄺炳文	Kwong Ping Man	A及B A and B
張省本	Cheung Sound Poon	A及B A and B
林鵬軒	Lin Pengxuan	A及B A and B

附註：

A： 出席講座或培訓課程

B： 閱讀報章、刊物及有關本公司業務或董事職責及責任、上市規則及其他適用監管規定最新發展等方面的最新資料

Notes:

A: Attending seminar(s) or training session(s)

B: Reading newspaper, journals and updates relating to the Company's business or directors' duties and responsibilities, the latest development of the Listing Rules and other applicable regulatory requirements, etc.

董事會(續)

企業管治職能

董事會負責按其「企業管治職能之職權範圍」履行本公司下列企業管治職務：

- (a) 制定及檢討本公司的企業管治政策及常規，並提出合適建議；
- (b) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (c) 制定、檢討及監察適用於僱員及董事的操守準則；及
- (d) 檢討本公司遵守該守則的情況及在《企業管治報告》內的披露。

於回顧年內，董事會已履行以下企業管治職務：

- 審批載於本公司二零二二年週年報告內之企業管治報告的內容；及
- 採納「董事會成員多元化政策」。

THE BOARD (continued)

Corporate Governance Functions

The Board is responsible for performing the following corporate governance duties of the Company in accordance with the “Terms of Reference of Corporate Governance Function” adopted by it:

- (a) to develop and review the Company’s policies and practices on corporate governance and make appropriate recommendations;
- (b) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (c) to develop, review and monitor the code of conduct applicable to employees and Directors; and
- (d) to review the Company’s compliance with the Code and disclosure in the Corporate Governance Report.

During the year under review, the Board has performed the following corporate governance duties:

- Reviewed and approved the contents of the Corporate Governance Report included in the 2022 annual report of the Company; and
- Adopted the “Board Diversity Policy”.

主席及行政總裁

緊接池碧芬女士於二零一九年退任行政總裁後，主席兼執行董事沈世捷先生獲委任為本公司之行政總裁。

沈世捷先生管理本公司多年並熟悉本集團營運的各個環節。董事會認為沈世捷先生可勝任行政總裁一職。

於沈先生被任命為行政總裁後，本公司並無區分主席及行政總裁，而沈先生同時擔任此兩項職務，因此與上市規則附錄十四所載之「企業管治守則」守則條文第C.2.1條有所偏離。根據該守則條文，主席與行政總裁的角色應予區分，不應由一人同時兼任。沈先生自二零一五年起一直致力負責公司的整體管理工作，而本公司認為而現時之安排可以提高本公司的企業決策及執行效率，有助本集團業務於現階段更高效地發展。董事會將不時審閱現有架構，並於董事會認為適當時作出必要安排。

非執行董事

非執行董事及獨立非執行董事之委任均為有指定任期，並須根據本公司之公司細則（「公司細則」）輪值退任及重選。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Subsequent to the retirement of Ms. Chi Bi Fen as Chief Executive Officer in 2019, Mr. Shum Sai Chit, the chairman and an executive Director, has been appointed as the Chief Executive Officer of the Company.

Mr. Shum Sai Chit has numerous years of experience in the management of the Company and is familiar with all aspects of the Group's operations and the Board considers that Mr. Shum Sai Chit is well qualified to take up the role of the Chief Executive Officer.

Following the appointment of Mr. Shum as Chief Executive Officer, the Company does not have a separate chairman and Chief Executive Officer and Mr. Shum holds both positions, in which there is deviation to code provision C.2.1 of Corporate Governance Code as set out in Appendix 14 of the Listing Rules, which provides (among other matters) that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Shum Sai Chit had been in charge of the overall management of the Company since 2015 and the Company considered that such arrangement would promote the efficient formulation and implementation of the Company's strategies which would enable the Group to further develop its businesses effectively at this stage. The Board will review the current structure from time to time and shall make necessary arrangements when the Board considers appropriate.

NON-EXECUTIVE DIRECTORS

The terms of appointment of the Non-executive Directors and the Independent Non-executive Directors are fixed for a specific term, and shall be subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company (the "Bye-laws").

董事會轄下之委員會

目前，本公司有三個委員會，分別為審核委員會、薪酬委員會及提名委員會。各委員會已獲董事會轉授特定權力以協助董事會履行其職務及監控本集團特定範疇之事務。各委員會之角色及職能概述如下：

審核委員會

審核委員會於一九九九年成立。本公司已根據該守則之守則條文採納審核委員會之職權範圍。審核委員會由三名獨立非執行董事組成，即鄭炳文先生(審核委員會主席)、張省本先生及林鵬軒先生。

審核委員會之主要職責為提供獨立及專業之財務匯報意見及檢討本集團的內部控制。

審核委員會將向董事會匯報該委員會討論過之重要事項，以供董事會知悉及／或作考慮。

審核委員會於截至二零二三年十二月三十一日止之年度共舉行過五次會議，審閱截至二零二二年十二月三十一日止年度之末期業績及截至二零二三年六月三十日止六個月之中期業績，並確保該等財務報表內所採納之會計準則及常規，以及所作出之披露均為恰當、準確及公平。

BOARD COMMITTEES

Currently, the Company has three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee respectively. Each committee is delegated with specific authorities by the Board in assisting the Board to discharge its duties and to administer particular aspects of the Group's activities. The roles and functions of each committee are summarized below:

Audit Committee

The Audit Committee was established in 1999. The Company has adopted Terms of Reference of the Audit Committee in compliance with the Code. The Audit Committee comprises three Independent Non-executive Directors, namely Mr. Kwong Ping Man (chairman of the Audit Committee), Mr. Cheung Sound Poon and Mr. Lin Pengxuan.

The principal responsibilities of the Audit Committee is to provide an independent and professional advice on financial reporting and review the internal control of the Group.

The Audit Committee will report to the Board of the significant issues discussed by the Committee for the Board's information and/or consideration.

The Audit Committee has held five meetings in the year ended 31 December 2023 and has reviewed the final results for the period ended 31 December 2022 and the interim results for the six months ended 30 June 2023, and confirmed that the accounting principles and practices adopted as well as the disclosures made in such financial statements were appropriate, accurate and fair.

董事會轄下之委員會(續)

審核委員會(續)

審核委員會亦與核數師磋商截至二零二三年十二月三十一日止年度之審核範圍，並檢討本公司在會計及財務匯報職能方面之資源、員工資歷及經驗，以及彼等所接受之培訓課程及預算是否足夠。

審核委員會已審閱本集團截至二零二三年十二月三十一日止年度之全年業績。

薪酬委員會

薪酬委員會於一九九六年成立。本公司已根據該守則之守則條文採納薪酬委員會之職權範圍。薪酬委員會成員包括執行董事沈世捷先生(薪酬委員會主席)及兩名獨立非執行董事，即鄭炳文先生及張省本先生。

薪酬委員會專責就本公司董事及高層管理人員之薪酬政策及架構向董事會提出建議。其每年最少舉行一次會議以檢討及釐定執行董事及高層管理人員之薪酬及福利，以及向董事會建議非執行董事之酬金。在釐定及批准本公司董事及高層管理人員之薪酬時，薪酬委員會將考慮各方面因素包括市場競爭力、個人表現及本公司與其業務單位之盈利能力等。

薪酬委員會於截至二零二三年十二月三十一日止年度內舉行過一次會議，以檢討本公司董事及高層管理人員之薪酬待遇等事宜。

BOARD COMMITTEES (continued)

Audit Committee (continued)

The Audit Committee has also discussed with the auditors on the scope of audit for the year ended 31 December 2023, and reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2023.

Remuneration Committee

The Remuneration Committee was established in 1996. The Company has adopted Terms of Reference of the Remuneration Committee in compliance with the Code. The Remuneration Committee comprises an Executive Director, namely Mr. Shum Sai Chit (Chairman of Remuneration Committee) and two Independent Non-executive Directors, namely Mr. Kwong Ping Man and Mr. Cheung Sound Poon.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure in relation to remuneration of the Directors and senior management of the Company. It schedules to meet at least once a year to review and determine the remuneration packages of the Executive Directors and senior management and to make recommendation to the Board of the remuneration of Non-executive Director. In determining and approving the remuneration of Directors and senior management of the Company, the Remuneration Committee will take into consideration of various factors such as market competitiveness, individual performance and profitability of the Company and its business units.

The Remuneration Committee has held one meeting in the year ended 31 December 2023 to review the existing remuneration policies of the Directors and senior management of the Company, etc..

董事會轄下之委員會(續)

提名委員會

提名委員會於二零一二年成立，本公司已參考該守則之守則條文採納提名委員會之職權範圍。提名委員會成員包括執行董事沈世捷先生(提名委員會主席)及兩名獨立非執行董事，即鄭炳文先生及林鵬軒先生。

提名委員會負責檢討董事會之架構、人數及組成，物色具備合適資格可出任董事之人士並就董事之委任或續任向董事會作出建議，評估獨立非執行董事之獨立性，以及監察本公司董事會成員多元化政策之執行等事宜。

提名委員會於截至二零二三年十二月三十一日止之年度內舉行過一次會議，連同以書面決議方式，檢討及處理以下主要事項：

- 檢討各董事之資歷及經驗，以及彼等於本集團之角色及職能，以確保現時之董事會架構符合本集團的業務發展所需；及
- 檢討現行之董事會成員多元化之程度。

BOARD COMMITTEES *(continued)*

Nomination Committee

The Nomination Committee was established in 2012. The Company has adopted Terms of Reference of the Nomination Committee with reference to the Code. The Nomination Committee comprises an Executive Director, namely Mr. Shum Sai Chit (chairman of the Nomination Committee) and two Independent Non-executive Directors, namely Mr. Kwong Ping Man and Mr. Lin Pengxuan.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Directors and making recommendations to the Board on the appointment or reappointment of Directors, assessing the independence of the Independent Non-executive Directors and monitoring the implementation of the Board Diversity Policy of the Company.

The Nomination Committee has held one meeting in the year ended 31 December 2023, together with by means of written resolutions, to review and deal with the following major issues:

- Reviewed the qualifications and experiences of individual Directors as well as their roles and responsibilities in the Group to ensure the existing Board structure is fit for the business growth of the Group; and
- Reviewed the degree of diversity of the existing Board.

董事會成員多元化政策概要

本公司已採納董事會成員多元化政策。本公司認同及相信董事會成員多元化所帶來的好處。所有董事會成員之委任均以能者居之及用人唯才為原則，並將考慮候選人之若干客觀標準如：性別、年齡、文化及教育背景、種族、專業資格、領域經驗、技能、知識及服務年資等。最終決定將按獲選者之長處及可為董事會帶來之貢獻作依歸。

核數師酬金

於截至二零二三年十二月三十一日止年度，本公司就審核服務及非審核服務而已支付／應支付予其外聘核數師之酬金總額如下：

服務類別	Types of services	千港元 HK\$'000
審核服務	Audit services	800
總計	Total	800

董事編製財務報表之責任

董事確認彼等有責任編製可真實及公平地反映本集團事務狀況及業績之財務報表。截至二零二三年十二月三十一日止年度，本集團錄得綜合淨虧損約423,600,000港元。

本公司核數師就其對財務報表之報告責任聲明載於本週年報告第47至第55頁之「獨立核數師報告」內。

BOARD DIVERSITY POLICY SUMMARY

The Company has adopted the Board Diversity Policy. The Company recognises and embraces the benefits of diversity of its Board members. All Board appointments will be based on meritocracy and competence, and the candidates will be considered against certain objective criteria such as gender, age, cultural and educational background, ethnicity, professional qualifications, areas of experience, skills, knowledge and length of services, etc. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board.

AUDITORS' REMUNERATION

For the year ended 31 December 2023, the total remunerations paid/payable by the Company to its external auditors in respect of the audit services and non-audit services are as follows:

DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements which give a true and fair view of the state of the Group's affairs and results. The Group recorded a consolidated net loss of approximately HK\$423,600,000 for the year ended 31 December 2023.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 47 to 55 of this annual report.

公司秘書

自二零一五年八月二十日起，樊國民先生獲委任為公司秘書。樊先生持有香港中文大學頒授之工商管理學士學位，並主修保險財務與精算學，彼亦為香港會計師公會會員，具備逾十年審計、會計、財務管理及企業融資經驗。

根據上市規則第3.29條，樊先生於截至二零二三年十二月三十一日止年度內已參與不少於15小時的相關專業培訓。

股東權利

股東召開股東特別大會

根據公司細則第58條，於提出開會要求當日持有有權在本公司股東大會投票之本公司實繳股本不少於10%之股東，有權隨時向董事會或本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書面要求內指定之任何事務，而該會議須於有關要求發出至本公司之註冊辦事處後兩個月內舉行。如董事會未能於接獲有關要求後二十一內召開會議，發出要求者本身可按照百慕達一九八一年公司法(「公司法」)第74(3)條之規定召開會議。

COMPANY SECRETARY

Since 20 August 2015, Mr. Fan Kwok Man, Raymond has been appointed as the Company Secretary. Mr. Fan holds a Bachelor of Business Administration in Insurance, Financial and Actuarial Analysis from the Chinese University of Hong Kong and he is member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in auditing, accounting, financial management and corporate finance.

According to Rule 3.29 of the Listing Rules, Mr. Fan has taken no less than 15 hours of relevant professional training during the year ended 31 December 2023.

SHAREHOLDERS' RIGHTS

Convention of Special General meeting

Pursuant to Bye-law 58 of the Bye-laws, Shareholders holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition to the Company's registered office. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Bermuda Companies Act 1981 (the "Companies Act").

股東權利(續)

於股東大會上提呈議案

根據公司法第79及80條之規定，登記股東有權於股東大會上提呈議案倘若彼等：

- (a) 於提出要求當日佔本公司總投票權不少於5%；或
- (b) 為不少於100位的登記股東。

有關登記股東須簽妥載有該動議的書面要求，連同不多於1,000字關於該動議所述事宜或將予處理的業務之陳述送交本公司註冊辦事處。本公司於接獲有效之書面要求後，將採取適當行動並作出所需安排，有關股東須根據公司法第79及80條支付進行該等行動及安排所產生之開支。

股東查詢

董事會歡迎股東就本集團之管理及企業管治提出意見、查詢及關注事項。股東可隨時透過電郵(info@remt.com.hk)、傳真((852) 2802 2697)或郵遞方式發送彼等之書面查詢及／或關注事項至本公司之主要辦事處跟進。

有關股權查詢方面，股東可聯絡本公司之香港股份過戶登記分處及轉讓登記處卓佳秘書商務有限公司，地址為香港夏慤道16號遠東金融中心17樓。

憲章文件

本公司之組織章程大綱及公司細則已於二零二三年七月四日在本公司及香港聯合交易所有限公司(「聯交所」)網頁更新，該憲章文件於年內並無其他更改。

SHAREHOLDERS' RIGHTS *(continued)*

Putting Forward Proposals at General meetings by Shareholders

Pursuant to Sections 79 and 80 of the Companies Act, registered Shareholders are entitled to put forward a proposal at a general meeting if they:

- (a) represent not less than 5% of the total voting rights of the Company at the date of the deposit of the requisition; or
- (b) are not less than 100 registered Shareholders.

The written requisition stating the resolution(s) should be duly signed by the registered Shareholder(s) concerned, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with must be deposited at the Company's registered office. The Company would take appropriate actions and make necessary arrangements. The Shareholder(s) concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act once valid documents are received.

Enquiries from Shareholders

The Board welcomes views, enquires and concerns in relation to the management and corporate governance of the Group from Shareholders. Shareholders may at any time send their enquires and/or concerns to the Board in writing by email (info@remt.com.hk), by fax ((852) 2802 2697) or by mail to the principal place of business of the Company for follow up.

For shareholding enquiries, Shareholders may contact the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

CONSTITUTIONAL DOCUMENT

The Memorandum of Association and Bye-laws of the Company was updated on the websites of the Company and The Stock Exchange of Hong Kong ("Stock Exchange") on 4 July 2023 and there is no other change in such constitutional document during the year.

風險管理及內部監控

董事會全權負責維持本集團之風險管理及內部監控。內部監控系統是為管理及減低未能履行經營目標之風險，並對重大錯誤陳述或損失提供合理保證。

於回顧年內，董事會曾就本集團之內部監控系統之有效性進行檢討。檢討範圍或涵蓋風險管理功能、財務、營運及合規之監控、本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及彼等所接受之培訓課程及預算是否充足等。

本公司已制訂內幕消息政策以就處理內幕消息提供指引。本公司定期提醒董事及僱員務須遵守本公司就內幕消息所採納的所有政策，包括就買賣本公司證券而遵守上市規則附錄10所載之標準守則。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibilities for risk management and internal control of the Group. The system of internal control is designed to manage and mitigate the risk of failure to achieve business objectives with reasonable assurance against material misstatement or loss.

During the year under review, the Board has conducted review of the effectiveness of the internal control system of the Group. The scope of review would cover risk management functions, financial, operational and compliance controls, the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and their training programmes and budget, etc..

The Company have formulated an inside information policy providing guideline on handling inside information. The Company regularly reminds the directors and employees about compliance with all policies adopted by the Company regarding inside information including the Model Code set out in Appendix 10 of the Listing Rules in relation to dealings in securities of the Company.

投資者關係

本集團致力加強與投資者之關係，增加本集團於投資界的透明度。

本公司透過以下方式向投資者發放有關本集團之最新發展動向及消息，以及促進本公司與股東之間的互相溝通：

- (a) 定期向股東寄發本公司之中期報告、週年報告及股東通函等企業通訊文件，並上載該等文件至本公司及聯交所網頁；
- (b) 透過本公司及聯交所網頁刊發公佈；
- (c) 在本公司網頁提供有關本公司企業及產品之資訊；
- (d) 舉辦股東大會以便股東與本公司管理層可直接交換意見；及
- (e) 鼓勵投資者透過本公司之網頁與本公司不時進行通訊。

在本公司於二零二三年六月二十九日舉行之上屆股東週年大會上，所有關於採納財務報表、重選董事、續聘核數師及授予發行及購回股份之一般授權等決議案均獲得通過。本公司將訂於二零二四年六月或本公司網站及聯交所後續刊發之進一步股東週年大會通告所訂明之任何其他日期舉行今屆股東週年大會。

INVESTOR RELATIONS

The Group is committed to enhance investor relationship by increasing its transparency to the investment community.

The following measures have been taken by the Company to keep investors informed of the latest developments and news of the Group and to facilitate a two-way communication between the Company and its Shareholders:

- (a) Mailing corporate communication documents such as interim reports, annual reports and circulars to the Shareholders periodically and uploading the same on the websites of the Company and the Stock Exchange;
- (b) Publishing announcements through the websites of the Company and the Stock Exchange;
- (c) Making available of the Company's corporate and products information on its website;
- (d) Organizing general meetings to facilitate direct exchange of views between the Shareholders and the management of the Company; and
- (e) Encouraging investors to communicate with the Company through the Company's website from time to time.

At the Company's last AGM held on 29 June 2023, all the resolutions relating to the adoption of financial statements, re-election of Directors, reappointment of auditors and grant of general mandates to issue and repurchase shares have been duly passed. The forthcoming AGM of the Company is scheduled to be held in June 2024 or any other dates as specified in further notice of AGM meeting to be published on the websites of the Company and the Stock Exchange later.

執行董事

沈世捷先生，六十六歲，本集團主席兼行政總裁。於加入本集團之前，沈先生曾為可新有限公司董事總經理。可新有限公司主要從事紡織品製造和貿易業務。沈先生於一九八四年加入福建省紡織品進出口公司，出任經理，負責紡織品的進出口業務。沈先生畢業於消費品價格及統計專業。直至二零二一年七月三十一日前，沈先生亦擔任世紀陽光集團控股有限公司(股票代號：509)之執行董事。

池斯樂女士，三十五歲，於二零二一年八月一日獲委任為本公司執行董事。於獲委任前，彼為世紀陽光集團控股公司(股票代號：509)的投資者關係部總監，負責管理投資者關係。池女士持有香港大學的工商管理碩士學位，以及西澳大學的法學學士及文學學士雙學位。池女士為世紀陽光主席及執行董事池文富先生的女兒。

EXECUTIVE DIRECTORS

Mr. SHUM Sai Chit, age 66, Chairman and Chief Executive Officer of the Group. Prior to joining the Group, Mr. Shum was the Managing Director of Go Modern Limited which was principally engaged in manufacturing of textile products and trading activities. In 1984, Mr. Shum joined Fujian Textiles Import and Export Corporation as a Manager to oversee importing and exporting of textile products. Mr. Shum is a graduate of Consumer Product Pricing and Statistics. Mr. Shum was also an executive director of Century Sunshine Group Holdings Limited (stock code: 509) until 31 July 2021.

Ms. CHI Sile, aged 35, was appointed as an executive director of the Company on 1 August 2021. Prior to her appointment, she was the director of investor relations department of Century Sunshine Group Holdings Limited (stock code: 509) and responsible for managing investor relations. Ms. Chi holds a MBA degree from the University of Hong Kong and a double degree of Bachelor of Laws and Bachelor of Arts from the University of Western Australia. Ms. Chi is the daughter of Mr. Chi Wen Fu, the chairman and executive director of Century Sunshine.

獨立非執行董事

鄺炳文先生，五十九歲，現為澳栢企業服務有限公司之董事。該公司從事企業諮詢服務。鄺先生於多間公司擔任財務總監接近7年。鄺先生於會計、財務及行政方面有逾15年經驗。鄺先生亦取得香港理工大學頒授之專業會計學碩士學位。鄺先生為澳洲執業會計師公會會員及香港會計師公會資深會員，亦為香港公司秘書公會會士。鄺先生現時為唐宮(中國)控股有限公司(股份代號：1181)、譽樂豐控股有限公司(股份代號：2132)及御佳控股有限公司(股份代號：3789)之獨立非執行董事。自二零一七年十二月十五日至二零二一年四月九日，彼為龍皇集團控股有限公司(股份代號：8493)之獨立非執行董事。

張省本先生，六十三歲，現任郭崔會計師行高級核數經理。張先生曾任Gary W.K. Yam & Co. (CPA)之高級核數師。張先生擁有逾40年會計及核數經驗。張先生現時為世紀陽光集團控股有限公司(股票代號：509)之獨立非執行董事。

林鵬軒先生，四十歲，至二零二二年八月八日前擔任東海國際金融控股有限公司之資深合規經理，在此之前，他曾擔任中融平和證券有限公司和中融平和財務有限公司的合規總監，以及香港立橋證券有限公司的合規總監。林先生在內控和合規方面擁有超過8年的工作經驗。林先生先後獲得廈門大學之金融學(國際金融方向)博士學位、韓國國際法律經營大學院之法學碩士及華東政法大學之法學學士。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. KWONG Ping Man, age 59, is a director of O'Park Corporate Services Limited which provides corporate advisory services. Mr. Kwong had served as the chief financial officer of various companies for almost seven years. Mr. Kwong has over 15 years of experience in accounting, finance and administration. He obtained a master's degree in Professional Accounting from the Hong Kong Polytechnic University. He is a member of the Australian Society of Certified Practising Accountants, fellow member of the Hong Kong Institute of Certified Public Accountants, and associate member of the Hong Kong Institute of Company Secretaries. Mr. Kwong is currently an independent non-executive director of Tang Palace (China) Holdings Limited (Stock Code: 1181), Landrich Holding Limited (Stock Code: 2132) and Royal Deluxe Holdings Limited (Stock Code: 3789). He was an independent non-executive director of Dragon King Group Holdings Limited (Stock Code: 8493) from 15 December 2017 to 9 April 2021.

Mr. CHEUNG Sound Poon, age 63, is currently a senior audit manager at Chui & Kwok (CPA). He was an audit senior at Gary W. K. Yam & Co. (CPA). Mr. Cheung has over 40 years of experience in accounting and auditing. He is currently an independent non-executive director of Century Sunshine Group Holdings Limited (stock code: 509).

Mr. LIN Pengxuan, aged 40, was the senior compliance manager of Donghai International Financial Holdings Company Limited till 8 August 2022 and prior to that engagement, he has worked as the Compliance Director of Zhongrong PT Securities Limited and Zhongrong PT Finance Limited and the Chief Compliance Officer of Well Link Securities Limited. Mr. Lin has over eight years of working experience in internal control and compliance. Mr. Lin has obtained a Ph.D. in International Finance of Applied Economics from Xiamen University, the Master of Laws from Translational Law and Business University and the Bachelor of Laws from East China University of Politics and Law.

高級管理人員

魯天元先生，五十九歲，專責本集團企業事務管理，魯先生畢業於漢語言文學專業，經濟師。彼於企業事務管理方面擁有逾15年相關經驗，加入本集團前，曾於某鐵合金大型企業工作逾25年。於二零一五年加入本集團。

白海生先生，五十五歲，現任集團總工程師。白先生畢業於太原工業大學材料系熱加工專業，加入本集團前，曾在多家大型鎂企業負責金屬鎂生產工藝技術和產品研發管理工作，於金屬鎂行業擁有20年以上豐富經驗。於2016年加入本集團。

張俊超先生，四十七歲，從事金屬鎂產品市場行銷方面有逾十五年工作經驗，歷任企業供銷部經理、貿易部經理及生產基地總經理等管理職務，現任集團子公司新疆騰翔鎂製品有限公司總經理。

朱新龍先生，四十七歲，負責本集團子公司新疆騰翔鎂製品有限公司生產管理工作。朱先生在金屬鎂行業具有超過20年實務和管理經驗，擅長於金屬鎂和鎂合金生產工藝和現場組織管理。於二零一九年加入本集團。

SENIOR MANAGEMENT

Mr. LU Tianyuan, age 59, is responsible for the corporate affairs management of the Group. Mr. Lu is a graduate of Chinese Language and Literature and is an economist. He has over 15 years of relevant experience in corporate affairs management. Prior to joining the Group, he has worked in a large alloy enterprise for over 25 years. He joined the Group in 2015.

Mr. BAI Haisheng, aged 55, currently serves as the chief Engineer of the group. Mr. Bai graduated from the Department of Materials Science and Engineering, with a specialization in thermal processing from Taiyuan University of Technology. Before joining the group, he was responsible for the production process technology and product research and development management in several large magnesium enterprises and has over 20 years of extensive experience in the magnesium industry. He joined the Group in 2016.

Mr. ZHANG Junchao, aged 47, has more than fifteen years of experience in marketing magnesium products. He has previously held managerial positions such as the manager of the supply and marketing department, manager of the trade department, and general manager of a production base. He is currently the General Manager of Xinjiang Tengxiang Magnesium Products Co., Ltd., a subsidiary of the Group.

Mr. ZHU Xinlong, also aged 47, is responsible for the production management of Xinjiang Tengxiang Magnesium Products Co., Ltd., a subsidiary of the Group. Mr. Zhu has over 20 years of practical and management experience in the magnesium industry and is adept in the production process of magnesium and magnesium alloys as well as on-site organizational management. He joined the Group in 2019.

董事會呈報截至二零二三年十二月三十一日止年度之報告及經審核財務報表。

主要業務及業務回顧

本公司為投資控股公司，其主要附屬公司之業務載列於財務報表附註1。

根據香港公司條例附表5規定，就該等業務之進一步討論及分析(包括本集團面對之主要風險及不確定性之描述及本集團業務可能之未來發展跡象)載於本年報第10頁至第19頁之「管理層討論及分析」。該討論構成本「董事會報告」之一部分。

環境政策及表現

本集團確認環境保護對本集團之長期發展至關重要。為將對環境影響降至最低，本集團將持續不時審閱及改進管理常規之實效。「環境、社會及管治報告」將於二零二四年四月三十日或之前發佈。詳情請參閱本公司網站。

業績及分配

本集團截至二零二三年十二月三十一日止年度之盈利，及本集團於該日之財務狀況載列於第56頁至第59頁之財務報表。

本公司於回顧年度內並無派發中期股息。董事會不建議向股東派發截至二零二三年十二月三十一日止年度之末期股息。本集團於二零二三年十二月三十一日止之保留累計虧損約為30,317,000港元。

The Board presents their report and the audited financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 10 to 19 of this annual report. This discussion forms part of this directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises environmental protection is of vital importance to the long-term development of the Group. In order to minimise the environmental impact, the Group will continue to review and improve the effectiveness of its management practices from time to time. "Environmental, Social and Governance Report" will be published on or before 30 April 2024. For details, please refer to the Company's website.

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2023 and the Group's financial position at that date are set out in the financial statements on pages 56 to 59.

No interim dividend was paid by the Company during the year under review. No payment of final dividend to Shareholders is recommended for the year ended 31 December 2023. The accumulated losses of the Group as at 31 December 2023 was approximately HK\$30,317,000.

主要客戶及供應商

截至二零二三年十二月三十一日止年度：

- (i) 本集團之最大客戶及前五大客戶分別佔本集團總收入之16.8%及47.2%。
- (ii) 本集團之最大供應商及前五大供應商分別佔本集團總採購額之26.3%及59.3%(並不包括資本性質之採購項目)。

據董事會所了解，本公司之董事、其聯繫人士及任何擁有本公司股本超過5%之股東並無持有前五大客戶及前五大供應商之任何權益。

財務資料摘要

摘錄自經審核之財務報表，有關過去五個財政年度公佈之業績及資產、負債、及非控制性權益的摘要載列於第179至180頁。該摘要並不構成經審核財務報表的一部分。

股本

除財務報表附註30所披露外，本公司股本於年內概無變動。

可供分派儲備

於二零二三年十二月三十一日，本公司可供分派儲備(根據百慕達一九八一年公司法(經修訂)(「公司法」)計算)為521,318,000港元。根據公司法，公司的實繳盈餘亦可供分派予股東。如會導致本公司無法償還到期負債或其資產的可變現價值因此低於其負債，則不會以實繳盈餘派付股息或作出分派。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2023:

- (i) The Group's largest customer and the five largest customers accounted for 16.8% and 47.2% respectively of the Group's total revenue.
- (ii) The Group's largest supplier and the five largest suppliers accounted for 26.3% and 59.3% respectively of the Group's total purchases (not including purchases of items which are of capital in nature).

According to the understanding of the Board, none of the Directors, their associates or any Shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers or the five largest suppliers.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on pages 179 to 180. This summary does not form part of the audited financial statements.

SHARE CAPITAL

Except as disclosed in the note 30 to the financial statements, there were no movements in the Company's share capital during the year.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended) ("Companies Act") amounted to HK\$521,318,000. Under the Companies Act, the Company's contributed surplus is also available for distribution to the Shareholders. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

董事及董事服務合約

於本年內及截至本報告日期止，本公司之董事如下：

執行董事：

沈世捷(主席兼行政總裁)
池斯樂

獨立非執行董事：

鄭炳文
張省本
林鵬軒

根據公司細則第87條，池斯樂小姐、張省本先生及鄭炳文先生將於股東週年大會上退任。鄭炳文先生已通知公司，他將在年度股東大會結束後退任公司獨立非執行董事一職，並且在該股東大會上不會自薦連任。池斯樂小姐及張省本先生均符合資格並願意在年度股東大會膺選連任。

獲建議於股東週年大會上膺選連任之董事概無與本集團訂立本集團不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

獨立非執行董事之獨立性

本公司已經收到其獨立非執行董事，即鄭炳文先生、張省本先生及林鵬軒先生根據上市規則第3.13條就確認彼等之獨立性而個別發出的年度確認函。

因此，本公司認為各獨立非執行董事均為獨立人士。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors:

Shum Sai Chit (*Chairman and Chief Executive Officer*)
Chi Sile

Independent Non-executive Directors:

Kwong Ping Man
Cheung Sound Poon
Lin Pengxuan

Pursuant to Bye-law 87 of the Bye-laws, Ms. Chi Sile, Mr. Cheung Sound Poon and Mr. Kwong Ping Man will retire by rotation. Mr. Kwong Ping Man has informed the Company that he will retire as independent non-executive Director of the Company after the conclusion of the AGM and will not offer himself for re-election at the AGM. Ms. Chi Sile and Mr. Cheung Sound Poon, being eligible, offer themselves for re-election at the AGM.

None of the Directors being proposed for re-election at the AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its Independent Non-executive Directors, namely Mr. Kwong Ping Man, Mr. Cheung Sound Poon and Mr. Lin Pengxuan, an annual confirmation confirming their independence pursuant to Rule 3.13 of the Listing Rules.

Accordingly, the Company considers all the Independent Non-executive Directors are independent.

董事擁有之證券權益

於二零二三年十二月三十一日，根據本公司按證券及期貨條例第352條而存置之登記冊所記載，或根據上市規則附錄10所載之標準守則向本公司及聯交所所申報，各董事及彼等之聯繫人士於本公司及其聯繫公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)擁有之股份及相關股份之權益如下：

於本公司股份、相關股份及債券之權益

DIRECTORS' INTERESTS IN SECURITIES

At 31 December 2023, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix 10 to the Listing Rules, were as follows:

Interests in the Shares, underlying shares and debenture of the Company

董事	擁有權益或視為擁有權益之普通股數目 Number of ordinary shares interested or deemed to be interested					總額	佔本公司 已發行股本 之權益概約 百分比 Approximate percentage of interests in the issued share capital of the Company
	個人權益	家族權益	持有 購股權數目	公司權益			
Director	Personal interests	Family interests	Number of options held	Corporate interests	Total		
好倉 Long position							
無 Nil							
淡倉 Short position							
無 Nil							

董事擁有之證券權益(續)
於相聯法團股份之權益(好倉)

DIRECTORS' INTERESTS IN SECURITIES *(continued)*
Interests in the shares of associated corporations (long position)

董事姓名	相聯法團名稱	擁有權益或視為擁有權益之普通股數目(好倉) Number of ordinary shares interested or deemed to be interested (long position)				總額	佔相聯法團 已發行之 股本之 百分比 % of issued share capital of associated corporation
		個人權益	家族權益	所持 購股權數目	Number of options held		
Names of Directors	Name of associated corporation	Personal interests	Family interests	Number of options held	Total		
沈世捷 Shum Sai Chit	世紀陽光集團控股有限公司(「世紀陽光」) Century Sunshine Group Holdings Limited ("Century Sunshine")	14,666,305	-	20,000,000	34,666,305	0.76%	
池斯樂 Chi Sile	世紀陽光 Century Sunshine	36,736,742	-	-	36,736,842	0.80%	
張省本 Cheung Sound Poon	世紀陽光 Century Sunshine	-	-	5,000,000	5,000,000	0.11%	

董事擁有之證券權益(續)

於相聯法團股份之權益(好倉)(續)

除上文所披露者外，於二零二二年十二月三十一日，各董事或彼等之聯繫人士概無在本公司或其任何聯繫公司(定義見證券及期貨條例)之股份及相關股份中擁有任何權益或淡倉。

購股權計劃

為吸引及挽留最優秀僱員以支持本集團之業務發展，並向獲選之合資格參與者提供額外激勵或獎勵，本公司於二零一七年十二月四日採納購股權計劃(「該計劃」)。合資格參與者主要包括為本集團作出貢獻之本集團及任何主要股東之僱員或董事及本集團顧問或諮詢人士、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。除非另行註銷或修訂，該計劃之有效期為自其成立日期起計10年。該計劃之剩餘年期約為4年(於二零二七年十二月四日屆滿)。

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Interests in the shares of associated corporations (long position) *(continued)*

Save as disclosed above, at 31 December 2023, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

SHARE OPTION SCHEME

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 4 December 2017 (the "Scheme"). The qualifying participants mainly include employees and directors of the Group and any substantial shareholders, and the consultants or adviser, distributors, contractors, suppliers, service providers, agent, customer and business partner of the Group who have contribution to the Group. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since its establishing date. The remaining life of the Scheme is approximately 4 years (expiry on 4 December 2027).

購股權計劃(續)

於二零二三年十二月三十一日，該計劃項下並無尚未行使之購股權(「購股權」)。

SHARE OPTION SCHEME (continued)

As at 31 December 2023, there was no options of outstanding under the Scheme (the "Options").

	於 二零二三年 一月一日 持有	年內 授出之 購股權	年內 行使之 購股權	年內 註銷之 購股權	年內 失效之 購股權	於 二零二三年 十二月 三十一日 持有	行使價
	Held at 1 January 2023	Options granted during the year	Options exercised during the year	Options cancelled during the year	Options lapsed during the year	Held at 31 December 2023	Exercise price 港元 HK\$
(A) 僱員							
Employees	8,170,000	-	-	-	(8,170,000)	-	N/A
	7,000,000	-	-	-	(7,000,000)	-	N/A
(B) 董事							
Directors							
沈世捷	1,500,000	-	-	-	(1,500,000)	-	N/A
Shum Sai Chit							
鄭炳文	250,000	-	-	-	(250,000)	-	N/A
Kwong Ping Man							
張省本	250,000	-	-	-	(250,000)	-	N/A
Cheung Sound Poon							
	10,170,000	-	-	-	(10,170,000)	-	N/A
	7,000,000	-	-	-	(7,000,000)	-	N/A
	17,170,000	-	-	-	(17,170,000)	-	-

董事及高級管理層之履歷詳情

本公司董事及本集團高級管理層之履歷詳情載於年報第34至第36頁。

債券

除已於「董事擁有之證券權益」披露外，本公司或其任何控股公司、附屬公司及同系附屬公司於年內任何時間概無作出任何安排，致令董事可藉購入本公司或其他法人團體之股份或債券而獲益。

董事酬金

董事之酬金乃由股東於股東大會批准。其他酬金由本公司參照董事的職責，責任及表現，以及本集團的業績由董事會釐定。

獲准許之彌償條文

就董事之責任之獲准許之彌償條文(根據香港公司條例定義)於截至二零二三年十二月三十一日止年度內生效。

董事於交易、安排或合約之權益

於年內，概無董事或董事之有關連實體於任何本集團有關業務之重要交易、安排或合約(其中本公司之任何控股公司、附屬公司或同系附屬公司為簽約方)直接或間接地擁有重大利益。

購買、出售或贖回本公司之上市證券

截至二零二三年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 34 to 36 of the annual report.

DEBENTURES

Save as disclosed in "Directors' interests in securities", at no time during the year was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2023, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for an indemnity against liability incurred by the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Directors nor a connected entity of Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which any of the Company's holding companies, subsidiaries or fellow subsidiaries was a party during the year.

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

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

主要股東

除上文披露有關若干董事之權益外，於二零二三年十二月三十一日，根據本公司按證券及期貨條例第336條而存置之主要股東名冊所記載，下列股東曾知會本公司擁有本公司已發行股本中的權益和淡倉：

SUBSTANTIAL SHAREHOLDERS

At 31 December 2023, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors, the following Shareholder had notified the Company of relevant interests and short positions in the issued share capital of the Company:

股東名稱 Name of Shareholder	所持普通股 股份數目 Number of ordinary shares held	佔已發行股本 之百分比 % of issued share capital
Ming Xin Developments Limited(附註1) (note 1)	237,049,786 (L)	40.0
New Bright Group Limited(附註2) (note 2)	237,049,786 (L)	40.0
世紀陽光集團控股有限公司(附註3)	237,049,786 (L)	40.0
Century Sunshine Group Holdings Limited (note 3)		
池文富(附註4)	237,049,786 (L)	40.0
Chi Wen Fu (note 4)		
Thoughtful Limited(附註5)(note 5)	42,823,900 (L)	7.2
Concord Sea Limited(附註6)(note 6)	78,772,680 (L)	13.3
So Kit Yee Anita(附註5及6)(note 5 & 6)	121,596,580 (L)	20.5
Leung Hin Hang Fredric (附註5及6)(note 5 & 6)	121,596,580 (L)	20.5

附註：

- (1) 237,435,871股由Ming Xin Developments Limited實益擁有。
- (2) Ming Xin Developments Limited為New Bright Group Limited之全資附屬公司。故此，就證券及期貨條例而言，New Bright Group Limited被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (3) New Bright Group Limited為世紀陽光之全資附屬公司。故此，就證券及期貨條例而言，世紀陽光被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (4) 池文富先生在世紀陽光(Ming Xin Developments Limited之最終控股公司)股東大會上控制三分之一或以上表決權。故此，就證券及期貨條例而言，池文富先生被視為擁有Ming Xin Developments Limited擁有權益之全部股份之權益。
- (5) 根據本公司與其方案債權人之間的安排，公司於二零二二年八月五日將65,843,900股已發行普通股轉移給方案公司(即Thoughtful Limited)。蘇潔儀女士和梁衍衡先生是方案的聯合管理員。Thoughtful Limited根據方案條款在二零二三年度處置了18,670,000普通股。
- (6) 根據本公司與其方案債權人之間的安排，公司於二零二三年九月六日將79,012,680股已發行普通股轉移給方案公司(即Concord Sea Limited)。蘇潔儀女士和梁衍衡先生是方案的聯合管理員。梁衍衡根據方案條款在二零二三年九月六日至十二月三十一日期間處置了240,000普通股。

Notes:

- (1) 237,435,871 shares are beneficially owned by Ming Xin Developments Limited.
- (2) Ming Xin Developments Limited is a wholly-owned subsidiary of New Bright Group Limited. As such, New Bright Group Limited is deemed to be interested in all the shares in which Ming Xin Developments is interested by virtue of the SFO.
- (3) New Bright Group Limited is a wholly-owned subsidiary of Century Sunshine. As such, Century Sunshine is deemed to be interested in all the shares in which Ming Xin Developments is interested by virtue of the SFO.
- (4) Mr. Chi Wen Fu controls more than one-third or more of the voting power at general meetings of Century Sunshine (the ultimate holding company of Ming Xin Developments Limited). As such, Mr. Chi Wen Fu is deemed to be interested in all the shares in which Ming Xin Developments Limited is interested by virtue of the SFO.
- (5) According to the Scheme of Arrangement between the Company and its scheme creditors, the Company transferred 65,843,900 issued ordinary shares to the scheme company (i.e. Thoughtful Limited) on 5 August 2022. Ms. So Kit Yee Anita and Mr. Leung Hin Hang Fredric are the joint and several administrators of the scheme. Thoughtful Limited has disposed 18,670,000 ordinary shares for the year ended 31 December 2023 pursuant to the terms of the Scheme.
- (6) According to the scheme of arrangement between the Century Sunshine and its scheme creditors, Ming Xin Developments Limited transferred 79,012,680 issued ordinary shares to the scheme company (i.e. Concord Sea Limited) on 6 September 2023. Ms. So Kit Yee Anita and Mr. Leung Hin Hang Fredric are the joint and several administrators of the scheme. Concord Sea Limited has disposed 240,000 ordinary shares for the period from 6 September 2023 to 31 December 2023 pursuant to the terms of the Scheme.

主要股東(續)

除上文所披露外，於二零二三年十二月三十一日，本公司概無接獲任何人士知會於本公司股份或相關股份中擁有根據證券及期貨條例須向本公司披露之權益或淡倉。

優先購買權

公司細則或百慕達法例並無任何優先購買權之條文，規定本公司須按比例向現有股東發售新股。

關連交易

本年度及去年度並沒有任何關連交易，惟於財務報表附註37所披露除外。

足夠公眾持股量

根據本公司以公開途徑取得的資料及據董事所知，於本報告付印前之最後實際可行日期，本公司一直維持上市規則所訂明的公眾持股量。

核數師

根據2023年11月17日的公告，國衛會計師事務所有限公司已辭去本公司的審計師職務，而上會栢誠會計師事務所有限公司已於該日期被任命為公司的審計師。上會栢誠會計師事務所有限公司將退任，公司將在即將舉行的年度股東大會上提議決議，重新任命上會栢誠會計師事務所有限公司為公司的審計師。

承董事會命

沈世捷先生
主席

香港

二零二四年三月二十八日

SUBSTANTIAL SHAREHOLDERS *(continued)*

Save as disclosed above, as at 31 December 2023, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

CONNECTED TRANSACTION

Other than those disclosed in Note 37 to the financial statements, there was no connected transaction during the year and in prior period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules, as at the latest practical date prior to the printing of this report.

AUDITORS

Pursuant to the announcement dated 17 November 2023, HLB Hodgson Impey Cheng Limited has been resigned as the auditors of the Company and Prism Hong Kong and Shanghai Limited has been appointed as the auditors as at that date. Prism Hong Kong and Shanghai Limited will retire and the Company will propose a resolution at its forthcoming AGM to reappoint Prism Hong Kong and Shanghai Limited as auditors of the Company.

By order of the Board

Mr. Shum Sai Chit
Chairman

Hong Kong

28 March 2024



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致
稀鎂科技集團控股有限公司股東
(於開曼群島註冊成立的有限公司)

To the Shareholders of
Rare Earth Magnesium Technology Group Holdings Limited
(Incorporated in Bermuda with limited liability)

意見

我們已審核第56至178頁的稀鎂科技集團控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表，包括於二零二三年十二月三十一日的綜合財務狀況表、截至該日期止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括重大會計政策資料。

OPINION

We have audited the consolidated financial statements of Rare Earth Magnesium Technology Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 56 to 178, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公允地反映 貴集團於二零二三年十二月三十一日的綜合財務狀況以及截至該日期止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

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

意見的基礎

我們已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中其他道德責任。我們相信，我們所獲得的審核證據充分而適當地為我們的審核意見提供基礎。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' 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.

其他事項

貴集團截至二零二二年十二月三十一日止年度的綜合財務報表已由另一名核數師審核，該核數師於二零二三年三月二十四日對該等報表發表無保留意見。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期間綜合財務報表的審核至關重要的事項。這些事項在我們審核整體綜合財務報表及出具意見時處理。我們不會對這些事項提供單獨的意見。

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 24 March 2023.

KEY AUDIT MATTERS

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

應收貿易賬款預期信貸虧損(「預期信貸虧損」)撥備

請參閱綜合財務報表附註3及附註20。

我們就應收貿易賬款預期信貸虧損撥備而進行的審核程序包括但不限於：

於二零二三年十二月三十一日，貴集團的應收貿易賬款約為145,687,000港元。預期信貸虧損撥備約為144,038,000港元。

- 了解與信貸控制及債務收回相關的關鍵控制及評估該控制之設計及實施，以及估計預期信貸虧損撥備；

管理層在評估預期信貸虧損時已運用判斷。倘已知客戶有財務困難或嚴重懷疑能否收回應收款項，則會個別評估相關應收款項的減值撥備。預期信貸虧損亦根據不同客戶的信貸狀況、應收貿易賬款的賬齡、過往償付記錄、後續償付狀況、未償還結餘的預期變現時間及金額等資料以及與相關客戶的持續貿易關係，按應收貿易賬款的可收回性及預期信貸虧損撥備的充足程度作出估計。管理層亦已考慮可能影響客戶償還未償還結餘能力的前瞻性資料，以估計預期信貸虧損。

- 通過將貿易應收款項賬齡報告中的銷售發票及其他相關輔助文件，按樣本基準評估賬齡報告中的項目是否分類為適當賬齡範圍；
- 對照銀行收據，抽樣測試應收賬款的後續償付狀況；
- 評估貴公司的預期信貸虧損撥備方法是否恰當，抽樣檢查關鍵輸入數據以評估其準確性及完備性，並對用於釐定預期信貸虧損的假設(包括過往及前瞻性資料)提出質疑；及
- 根據貴集團預期信貸虧損撥備政策，重新計算於2023年12月31日的虧損撥備。

我們專注於這個範疇，是由於在預期信貸虧損模型下的應收貿易賬款預期信貸虧損撥備涉及重大的管理層判斷及估計。

綜上所述，我們發現管理層就應收貿易賬款的預期信貸虧損撥備所作的估計及判斷可由可得證據支持。

Allowance for expected credit losses ("ECL") on trade receivables

Refer to Note 3 and Note 20 to the consolidated financial statements.

As at 31 December 2023, the Group had trade receivables of approximately HK\$145,687,000. The allowance for ECL were approximately HK\$144,038,000.

Management applied judgement in assessing the ECL Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. ECL are also estimated by recoverability of the trade receivables and the sufficiency of allowance for ECL based on information including credit profile of different customers, aging of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the ECL.

We focused on this area due to the allowance for ECL of trade receivables under the ECL model involved the use of significant management judgements and estimates.

Our audit procedures in relation to management's assessment on allowance for ECL on trade receivables included but not limited to:

- Obtaining an understanding and assessing the design and implementation and evaluating the key controls related to credit control, debt collection and estimating the credit loss allowance;
- Assessing whether items in the trade receivables ageing reports were categorised in the appropriate ageing bracket with underlying sales invoices and other relevant supporting documents, on a sample basis;
- Obtaining and assessing the subsequent settlement of trade receivables against bank receipts and other relevant supporting documents, on a sample basis;
- Assessing the appropriateness of the ECL provisioning methodology of the Company, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the ECL; and
- Re-performing the calculation of the ECL as at 31 December 2023 based on the Group's ECL allowance policies.

Based upon the above, we found that the estimation and judgement made by management in respect of the allowance for ECL on trade receivables were supportable by the available evidence.

物業、廠房及設備、使用權資產、無形資產及採礦權的減值評估

請參閱綜合財務報表附註3及附註18。

我們就管理層的減值評估進行的審核程序包括但不限於：

於二零二三年十二月三十一日，物業、廠房及設備、使用權資產、無形資產及採礦權的賬面值分別約為1,020,495,000港元、31,738,000港元、13,196,000港元及35,871,000港元。已分別就物業、廠房及設備、使用權資產、無形資產及採礦權確認減值虧損約188,941,000港元、5,876,000港元、2,443,000港元及6,642,000港元。

- 評估進行業務估值的外聘估值師的獨立性、勝任力、能力及客觀性；
- 了解外聘估值師所採用的估值程序，包括採用的估值模型、現金產生單位分及使用的假設；
- 向外聘估值師及貴集團管理層查詢，以評估估值所採用的重大不可觀察輸入數據的合理性及數據來源的準確性；
- 質疑主要假設率包括收益增長率。我們考慮管理層所採納的折現率的合適性；及
- 考慮綜合財務報表附註18所載的物業、廠房及設備、使用權資產、無形資產及採礦權減值評估披露的充足性。

我們發現，管理層的判斷及假設可由可得證據支持。

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

Refer to Note 3 and Note 18 to the consolidated financial statements.

Our audit procedures in relation to management's impairment assessment included but not limited to:

As at 31 December 2023, the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and mining rights were approximately HK\$1,020,495,000, HK\$31,738,000, HK\$13,196,000 and HK\$35,871,000 respectively. Impairment losses of approximately HK\$188,941,000, HK\$5,876,000, HK\$2,443,000 and HK\$6,642,000 had been recognised in respect of property, plant and equipment, right-of-use assets, intangible assets and mining rights respectively.

- Evaluating the independent valuer's independence, competence, capabilities and objectivity who performed the business valuation;
- Obtaining an understanding of the valuation process adopted by the external valuer, including the valuation model adopted, CGUs allocation and assumptions used;
- Enquiring the external valuer and management of the Group to assess the reasonableness of the significant unobservable inputs and the accuracy of the source data;
- Challenging the key assumptions including the revenue growth rate. We considered the appropriateness of the discount rates adopted by management; and
- Considering the adequacy of disclosure of impairment assessments of property, plant and equipment, right-of-use assets, intangible assets and mining rights set out note 18 to the consolidated financial statements.

We found that the management judgement and assumptions were supportable by the available evidence.

物業、廠房及設備、使用權資產、無形資產及採礦權的減值評估(續)

根據附註3所述的會計政策，倘任何事件或情況變動顯示資產的賬面值可能不能收回，則貴集團須對物業、廠房及設備、使用權資產、無形資產及採礦權進行減值評估。貴集團的現金產生單位(「現金產生單位」)按資產的公允值減銷售成本及其使用價值(以較高者為準)釐定，並使用貼現現金流量預測。我們專注於這個範疇，是由於物業、廠房及設備、使用權資產、無形資產及採礦權的金額龐大，而減值評估的過程涉及重大的管理層判斷及估計，包括選取恰當的比較數據及假設，例如現金流量預測中的貼現率及未來收入等。貴集團已聘請外聘估值師協助評估現金產生單位可收回金額。

Impairment assessment on property, plant and equipment, right-of-use assets, intangible assets and mining rights *(continued)*

The Group is required to perform impairment assessment on property, plant and equipment, right-of-use assets, intangible assets and mining rights whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable in accordance with the accounting policy stated in Note 3. The recoverable amounts of the Group's cash generating unit ("CGUs") was determined based on the higher of the asset's fair value less costs to disposal and its value-in-use using discounted cash flow projection. We focused on this area because the amounts of property, plant and equipment, right-of-use assets, intangible assets and mining rights were significant and the impairment assessment process involved significant management's judgements and estimates including the selection of appropriate comparables and assumptions such as discount rate and future revenue in the cash flow projection. The Group engaged an external valuer to assist the assessment for the recoverable amount of the CGUs.

其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的全部資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式的鑒證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，並在此過程中考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，若我們認為其他資料存在重大錯誤陳述，我們須報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔之責任

貴公司董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例的披露規定編製作出真實而公平反映的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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。

審核委員會協助監督貴集團之財務報告過程之責任。

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the HKFRSs issued by the HKICPA and the disclosure requirement of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

核數師就審核綜合財務報表須承擔之責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告，並根據《百慕達公司法》第90章及我們協定的受聘條款，僅向全體股東報告，除此以外不可作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔任何責任。合理核證屬高層次的核證，惟根據香港核數準則進行的審核工作不能保證總能察覺存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則視為重大錯誤陳述。

在根據香港核數準則進行審核的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審核程序以應對該等風險，以及獲取充分適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估貴公司董事所採用的會計政策是否恰當以及作出的會計估計及相關披露是否合理。

AUDITORS' 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, solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act and our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表須承擔之責任(續)

- 對 貴公司董事採用持續經營會計基礎是否恰當作出結論，並根據獲取的審核憑證，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。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充分適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督及執行。我們為審核意見承擔全部責任。

我們與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括我們在審核過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能合理認為會影響我們獨立性的所有關係及其他事宜，以及為消除威脅而採取的行動或應用的防範措施(如適用)。

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

核數師就審核綜合財務報表須 承擔之責任(續)

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們的報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人是錢宏亮。

上會栢誠會計師事務所有限公司
執業會計師

錢宏亮
執業證書編號：P07806

香港，二零二四年三月二十八日

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

The engagement partner on the audit resulting in this independent auditors' report is Chin Wang Leung.

Prism Hong Kong and Shanghai Limited
Certified Public Accountants

Chin Wang Leung
Practising Certificate Number: P07806

Hong Kong, 28 March 2024

綜合損益及其他全面收入表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

		附註 Notes	二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
收入	Revenue	6	263,491	383,899
銷售成本	Cost of sales		(348,772)	(337,285)
(毛損)/毛利	Gross (loss)/profit		(85,281)	46,614
其他收益或虧損，淨額	Other gains or losses, net	6	(5,968)	7,575
債務重組收益	Gain on debt restructuring	6	-	267,382
銷售及分銷支出	Selling and distribution expenses		(2,301)	(3,073)
行政支出	Administrative expenses		(83,658)	(126,222)
貿易應收賬款、按金及 其他應收款項預期信貸 虧損撥備淨額	Net allowance for expected credit losses on trade receivables, deposits and other receivables		3,992	(104,191)
就物業、廠房及設備確認 之減值虧損	Impairment loss recognised on property, plant and equipment	18	(188,941)	(58,631)
就使用權資產確認的減值虧損	Impairment loss recognised on right-of-use assets	18	(5,876)	(1,957)
無形資產減值	Impairment loss recognised on intangible assets	18	(2,443)	(942)
採礦權確認之減值虧損	Impairment loss recognised on mining right	18	(6,642)	-
財務費用	Finance costs	8	(48,793)	(20,923)
稅前(虧損)/溢利	(LOSS)/PROFIT BEFORE TAX	7	(425,911)	5,632
所得稅抵免/(支出)	Income tax credit/(expense)	11	2,311	(4,228)
年度(虧損)/溢利	(Loss)/profit for the year		(423,600)	1,404
其他全面支出	OTHER COMPREHENSIVE EXPENSE			
後續期間重新分類至損益的 其他全面支出：	<i>Other comprehensive expense to be reclassified to profit or loss in subsequent periods:</i>			
換算海外業務之匯兌差額	Exchange differences on translation of foreign operations		(74,077)	(160,593)
年度其他全面支出扣除 所得稅	Other comprehensive expense for the year, net of income tax		(74,077)	(160,593)

綜合損益及其他全面收入表(續)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
		附註 Notes	
年度全面支出總額	TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR	(497,677)	(159,189)
下列人士應佔年度(虧損)/溢利： 本公司擁有人	(Loss)/profit for the year attributable to: Owners of the Company	(423,600)	1,404
下列人士應佔年內全面支出總額： 本公司擁有人	Total comprehensive expenses for the year attributable to: Owners of the Company	(497,677)	(159,189)
每股盈利/(虧損)： - 基本及攤薄	Earnings/(loss) per share: - basic and diluted	13 [79.43]港仙 HK\$[79.43] cent	(經重列) (Restated) 0.30港仙 HK\$0.30 cent

隨附之附註為本綜合財務報表之組成部分。

The accompanying notes form an integral part of these consolidated financial statements.

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

			二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
		附註 Notes		
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	14	1,020,495	1,337,361
使用權資產	Right-of-use assets	15	31,738	40,629
無形資產	Intangible assets	16	13,196	20,939
採礦權	Mining rights	17	35,871	46,545
非流動資產總額	Total non-current assets		1,101,300	1,445,474
流動資產	CURRENT ASSETS			
存貨	Inventories	19	103,387	192,274
應收貿易賬款及應收票據	Trade and bills receivables	20	3,205	1,498
預付款項、按金及 其他應收款項	Prepayments, deposits and other receivables	21	185,724	190,514
應收中間控股公司款項	Amount due from an intermediate holding company	26	8,961	-
應收稅款	Tax recoverable		-	5,117
已抵押銀行存款	Pledged bank deposits	22	-	9,698
現金及現金等值項目	Cash and cash equivalents	22	39,954	28,599
流動資產總額	Total current assets		341,231	427,700
流動負債	CURRENT LIABILITIES			
應付貿易賬款	Trade payables	23	15,472	17,449
其他應付款項及應計費用	Other payables and accruals	24	25,752	23,244
合約負債	Contract liabilities	24	26,477	14,598
借款	Borrowings	25	111,228	114,592
應付稅款	Tax payable		-	-
應付直接控股公司款項	Amount due to an immediate holding company	26	5,822	2,871
流動負債總額	Total current liabilities		184,751	172,754
流動資產淨額	NET CURRENT ASSETS		156,480	254,946
資產總額減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		1,257,780	1,700,420

		附註 Notes	二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
非流動負債	NON-CURRENT LIABILITIES			
遞延收入	Deferred revenue	27	66,881	69,354
借款	Borrowings	25	223,620	205,512
可換股債券	Convertible bonds	28	347,170	320,048
遞延稅項負債	Deferred tax liabilities	29	7,148	9,554
非流動負債總額	Total non-current liabilities		644,819	604,468
資產淨值	NET ASSETS		612,961	1,095,952
權益	EQUITY			
本公司擁有人應佔權益	Equity attributable to owners of the Company			
已發行股本	Issued capital	30	5,926	3,950
儲備	Reserves	32	607,035	1,092,002
權益總額	TOTAL EQUITY		612,961	1,095,952

於第56至第178頁之綜合財務報表於二零二四年三月二十八日經董事會審批及授權刊印，並由下列董事代表簽署：

The consolidated financial statements on pages 56 to 178 were approved and authorised for issued by the board of directors on 28 March 2024 and are signed on its behalf by:

沈世捷先生
Mr. Shum Sai Chit
董事
Director

池斯樂女士
Ms. Chi Sile
董事
Director

隨附之附註為本綜合財務報表之組成部分。

The accompanying notes form an integral part of these consolidated financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

		已發行股本	股份溢價額	資本撥回儲備(附註(iii))	可換股債券權益儲備	購股權儲備	法定儲備(附註(iii))	合併儲備(附註(iv))	其他儲備	匯兌波動儲備	保留盈利	總額	
		Issued capital	Share premium account	Capital redemption reserve	Convertible bonds equity reserve	Share option reserve	Statutory reserve	Merger reserve	Other reserve	Exchange fluctuation reserve	Retained earnings	Total	
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
於二零二二年一月一日	As at 1 January 2022	658,439	1,562,634	21,976	419	-	30,324	118,896	(1,500,592)	(44,209)	(20,931)	361,986	1,188,942
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	1,404	1,404	
年度其他全面開支	Other comprehensive												
扣除所得稅：	expense for the year, net of income tax:												
換算海外業務所產生之匯兌差額	Exchange differences arising from translations of foreign operations	-	-	-	-	-	-	-	-	(160,593)	-	(160,593)	
年度全面(支出)/收入總額	Total comprehensive (expense)/income for the year	-	-	-	-	-	-	-	-	(160,593)	1,404	(159,189)	
股本重組(附註30)	Capital reorganisation (note 30)	(655,147)	-	655,147	-	-	-	-	-	-	-	-	
發行股份，扣除交易成本(附註6)	Issue of shares, net of transaction cost (note 6)	658	28,972	-	-	-	-	-	-	-	-	29,630	
發行可換股債券(附註6)	Issue of convertible bonds (note 6)	-	-	-	42,512	-	-	-	-	-	-	42,512	
與發行可換股債券有關之遞延稅項	Deferred tax related to issuance of convertible bonds	-	-	-	(6,861)	-	-	-	-	-	-	(6,861)	
已失效購股權	Share option lapsed	-	-	-	-	(596)	-	-	-	-	596	-	
轉撥至儲備	Transfer to reserve	-	-	-	-	-	1,292	-	-	-	(1,292)	-	
股權結算股份付款之交易	Equity settled share based transactions	-	-	-	-	918	-	-	-	-	-	918	
於二零二二年十二月三十一日及二零二三年一月一日	As at 31 December 2022 and 1 January 2023	3,950	1,591,606	677,123	419	35,651	30,646	120,188	(1,500,592)	(44,209)	(181,524)	362,694	1,095,952
年度虧損	Loss for the year	-	-	-	-	-	-	-	-	-	(423,600)	(423,600)	
年度其他全面支出	Other comprehensive												
扣除所得稅：	expense for the year, net of income tax:												
換算海外業務所產生之匯兌差額	Exchange differences arising from translations of foreign operations	-	-	-	-	-	-	-	-	(74,077)	-	(74,077)	
年度全面開支總額	Total comprehensive expense for the year	-	-	-	-	-	-	-	-	(74,077)	(423,600)	(497,677)	
發行供股股份，扣除交易成本(附註6)	Issue of rights shares, net of transaction cost (note 6)	1,976	12,710	-	-	-	-	-	-	-	-	14,686	
已失效購股權	Share option lapsed	-	-	-	-	(30,646)	-	-	-	-	30,646	-	
轉撥至儲備	Transfer to reserves	-	-	-	-	-	57	-	-	-	(57)	-	
於二零二三年十二月三十一日	As at 31 December 2023	5,926	1,604,316	677,123	419	35,651	-	120,245	(1,500,592)	(44,209)	(255,601)	(30,317)	612,961

附註：

- (i) 此等儲備賬包含綜合財務狀況表中的綜合儲備607,035,000港元(二零二二年：1,092,002,000港元)。
- (ii) 資本贖回儲備指本公司於購回及註銷股份時由本公司保留盈利轉撥的本公司股份面值。
- (iii) 法定儲備主要指附屬公司按中華人民共和國(「中國」)法定財務報表所列純利的10%及為若干安全生產活動提撥的資金。

根據中國成立之附屬公司之組織章程細則及相關之中國法則及法規，該等附屬公司須撥出10%之扣除所得稅後溢利(按中國國內法定財務報表記錄為準)作為法定儲備，除非該儲備結餘已達附屬公司註冊資本50%。該儲備僅可用於對銷附屬公司過往年度之虧損、擴充附屬公司之生產業務或增加附屬公司之股本。

根據中國國家安全生產監督管理總局及其他相關監管機構發佈的若干規例，本集團需按規定比例為白雲石及蛇紋石採掘活動提撥資金。該等資金可供用於維護及／或改善上述安全生產，不得向股東分派。

- (iv) 合併儲備於就合併受共同控制之實體採用合併會計法時產生。

Notes:

- (i) These reserve accounts comprise the consolidated reserves of HK\$607,035,000 (2022: HK\$1,092,002,000) in the consolidated statement of financial position.
- (ii) Capital redemption reserve represents the nominal value of the Shares of the Company which was transferred from the Company's retained earnings upon repurchase and cancellation of Shares by the Company.
- (iii) Statutory reserve mainly represents the fund set aside by the subsidiaries based on 10% of their net profit of the People's Republic of China (the "PRC") statutory financial statements and that for the purpose of certain safety production activities.

In accordance with the articles of association of the subsidiaries established in the PRC and the relevant PRC rules and regulations, these subsidiaries are required to set aside 10% of their profit after income tax as recorded in the PRC statutory financial statements as statutory reserve, except where the reserve fund balance has reached 50% of the subsidiaries' registered capital. The reserve fund can only be used to make good the subsidiaries' previous years' losses, to expand the subsidiaries' production operations or to increase the capital of the subsidiaries.

Pursuant to certain regulations issued by the State Administration of Work Safety of the PRC and other relevant regulatory bodies, the Group is required to set aside funds mainly for mining of dolomite and serpentine at prescribed rates. These funds can be used for maintenance and/or improvements of safety of these activities, and is not available for distribution to shareholders.

- (iv) Merger reserve was arising on the application of merger accounting method in relation to the combination with entity under common control.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

	附註 Notes	二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
經營業務之現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
稅前(虧損)/溢利	(Loss)/profit before tax	(425,911)	5,632
調整：	Adjustments for:		
財務費用	Finance costs	48,793	20,923
以股權結算之購股權費用	Equity-settled share option expenses	-	918
銀行利息收入	Bank interest income	(593)	(600)
出售物業、廠房及設備項目之收益	Gain on disposal of items of property, plant and equipment	(3,454)	(2,280)
債務重組收益	Gain on debt restructuring	-	(267,382)
撇銷預付款項	Written-off of prepayments	-	28,620
撇銷物業、廠房及設備	Written-off of property, plant and equipment	573	183
就物業、廠房及設備確認之減值虧損	Impairment loss recognised on property, plant and equipment	188,941	58,631
就使用權資產確認之減值虧損	Impairment loss recognised on right-of-use assets	5,876	1,957
就無形資產確認之減值虧損	Impairment loss recognised on intangible assets	2,443	942
採礦權確認之減值虧損	Impairment loss recognised on mining rights	6,642	-
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	99,625	110,144
使用權資產之折舊	Depreciation of right-of-use assets	1,336	1,439
無形資產之攤銷	Amortisation of intangible assets	4,503	1,448
採礦權之攤銷	Amortisation of mining rights	2,416	-
應收貿易賬款預期信貸虧損(撥備撥回)/撥備	(Reversal of)/allowance for expected credit loss on trade receivables	(3,948)	104,173
按金及其他應收款項之預期信貸虧損(撥備撥回)/撥備	(Reversal of)/allowance for expected credit loss on deposits and other receivables	[44]	18
營運資金變動前之經營現金流量	Operating cash flows before changes in working capital	(72,802)	64,766
存貨減少	Decrease in inventories	83,526	5,502
應收貿易賬款及應收票據減少	Decrease in trade and bill receivables	2,156	37,152
預付款項、按金及其他應收款項增加	Increase in prepayments, deposits and other receivables	(1,994)	(31,125)
應付貿易賬款(減少)/增加	(Decrease)/increase in trade payables	(1,380)	5,266
其他應付款項、應計費用及合約負債增加/(減少)	Increase/(decrease) in other payables, accruals and contract liabilities	20,933	(40,418)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

	附註 Notes	二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
經營業務所得之現金 已退/(已付)所得稅項	Cash generated from operations Income taxes refund/(paid)	30,439 5,344	41,143 (13,061)
經營業務之現金流入淨額	Net cash flows generated from operating activities	35,783	28,082
投資業務之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
利息收入	Interest received	593	600
出售物業、廠房及設備的 所得款項	Proceeds from disposal of property, plant and equipment	4,925	3,403
購入物業、廠房及設備項目	Purchases of items of property, plant and equipment	(28,069)	(5,423)
已抵押銀行存款之減少	Decrease in pledged bank deposits	9,698	-
投資業務之現金流出淨額	Net cash flows used in investing activities	(12,853)	(1,420)
融資業務之現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
已付利息	Interest paid	(8,474)	(429)
發行股本所得款項	Proceed from issuance of share capital	14,686	-
償還借款	Repayment of borrowings	(901)	(34,621)
向控股公司經常賬戶之 (還款)/提供之墊款	(Repayment from)/advance to current accounts with holding companies	(6,010)	13,072
融資業務所得/(所用) 現金流出淨額	Net cash flows generated from/ [used in] financing activities	(699)	(21,978)
現金及現金等值項目之 增加淨額	NET INCREASE IN CASH AND CASH EQUIVALENTS	22,231	4,684
年初之現金及現金等值項目	Cash and cash equivalents at beginning of year	28,599	25,078
外幣匯率變更調整，淨額	Effect of foreign exchange rate changes, net	(10,876)	(1,163)
年終之現金及現金等值項目	CASH AND CASH EQUIVALENTS AT END OF YEAR	39,954	28,599
現金及現金等值項目結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
現金及銀行結餘	Cash and bank balances	22 39,954	28,599

隨附之附註為本綜合財務報表之組成部分。

The accompanying notes form an integral part of these consolidated financial statements.

1. 公司及集團資料

稀鎂科技集團控股有限公司(「本公司」)是一間於百慕達註冊成立之有限公司。本公司之主要營業地點位於香港九龍尖沙咀海港城港威大廈第5座16樓。

於本年度內，本集團之業務涉及製造及銷售金屬鎂相關產品。

按董事之意見，本公司之直接控股公司為於英屬處女群島註冊成立公司Ming Xin Developments Limited，而最終控股公司則為於英屬處女群島註冊成立公司Alpha Sino Limited。

綜合財務報表以港元(「港元」)呈列，港元與本公司之功能貨幣相同。除另有指明外，所有價值均四捨五入至最接近之千位數(千港元)。

解除清盤呈請及委任臨時清盤人

於二零二零年七月三日，本公司公佈(i)本公司控股股東世紀陽光集團控股有限公司(「世紀陽光」)已違約贖回本金金額為101,750,000新加坡元之後償票據(「世紀陽光付款違約」)；(ii)本公司於二零二零年六月三十日接獲其中一名銀行債權人要求本公司或其附屬公司償還其約22,870,000港元借款另加應計利息，且認為其可能會收到債權人的進一步通知；(iii)世紀陽光支付違約構成本集團若干借款的違約事件，其須即時按要求償還；(iv)一份清盤呈請連同委任共同臨時清盤人(「共同臨時清盤人」)之申請已代表本公司於二零二零年七月三日向百慕達最高法院提交，其為「非強制」原則行事，即本公司董事會(「董事會」)仍將管理本公司，而共同臨時清盤人會與公司管理層一起致力於(其中包括)監督、督導和監察對整個集團進行全面及經協調的債務和負債重組(「建議重組計劃」)，包括維持本公司在香港聯合交易所有限公司的上市。

1. CORPORATE AND GROUP INFORMATION

Rare Earth Magnesium Technology Group Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 16th Floor, Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.

During the year, the Group was involved in the manufacture and sale of magnesium products.

In the opinion of the directors, the immediate holding company of the Company is Ming Xin Developments Limited, a company incorporated in the British Virgin Islands and the ultimate holding company is Alpha Sino Limited, a company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Discharge of winding-up petitions and appointment of provisional liquidators

On 3 July 2020, the Company announced (i) Century Sunshine Group Holding Limited (“CS”), the controlling shareholder of the Company, defaulted in the redemption of its SGD101.75 million in principal amount of subordinated notes (the “CS Payment Default”); (ii) the Company had received on 30 June 2020 a demand from one of the bank creditors for the repayment of borrowings of the Company or its subsidiaries of approximately HK\$22.87 million plus interest accrued and believed it was likely to receive further calls from its creditors; (iii) the CS Payment Default constituted an event of default in respect of certain borrowings of the Group, which became immediately payable on demand; (iv) a winding-up petition has been filed on 3 July 2020 to the Supreme Court of Bermuda on behalf of the Company together with an application for the appointment of joint provisional liquidators (“JPLs”) on a “light touch” basis that the board of directors of the Company (the “Board”) will retain management of the Company while the JPLs will work alongside the Company’s management to, amongst other things, monitor, supervise and oversee the implementation of a group-wide holistic and coordinated restructuring of its debts and liabilities (the “Proposed Restructuring Plan”) including to maintain the listing of the Company on the Stock Exchange of the Hong Kong Limited.

1. 公司及集團資料(續)

解除清盤呈請及委任臨時清盤人(續)

於二零二零年七月十六日，百慕達最高法院頒佈一項命令，委任安永企業財務服務有限公司之閻正為先生及蘇潔儀女士、安永有限公司之Roy Bailey先生以及EY Cayman Ltd之Tammy Karina Fu女士為本公司共同臨時清盤人，並授予其共同及個別之權力。於二零二零年八月七日，百慕達法院接受閻正為先生之辭任，而有關Roy Bailey先生、Tammy Karina Fu女士、及蘇潔儀女士作為共同臨時清盤人的責任令則維持生效。

於二零二零年八月二十五日，香港特別行政區高等法院已批准有關在香港委任共同臨時清盤人的認可令。

1. CORPORATE AND GROUP INFORMATION *(continued)*

Discharge of winding-up petitions and appointment of provisional liquidators *(continued)*

On 16 July 2020, an order was granted by the Supreme Court of Bermuda for the appointment of Mr. Yen Ching Wai David and Ms. So Kit Yee Anita of Ernst & Young Transactions Limited, Mr. Roy Bailey of Ernst & Young, and Ms. Tammy Karina Fu of EY Cayman Ltd as JPLs of the Company with the power to act jointly and severally. On 7 August 2020, the Bermuda Court accepted the resignation of Mr. Yen Ching Wai David. The JPLs appointment order remains in force in respect of Mr. Roy Bailey, Ms. Tammy Karina Fu and Ms. So Kit Yee Anita as JPLs.

On 25 August 2020, the High Court of The Hong Kong Special Administrative Region has granted the recognition order in respect of the appointment and powers of the JPLs in Hong Kong.

1. 公司及集團資料(續)

解除清盤呈請及委任臨時清盤人(續)

於二零二一年二月二十五日，本公司收到AI Global Investment SPC於二零二一年二月二十二日代表AI Investment Fund S.P.並就其帳目(「呈請人」)向香港特別行政區該法院(「法院」)針對本公司提交的呈請(「該呈請」)，該呈請中請求法院將本公司清盤。其針對本公司提交之呈請乃由於本公司未能向呈請人支付票據(「定義如下」)未償付本金連同未支付利息及拖欠利息總額20,707,777.78美元，有關金額乃根據呈請人(作為認購人)與本公司(作為發行人)於二零一七年八月七日訂立之於二零二零年到期本金20,000,000美元之7%非後償及無抵押票據(「票據」)認購協議作出。該呈請聆訊已押後至二零二二年五月二十七日與債權人計劃批准聆訊一同舉行。

本公司於二零二二年一月十八日就相關計劃債權人擬議安排計劃(「債權人計劃」)，且債權人計劃於二零二二年三月一日獲法定所需的多數計劃債權人批准，並於二零二二年五月二十七日獲香港高等法院批准。債權人計劃於二零二二年五月三十一日生效。此後，本公司已向百慕達最高法院申請撤回百慕達呈請並解除委任共同臨時清盤人。於二零二二年十月八日，本公司接獲由百慕達法院發出日期為二零二二年八月十五日的解除命令。

1. CORPORATE AND GROUP INFORMATION *(continued)*

Discharge of winding-up petitions and appointment of provisional liquidators *(continued)*

On 25 February 2021, the Company received a petition (the "Petition") filed by AI Global Investment SPC acting on behalf of and for the account of AI Investment Fund S.P. (the "Petitioner") on 22 February 2021 against the Company in the High Court of the Hong Kong Special Administrative Region (the "Court") for an order that the Company be wound up by the Court. The Petition was filed against the Company for its failure to repay the Petitioner an outstanding principal of the Notes (as defined below) together with the unpaid interest and default interest in an aggregate amount of US\$20,707,777.78, which was pursuant to a subscription agreement of 7% unsubordinated and unsecured notes due 2020 in a principal amount of US\$20,000,000 (the "Notes") entered into between the Petitioner as subscriber and the Company as the issuer dated 7 August 2017. The hearing of the Petition has been adjourned to be heard together with sanction hearing for the creditors' scheme and presently fixed for 27 May 2022.

The Company proposed a scheme of arrangement to the related scheme creditors ("the Creditors' Scheme") on 18 January 2022 and the Creditors' Scheme was approved by the requisite statutory majorities of the scheme creditors on 1 March 2022 and was approved by the High Court of Hong Kong on 27 May 2022. The Creditors' Scheme became effective on 31 May 2022. Since then, the Company had made the application to the Supreme Court of Bermuda for the withdrawal of the Bermuda Petition and the discharge of the appointment of joint provisional liquidators. On 8 October 2022, the Company has received the discharge order dated 15 August 2022 granted by the Bermuda Court.

1. 公司及集團資料(續)

解除清盤呈請及委任臨時清盤人(續)

本公司之主要附屬公司之詳情如下：

1. CORPORATE AND GROUP INFORMATION (continued)

Discharge of winding-up petitions and appointment of provisional liquidators (continued)

Particulars of the Company's principal subsidiaries are as follows:

名稱 Name	註冊成立/ 註冊及 經營地點 Place of incorporation/ registration and business	已發行普通股/ 註冊股本面值 Nominal value of issued ordinary share/registered capital	本公司應佔股權之百分比 Percentage of equity attributable to the Company		持有 表決權 比例 Proportion of voting power held	主要業務 Principal activities
			直接 Direct	間接 Indirect		
新疆騰翔鎂制品有限公司 (「新疆騰翔」)	中國	人民幣171,800,000元	-	100	100%	製造及銷售金屬 鎂相關產品
Xinjiang Tengxiang Magnesium Products Company Limited (「Xinjiang Tengxiang」)	The PRC	RMB171,800,000				Manufacture and trading of magnesium related products
白山市天安金屬鎂礦業 有限公司	中國	人民幣280,332,000元	-	100	100%	製造及銷售金屬 鎂相關產品
Baishan City Tianan Magnesium Resources Company Limited	The PRC	RMB280,332,000				Manufacturing and trading of magnesium related products
新疆稀鎂新材料科技有限公司	中國	人民幣1,000,000元	-	100	100%	製造及銷售金屬 鎂相關產品
Xinjiang Rare Magnesium New Material Technology Co. Ltd	The PRC	RMB1,000,000				Manufacturing and trading of magnesium related products
中國稀鎂科技控股有限公司	香港	10,310港元	-	100	100%	投資控股
China Rare Earth Magnesium Technology Holdings Limited	Hong Kong	HK\$10,310				Investment holdings
香港新材料產業投資有限公司	香港	1港元	-	100	100%	投資控股
Hong Kong New Materials Industry Investments Limited	Hong Kong	HK\$1				Investment holdings

上表載列董事認為對本集團之本年度業績有重大影響或組成本集團資產淨值之主要部份之本公司附屬公司。董事認為，提供其他附屬公司之詳情將導致資料過於冗長。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂

本年度強制生效之香港財務報告準則之修訂

於本年度，本集團已首次採用以下由香港會計師公會(「香港會計師公會」)頒佈於本集團二零二三年一月一日或之後開始之財政年度生效之新訂及經修訂香港財務報告準則(「香港財務報告準則」)：

香港財務報告準則第17號 (包括香港財務報告準則 第17號於二零二零年十月 及二零二二年二月的 修訂)	保險合約
香港會計準則第1號及香港 財務報告準則實務報告 第2號的修訂	會計政策之 披露
香港會計準則第8號的修訂	會計估計之 定義
香港會計準則第12號的修訂	與單一交易 產生的資產 及負債有關 的遞延稅項
香港會計準則第12號的修訂	國際稅務改 革：支柱二 範本規則

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則並無對本集團於本年度及過往年度的財務狀況及表現及／或於該等綜合財務報表所載的披露產生重大影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied for the first time, the following new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for the Group’s financial year beginning on 1 January 2023:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港會計準則第1號及香港財務報告準則實務報告第2號的修訂—會計政策的披露

香港會計準則第1號及香港財務報告準則實務報告第2號的修訂提供指引及範例，以幫助實體將重大性判斷應用於會計政策披露中。該等修訂旨在幫助實體提供更有用的會計政策披露，以實體披露其「重大」會計政策的規定取代實體披露其「主要」會計政策的規定，並增加實體在作出有關會計政策披露的決定時如何應用重大性概念的指引。

應用該等修訂對本集團財務表現及狀況並無重大影響，惟影響附註3所載會計政策的披露。

香港會計準則第8號的修訂—會計估計的定義

應用香港會計準則第8號之修訂旨在澄清會計估計變更、會計政策變更及錯誤更正之間的區別。彼等亦澄清實體如何使用計量技術及輸入數據編製會計估計。

該等修訂對本集團的綜合財務報表並無影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (continued)

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to HKAS 1 and HKFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The application of the amendments has had no material impact on the Group’s financial performance and positions, but has affected the disclosures of accounting policies as set out in note 3.

Impact on application of Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated financial statements of the Group.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

香港會計準則第12號的修訂—與單一交易產生的資產及負債有關的遞延稅項

香港會計準則第12號的修訂收窄初步確認遞延稅項負債及遞延稅項資產例外情況的範圍，使其不再適用於初步確認時產生相等應課稅及可扣減暫時差額的交易，如租賃及棄置責任。因此，實體須就該等交易產生的暫時差額確認遞延稅項資產(假設其有充足應課稅溢利)及遞延稅項負債。該等修訂將適用於最早呈列的比較期間期初與租賃及棄置責任相關的交易，任何累計影響確認為於該日對保留盈利(或其他權益組成部分(倘適用))期初餘額的調整。至於所有其他交易，該等修訂應用於最早呈列期間初期後所發生的交易。

本集團先前將香港會計準則第12號的規定應用於整體相關資產及負債。與相關資產及負債相關的暫時差額以淨額為基礎進行評估。應用該等修訂後，本集團已就全部與使用權資產及租賃負債相關的可扣減及應課稅暫時差額分別確認一項遞延稅項資產及一項遞延稅項負債。

該等修訂不會對本集團綜合財務報表產生重大影響。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (continued)

Impact on application of Amendments to HKAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. 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 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 earnings or other component of equity as appropriate at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The Group previously applied HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments has no material impact on the consolidated financial statements of the Group.

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

已頒佈但尚未生效的經修訂香港財務報告準則

本集團並無提前應用下列已頒佈但尚未生效的經修訂香港財務報告準則：

香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合資公司之間的資產出售或注資 ³
香港財務報告準則第16號的修訂	售後租回交易中的租賃負債 ¹
香港會計準則第1號的修訂	將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)財務報表的呈報— 借入人對包含按 要求償還條款的 定期貸款的分類之 有關修訂 ¹
香港會計準則第1號的修訂	附有契諾的非流動負債 ¹
香港會計準則第7號及香港財務報告準則第7號的修訂	供應商融資安排 ¹
香港會計準則第21號的修訂	缺乏可交換性 ²

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (continued)

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements— Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

- ¹ 於二零二四年一月一日或之後開始之年度期間生效。
- ² 於二零二五年一月一日或之後開始之年度期間生效。
- ³ 於待定期限或之後開始之年度期間生效。

本公司董事預測，應用所有其他新訂及經修訂香港財務報告準則於可預見的未來將不會對綜合財務報表產生重大影響。

3. 重大會計政策資料

編製基準

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例(「公司條例」)所規定之適用披露資料。

綜合財務報表已按歷史成本基準編製。歷史成本通常根據為換取資產支付的代價的公允值釐定。

本公司董事於核准綜合財務報表時，合理預期集團擁有充足資源以在可預見的未來繼續經營。因此，他們在編製合併財務報表時繼續採用持續經營會計基礎。

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) (continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2024.
- ² Effective for annual periods beginning on or after 1 January 2025.
- ³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Preparation

The consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. 重大會計政策資料(續)**編製基準(續)**

公允值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付之價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債之公允值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量和／或披露的公允值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份支付的交易、香港財務報告準則第16號範圍內之租賃交易及以及與公允值類似但並非公允值的計量(例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。

非金融資產的公允值計量參考市場參與者能否以最高及最佳用途使用該資產，或把該資產售予另一能夠以最高及最佳用途使用該資產的市場參與者所產生的經濟效益。

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第1類、第2類及第3類，載述如下：

- 第1類輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第2類輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第1類內包括的報價除外)；及
- 第3類輸入數據是資產或負債的不可觀察輸入數據。

重大會計政策載於下文。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Basis of Preparation (continued)**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payments, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies are set out below.

3. 重大會計政策資料(續)

綜合基準

綜合財務報表包括本公司及本公司所控制的實體(包括結構性實體)及其附屬公司的財務報表。倘出現以下情況，則本公司已取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

本公司於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止綜合入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本公司獲得控制權當日起至本公司失去附屬公司控制權當日止，計入綜合損益及其他全面收益報表內。

本公司擁有人及非控股股東權益應佔損益及其他全面收益各組成部分。即使會使非控股權益出現虧絀，一間附屬公司的全面收益及開支總額仍歸本公司擁有人及非控股權益所有。

如有需要，會對附屬公司的財務報表作出調整，以使其會計政策與本集團採用的會計政策一致。

所有本集團成員間集團內部交易有關資產及負債、權益、收益、開支及現金流已於編製綜合賬目時悉數抵銷。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

3. 重大會計政策資料(續)**附屬公司**

附屬公司為本公司直接或間接控制之實體(包括結構性實體)。當本集團對參與投資對象業務之浮動回報承擔風險或享有權利以及能透過對投資對象之權力(即本集團獲賦予現有以主導投資對象相關活動之既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利的權利，則本集團於評估其是否擁有對投資對象之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之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

附屬公司業績按已收取及應收取之股息列入本公司損益賬。本公司於附屬公司之投資按成本扣除任何減值列賬。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Subsidiaries**

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).

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.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivables. The Company's investments in subsidiaries are stated at cost less any impairment.

3. 重大會計政策資料(續)

業務合併

業務為一組綜合的活動及資產，當中包括一項投入及一個實質性過程，兩者共同為創造產出的能力作出重大貢獻。倘所收購的過程對持續創造產出的能力至關重要(包括一群擁有進行相關過程所需的技術、知識或經驗的有組織僱員)或對持續創造產出的能力作出重大貢獻且被認為獨有或罕有或必須付出重大成本、精力或延遲持續創造產出的能力方能取代，則有關過程被視為實質性。

收購業務以收購法入賬。業務合併所轉讓代價以公允值計量，而公允值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期之公允值總和計算。收購相關成本一般於產生時於損益內確認。

於收購日期，所購入可識別資產及所承擔負債按其公允值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利確認及計量；
- 與被收購方以股份為基礎支付安排或為替代被收購方以股份為基礎支付安排而訂立之本集團以股份為基礎支付安排有關之負債或權益工具，於收購日期根據香港財務報告準則第2號以股份為基礎之支付計量(見下文會計政策)；
- 根據香港財務報告準則第5號持作出售非流動資產及已終止經營業務分類為持作出售之資產(或出售組合)按該準則計量；及

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

3. 重大會計政策資料(續)

業務合併(續)

- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)之現值確認及計量，猶如收購之租賃於收購日期為新租賃，惟(a)租期於收購日期12個月內結束；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同之金額確認及計量，並進行調整以反映與市場條件相比租賃之有利或不利條款。

商譽按所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方股本權益(如有)公允值總和超出所收購可識別資產及所承擔負債於收購日期之淨額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方權益(如有)公允值之總和，差額即時於損益確認為按折價收購收益。

非控股權益為現有所有權權益，使持有人於清盤時能夠按比例分佔相關附屬公司資產淨值，其可初步按非控股權益按比例分佔被收購方可識別資產淨值之已確認數額或按公允值計量。

當本集團於一項業務合併轉移之代價包括或然代價安排，則或然代價乃按其收購日期之公允值計量，並計入作為於一項業務合併轉移之代價一部分。合資格作計量期間調整之或然代價之公允值變動乃追溯調整。計量期間調整為於「計量期間」(不得超過收購日期起計一年)因獲得於收購日期已存在事實及情況之額外資料而作出之調整。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Business combinations *(continued)*

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 重大會計政策資料(續)

業務合併(續)

不符合作為計量期間調整之或然代價之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價於其後報告日期不會重新計量，其後結算於權益內進行入賬處理。分類為資產或負債之或然代價於其後報告日期重新計量至公允值，而相應收益或虧損乃於損益中確認。

倘業務合併分階段達成，本集團先前持有之被收購方股權乃於收購日期(即本集團獲得控制權之日期)重新計量至公允值，而所產生之收益或虧損(如有)乃於損益或其他全面收益(如適用)內確認。於收購日期前已於其他全面收益確認並按香港財務報告準則第9號計量之被收購方權益產生之金額，將按本集團直接出售先前持有之股權所需之相同基準入賬。

倘業務合併之初步會計處理於合併發生之報告期末仍未完成，則本集團會就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出追溯調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Business combinations *(continued)*

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3. 重大會計政策資料(續)

來自客戶合約之收入

收入確認旨在描述向客戶轉讓承諾貨品及服務，其金額反映了一個實體就向客戶交換該等貨品或服務而預期有權獲得之代價。具體而言，本集團確認收益所使用的五步法載列如下：

- 步驟一： 識別與客戶訂立之合約
- 步驟二： 識別合約中之履約責任
- 步驟三： 釐定交易價
- 步驟四： 將交易價分配至合約中的履約責任
- 步驟五： 當(或於)實體完成履約責任時確認收入

本集團於完成履約責任時(或就此)確認收益，即於特定履約責任相關的商品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指明確貨品及服務(或一組貨品或服務)或一系列大致相同的明確貨品或服務。

控制權會隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約責任的進度而隨時間確認：

- 於本集團履約時客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約行為創造及提升客戶於本集團履約時已控制的資產；或
- 本集團的履約行為並無創造對本集團而言有其他用途的資產，且本集團擁有就迄今為止已完成的履約部分獲付款的可強行執行權利。

3. MATERIAL ACCOUNTING POLICY INFORMATION *[continued]*

Revenue from contracts with customers

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

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

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. 重大會計政策資料(續)

來自客戶合約之收入(續)

否則，收益於客戶取得明確貨品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

合約負債指本集團因已自客戶收取代價(或到期收取的代價)，而須向客戶轉讓商品或服務之責任。

與合約有關之合約資產及合約負債列作以淨額基準呈列。

來自加工及銷售農業肥料、鎂產品及煉鋼熔劑之收益於產品的控制權在產品交付予客戶且客戶已接納產品的時間點轉移以及並無可能會影響客戶接納產品的未履行責任時隨時間點予以確認。當產品已運送到指定地點，產品陳舊及遺失的風險已轉移至客戶，及客戶按照銷售合約接納產品，或接納條款已失效，或本集團有客觀證據證明所有接納標準均已達成時，交付即告完成。

該等銷售的收益按照合約訂明的價格(扣除折扣、回報及增值稅)予以確認。

應收款項於產品交付及客戶接納產品時確認，因從那一刻開始，付款之到期僅須時間的流逝，故收取代價成為無條件。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from contracts with customers (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for an presented on a net basis.

Revenue from the processing and sales of magnesium products is recognised at a point in time when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts, returns and value added taxes.

A receivable is recognised when the products are delivered and the customers accept the products, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. 重大會計政策資料(續)

政府撥款

政府撥款不予確認，直至有合理保證，本集團將符合政府撥款隨附的條件，以及將收獲撥款後，方會確認。

政府撥款乃就本集團確認的有關支出(預期政府撥款可予抵銷成本的支出)期間按系統化的基準於損益中確認。具體而言，以要求本集團購買、建造或收購非流動資產為主要條件的政府撥款乃於綜合財務狀況報表確認為遞延收入，並於相關資產的可用年期內基於系統化及合理化基準轉撥至損益中。

倘與收入相關者之政府撥款成為應收款項，作為已產生的開支或虧損的彌償，或提供予本集團而沒有相關未來成本即時財務支持，則於成為應收款項之期間於損益確認。有關撥款於「其他收益或虧損淨額」項下呈列。

按低於市場利率計息之政府貸款之利益視為政府撥款，按所收取所得款項與按現行市場利率計算貸款之公允值之間的差額計量。

物業、廠房及設備

物業、廠房及設備為用作生產或供應貨物或服務，或行政用途的無形資產(在建工程除外)按成本減其後累計折舊及累計減值虧損列賬。

成本包括為使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計提折舊。

3. MATERIAL ACCOUNTING POLICY INFORMATION *[continued]*

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other gains or losses, net".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Property, Plant and Equipment

Property, plant and equipment, are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 重大會計政策資料(續)

物業、廠房及設備及折舊(續)

在建工程包括建造以供生產或本身運用的物業、廠房及設備。在建工程乃按成本減任何已確認減值虧損列賬。當在建工程完成及可供擬定用途，則撥入物業、廠房及設備的適當分類。此等資產以其他物業資產的相同基準，當資產可供擬定用途時開始計算折舊。

當本集團就於物業的擁有權權益(包括租賃土地及樓宇部分)付款時，全部代價於租賃土地及樓宇部分之間按初步確認時的相對公允值的比例分配。

倘相關付款能可靠分配，則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」。倘代價無法於相關租賃土地的非租賃樓宇部分及未分割權益間可靠分配，則整項物業分類為物業、廠房及設備。

物業、廠房及設備項目於出售時或預期持續使用該資產不再帶來未來經濟利益時取消確認。因資產取消確認產生的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)乃於項目取消確認的期間內計入期內損益。

折舊乃按直線基準計算，以撇銷物業、廠房及設備各項的成本至其估計可使用年期內的剩餘價值。用於此目的的主要年利率如下：

租賃土地及樓宇	於租期的較短者內或3%
傢具、裝置及設備	6%至25%
廠房及機器	10%至25%
汽車	15%至25%

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, Plant and Equipment and depreciation (continued)

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

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

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:

Leasehold land and buildings	Over the shorter of the lease terms or 3%
Furniture, fixtures and equipment	6% to 25%
Plant and machinery	10% to 25%
Motor vehicles	15% to 25%

3. 重大會計政策資料(續)**物業、廠房及設備及折舊(續)**

估計可使用年期、剩餘價值及折舊方法於各報告期末進行審核，任何估計變更的影響乃不予追溯地入賬。

租賃**租賃的定義**

倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價，則該合約為或包含租賃。

就於首次應用日期或之後訂立或修改或由業務合併產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期或收購日期(倘適用)評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人**將代價分配至合約組成部分**

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總和將合約代價分配至各租賃組成部分，包括收購含有租賃土地及非租賃樓宇組成部分的物業的所有權權益的合約，惟有關分配無法可靠作出則除外。

本集團採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

3. MATERIAL ACCOUNTING POLICY INFORMATION [continued]**Property, Plant and Equipment and depreciation [continued]**

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leases**Definition of 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.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee**Allocation of consideration to components of a contract**

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

短期租賃及低價值資產租賃

對於租期自開始日期起計12個月或以內且並無包含購買選擇權的機器及設備租賃，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線基準或另一系統基準於租期內確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減去已獲得的租賃優惠；
- 本集團所產生的任何初步直接成本；及
- 由本集團廢除及移除相關資產，恢復其所在場地或將相關資產恢復到租賃條款及條件所要求的條件所產生的成本估算，除非該等成本乃因生產存貨而產生。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Leases *(continued)*

The Group as a lessee *(continued)*

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. 重大會計政策資料(續)**租賃(續)****本集團作為承租人(續)****使用權資產(續)**

就本集團於租期結束時合理確定獲取相關租賃資產所有權之使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計可使用年期與租期兩者之較短期間內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為一項單獨項目。

並非依據指數或利率而定之可變租金不包括在租賃負債及使用權資產之計量中。相關付款於觸發該等付款之事件或情況發生期間確認為開支，並計入綜合損益及其他全面收入表「行政支出」項目內。

當本集團於租賃期結束時行使購買權獲得相關租賃資產的所有權時，相關使用權資產的成本以及相關的累計折舊及減值虧損將轉撥至物業、廠房及設備。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Leases (continued)****The Group as a lessee (continued)****Right-of-use assets (continued)**

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

When the Group obtains ownership of the underlying leased assets at the end of the lease term upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

3. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃負債

於租賃開始日期，本集團按當日尚未支付的租賃付款現值確認及計量租賃負債。就計算租賃付款現值而言，倘租賃中隱含利率不易確定，則本集團於租賃開始日期使用的增量借款利率進行計算。

計入計量租賃負債之租賃付款包括：

- 固定租賃款項(包括實質性的固定付款)減去任何已獲得租賃優惠；
- 跟隨指數或比率而定的可變租賃付款，初步按開始日期的指數或比率計量；
- 根據剩餘價值擔保預期將由承租人支付的金額；
- 倘承租人合理確定行使購買選擇權，則為該選擇權的行使價；及
- 倘租期反映將行使選擇權終止租賃，則支付終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Leases *(continued)*

The Group as a lessee *(continued)*

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 重大會計政策資料(續)**租賃(續)****本集團作為承租人(續)****租賃負債(續)**

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初步貼現率貼現經修訂租賃付款而重新計量。

租賃負債於綜合財務狀況表中呈列為一項單獨項目。

租賃的修訂

倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 租賃修訂通過增加了使用一項或以上相關資產的權利使租賃範圍增大；及
- 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團透過使用修改生效日期的經修訂貼現率貼現經修訂租賃付款，根據經修訂租賃的租期重新計量租賃負債。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Leases (continued)****The Group as a lessee (continued)****Lease liabilities (continued)**

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

3. 重大會計政策資料(續)

租賃(續)

租賃的修訂(續)

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。當經修訂合約包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額，將經修訂合約中的代價分配至各租賃組成部分。

因利率基準改革導致釐定未來租賃付款的基準變動

就因利率基準改革導致釐定未來租賃付款的基準變動而言，本集團應用實際可行權宜方法，透過使用不變貼現率將經修訂租賃付款貼現而重新計量租賃負債，並對相關使用權資產作出相應調整。僅在同時符合以下情況時，方須根據利率基準改革的規定修改租賃：

- 因利率基準改革的直接後果而導致必須修改；及
- 釐定租賃付款的新基準在經濟上等同於過往基準(即緊接修改前的基準)。

無形資產

於業務合併中收購的無形資產

業務合併中收購的無形資產與商譽分開確認及初步按其於收購日期的公允值(被視作其成本)確認。

於首次確認後，具有有限使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。具有有限使用年期的無形資產以直線法按其估計可使用年期計提攤銷。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

Lease modifications (continued)

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

Intangible Assets

Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

3. 重大會計政策資料(續)**無形資產(續)****於業務合併中收購的無形資產(續)**

無形資產乃於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認無形資產所產生的收益及虧損(按資產的出售所得款項淨額與賬面值之間的差額計量)於終止確認資產時在損益中確認。

專利權

購入專利權之開支將予資本化，並以直線法按自專利權可使用日期起計九至十六年之估計可使用年期攤銷。

物業、廠房及設備、使用權資產、採礦權及無形資產(商譽除外)減值

於各報告期末，本集團審閱其物業、廠房及設備、使用權資產、採礦權及具有有限使用年期無形資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何有關跡象，則會估計有關資產的可收回金額以釐定減值虧損(如有)之程度。無限使用年期之無形資產及尚未可供使用之無形資產至少每年及於有跡象顯示資產可能出現減值時進行減值測試。

物業、廠房及設備、使用權資產、採礦權及無形資產之可收回金額予以個別估計。倘無法個別估計可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Intangible Assets *(continued)*****Intangible Assets Acquired in a Business Combination *(continued)***

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Patent

Expenditure on acquired patent is capitalised and amortised using the straight-line method over its estimated useful life of 9 to 16 years, from the date when the patent is available for use.

Impairment on property, plant and equipment, right-of-use assets, mining rights and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, mining rights and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, mining rights, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. 重大會計政策資料(續)

物業、廠房及設備、使用權資產、採礦權及無形資產(商譽除外)減值(續)

在就減值測試現金產生單位時，於可設定合理一致的分配基準時，公司資產會分配至相關現金產生單位，否則有關資產會分配至可設定合理一致分配基準之現金產生單位最小組別。就公司資產所屬現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別之賬面值進行比較。

可收回金額為公允值減出售成本與使用價值兩者中之較高者。於評估使用價值時，乃以反映目前市場對貨幣時間價值及資產(或現金產生單位)於估計未來現金流量調整前之獨有風險之稅後貼現率將估計未來現金流量貼現至其現值。

倘估計資產(或現金產生單位)之可收回金額低於其賬面值，則資產(或現金產生單位)之賬面值下調至其可收回金額。就未能按合理一致基準分配至現金產生單位之公司資產或一部分公司資產而言，本集團會將現金產生單位組別之賬面值(包括分配至該現金產生單位組別的公司資產或一部分公司資產的賬面值)與該現金產生單位組別之可收回款項作比較。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位或現金產生單位組別各資產之賬面值分配至其他資產。一項資產的賬面值不會減至低於其公允值減出售成本(如可計量)、其使用價值(如可釐定)及零當中之最高者。本將分配至該資產之減值虧損之金額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益確認。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment on property, plant and equipment, right-of-use assets, mining right and intangible assets other than goodwill (continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs to disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs to disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

3. 重大會計政策資料(續)**物業、廠房及設備、使用權資產、採礦權及無形資產(商譽除外)減值(續)**

倘減值虧損於其後撥回，則資產(或現金產生單位或現金產生單位組別)的賬面值會增加至其經修訂的估計可收回金額，惟增加後的賬面值不得超出假設過往年度並無就該項資產(或現金產生單位或現金產生單位組別)確認減值虧損時原應釐定的賬面值。減值虧損撥回即時於損益確認。

採礦權

採礦權包括所轉撥之勘探及評估資產，以成本扣除累計攤銷及任何減值虧損後列示。採購權按生產量除以礦產資源總儲量作攤銷。倘礦山被廢置時，則採礦權在損益表中攤銷。

外幣

編製本集團旗下各個別實體的財務報表時，以該實體的功能貨幣以外貨幣(外幣)進行的交易按交易日期的匯率以其功能貨幣(即該實體經營業務所在主要經濟環境的貨幣)列賬。

於各報告期末，以外幣結算的貨幣項目按該日的匯率重新換算。以外幣計值並以公允值列賬之非現金項目於公允值釐定當日按當前比率重新換算。按過往成本以外幣結算的非貨幣項目不會重新換算。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Impairment on property, plant and equipment, right-of-use assets, mining right and intangible assets other than goodwill (continued)**

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Mining Rights

Mining rights, including transferred exploration and evaluation assets, are stated at cost less accumulated amortisation and any impairment losses. The mining rights are amortised on the production quantities over the total estimated mineral reserve. Mining rights are written off to the profit or loss if the mining property is abandoned.

Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 重大會計政策資料(續)

外幣(續)

結算貨幣項目及換算貨幣項目時產生的匯兌差額於產生期間在損益確認。重新換算非貨幣項目產生的匯兌差額按公允值納入有關期間的損益內。

就綜合財務報表呈報方式而言，本集團海外業務的資產及負債按報告期末的匯率換算為本集團的呈報貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在此情況下，則採用交易日期的匯率換算。所產生匯兌差額(如有)於其他全面收益確認並於(如適用，按非控股權益應佔之)股本(即匯兌儲備)累計。

於出售海外業務(即出售本集團於海外業務的全部權益或涉及失去對一家從事海外業務的附屬公司的控制權的出售、涉及失去對一家從事海外業務的共同控制實體的共同控制權的出售、或失去對一家從事海外業務的聯營公司的重大影響力的出售)時，就本公司擁有人應佔該業務之權益而累計之所有匯兌差額重新分類至損益。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Foreign Currencies *(continued)*

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value, are included in profit or loss for the period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rates of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (i.e. the translation reserve) (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 重大會計政策資料(續)**借貸成本**

直接歸屬於收購、建築或生產合資格資產的借貸成本，而該等資產需要較長時間才能準備好供擬定用途使用或銷售，則該借貸成本則加入該等資產的成本，直至該等資產大致可供擬定用途使用或銷售。

特定借款於撥作合資格資產之支出前用作短暫投資所賺取之投資收入自可撥作資本之借貸成本中扣除。所有其他借貸成本於產生之期內在損益確認。

退休福利費用**退休金計劃**

本集團根據強制性公積金計劃條例設立一項界定供款之強制性公積金退休福利計劃(「強積金計劃」)，為所有僱員參與強積金計劃。供款按僱員基本薪金的若干百分比釐定並根據強積金計劃守則於需支付供款時在損益內扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團於中國內地營運附屬公司之僱員須參與一項由當地市政府管理之中央退休金計劃。此等附屬公司須按彼等薪金成本之若干百分比，向該中央退休金計劃作出供款。此供款根據中央退休金計劃之守則，於應付時在損益內扣除。

向界定供款退休金計劃的供款於僱員提供服務後而符合領取有關供款的資格時列作支出扣除。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement Benefit Costs**Pension Schemes**

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions.

3. 重大會計政策資料(續)

以股份為基礎的付款

以股權結算以股份為基礎的付款

授予僱員的購股權

向僱員及其他提供類似服務的人士作出的以股權結算以股份為基礎的付款乃於授出日期按權益工具的公允值計量。

以股權結算以股份為基礎的付款按授出日期釐定的公允值(並無計及所有非市場歸屬條件)，乃根據本集團對最終將歸屬的權益工具的估計，於歸屬期內以直線法支銷，而權益(購股權儲備)會相應增加。於各報告期末，本集團基於對所有相關非市場歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原先估計的影響(如有)於損益中確認，以便累計開支反映修訂估計，並對購股權儲備作出相應調整。

當購股權獲行使時，先前於購股權儲備中確認的款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認的款項將轉撥至保留溢利。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Share-based payments

Equity-settled share-based payments transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. 重大會計政策資料(續)**現金及現金等值項目**

於綜合財務狀況表呈列的現金及現金等值項目包括：

- (a) 現金，包括手頭現金及活期存款，不包括因受監管限制而令其不再符合現金定義的銀行結餘；及
- (b) 現金等值項目，包括可輕易轉換成已知金額現金而承受的價值變動風險並不重大的短期(到期日一般為三個月或以下)高流動性投資。現金等值項目乃持作應付短期現金需要而非作投資或其他用途。

就綜合現金流量表而言，現金及現金等值項目包括上述定義的現金及現金等值項目，扣除須按要求償還並構成本集團現金管理中不可或缺一部分的未償還銀行透支。該等銀行透支於綜合財務狀況表中呈列為短期借款。

稅項

所得稅開支指當前應付稅項及遞延稅項總額。

當前應付稅項乃按年內應課稅溢利計算。應課稅溢利不包括已撥往其他年間的應課稅收入或可扣減開支項目，亦不包括可作免稅或不可作稅項扣減之項目，故與綜合損益及其他全面收益表所列溢利不同。本集團即期稅項負債乃按於報告期末已頒佈或大致上已頒佈之稅率計算。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Cash and Cash Equivalents**

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策資料(續)

稅項(續)

遞延稅項乃按於財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產通常會於可能出現應課稅溢利抵銷有關可動用可扣減暫時差額時就所有可扣減暫時差額確認。若暫時差額因商譽或因於一項既不影響應課稅溢利亦不影響會計溢利之交易(不包括業務合併)中開始確認其他資產及負債而引致，則不會確認該等資產及負債。

遞延稅項負債就與於附屬公司投資有關之應課稅臨時差額確認，惟倘集團能控制臨時差額撥回且臨時差額於可見未來不會撥回則作別論。

遞延稅項資產之賬面值會於各報告期末均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部分資產時減少。

遞延稅項負債及資產以負債被清償或資產被變現的期間內預期適用的稅率計量，並根據於報告期末已頒佈或大致上已頒佈的稅率(和稅務法例)計量。遞延稅項負債及資產之計量反映隨本集團預期於報告期末時收回或償還資產及負債賬面值所產生之稅務後果。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Taxation *(continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 重大會計政策資料(續)

稅項(續)

當有合法可強制執行的權利以即期稅項資產抵銷即期稅項負債及當其與同一稅務機關徵收的所得稅有關，且本集團擬按淨額基準結算即期稅項負債及資產，則遞延稅項資產及負債可予抵銷。即期及遞延稅項於損益確認。

對於其中稅項扣除歸屬於租賃負債之租賃交易，本集團將香港會計準則第12號所得稅要求分別應用於使用權資產及租賃負債。相關使用權資產及租賃負債初步確認之暫時差額乃由於應用初步確認豁免而並未確認。因重新計量租賃負債及租賃修訂導致對使用權資產及租賃負債的賬面值進行後續修訂而產生的不受初步確認豁免之暫時差額，於重新計量或修訂日期確認。

存貨

存貨按成本與可變現淨值兩者的較低者列賬。如為在製品及製成品，包括直接物料、直接勞工及適當部分的間接開支。成本以加權平均法計算。可變現淨值指存貨之估計售價減完成之所有估計成本以及出售所需之成本。

金融工具

倘集團實體成為工具合約條文的訂約方，則確認金融資產及金融負債。所有金融資產的常規買賣均按交易日期基準確認及終止確認。常規買賣即要求在法規或市場慣例要求的時限內交付資產的金融資產買賣。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Taxation *(continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis. Current and deferred tax is recognised in profit or loss.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Inventories

Inventories are stated at the lower of cost and net realisable value. In the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. 重大會計政策資料(續)

金融工具(續)

除客戶合約產生的貿易應收款項根據香港財務報告準則第15號初步計量外，金融資產及金融負債初步按公允值計量。收購或發行金融資產及金融負債直接應佔的交易成本乃於首次確認時自金融資產或金融負債的公允值加入或扣除(如適用)。收購按公允值計入損益的金融資產或金融負債直接應佔的交易成本，即時於損益內確認。

實際利率法是一種計算金融資產或金融負債的攤銷成本以及將利息收入和利息費用於有關期間分配的方法。實際利率是將估計未來現金收入和支出(包括所有構成實際利率整體部分的已付或已收的一切費用及利率點、交易成本及其他溢價或折價)透過金融資產或金融負債的預期年期或(倘適用)更短期間準確貼現至首次確認時的賬面淨額的利率。

金融資產

金融資產的分類及後續計量

所有已確認金融資產乃按金融資產之分類，於其後全數按攤銷成本或公允值計量。金融資產於初步確認時分類為隨後按攤銷成本計量、按公允值計入其他全面收益(「按公允值計入其他全面收益」)及按公允值計入損益(「按公允值計入損益」)。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

3. 重大會計政策資料(續)**金融工具(續)****金融資產(續)****金融資產的分類及後續計量(續)**

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式而定。

符合下列條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目標的業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還本金之利息。

符合下列條件的金融資產其後按公允值計入其他全面收益計量：

- 以透過出售及收取合約現金流量兩種方式達致目標之業務模式持有金融資產；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還本金之利息。

所有其他金融資產其後按公允值計入損益計量，但在首次確認金融資產之日，倘該股權投資並非持作買賣，亦非由於收購方在香港財務報告準則第3號「業務合併」所適用之業務合併中確認之或然代價，本集團可不可撤銷地選擇於其他全面收益呈列相關股權投資之其後公允值變動。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial instruments (continued)****Financial assets (continued)****Classification and subsequent measurement of financial assets (continued)**

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.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

3. 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(續)

倘屬以下情況，金融資產持作買賣用途：

- 其主要為於不久將來出售而購買；或
- 在首次確認時，其為本集團所集中管理並擁有短期獲利之近期實際模式的已識別金融工具組合的一部分；或
- 其為非指定及有效作對沖工具的衍生工具。此外，本集團可不可撤回地指定須按攤銷成本或按公允值計入其他全面收益計量的金融資產為按公允值計入損益計量，前提為有關指定可消除或大幅減少會計錯配。

(i) 攤銷成本及利息收入

所有已確認金融資產乃按金融資產之分類，於其後全數按攤銷成本或公允值計量。金融資產於初步確認時分類為隨後按攤銷成本計量、按公允值計入其他全面收益及按公允值計入損益。

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式而定。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets *(continued)*

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument. In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. 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.

3. 重大會計政策資料(續)**金融工具(續)****金融資產(續)****金融資產的分類及後續計量(續)****(i) 攤銷成本及利息收入(續)**

其後按攤銷成本計量的金融資產使用實際利率法確認利息收入。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 按公允值計入損益的金融資產

不符合標準按攤銷成本計量或按公允值計入其他全面收益或指定為按公允值計入其他全面收益的金融資產按公允值計入損益。

按公允值計入損益的金融資產於各報告期末按公允值計量，任何公允值損益於損益內確認。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial instruments (continued)****Financial assets (continued)****Classification and subsequent measurement of financial assets (continued)****(i) Amortised cost and interest income (continued)**

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

3. 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產減值(須根據香港財務報告準則第9號進行減值評估)

本集團就根據香港財務報告準則第9號面臨減值評估的金融資產的預期信貸虧損(「預期信貸虧損」)模型進行減值評估。預期信貸虧損金額於各報告日期更新，以反映自首次確認起的信貸風險變動。

全期預期信貸虧損指於相關工具預期壽命內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)則指預期於報告日期後12個月內可能發生的違約事件而導致的部分全期預期信貸虧損。預期信貸虧損根據本集團過往信貸虧損經驗進行評估，並根據債務人特定因素、一般經濟狀況及於報告日期對當前狀況的評估及對未來狀況的預測而作出調整。

本集團始終就貿易應收款項確認全期預期信貸虧損。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，惟倘信貸風險自首次確認以來出現顯著上升，在此情況下，本集團確認其全期預期信貸虧損。應否確認全期預期信貸虧損的評估乃基於自首次確認以來發生違約的機率或風險的顯著上升作出。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 重大會計政策資料(續)**金融工具(續)****金融資產(續)**

金融資產減值(須根據香港財務報告準則第9號進行減值評估)(續)

(i) 信貸風險顯著增加

於評估自首次確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生的違約風險與首次確認日金融工具發生的違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括無需付出不必要的成本或努力而可得的歷史經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信用評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務方的信用違約掉期價格，或金融資產的公允值低於其攤銷成本的時間或程度；
- 預計會導致債務方償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial instruments (continued)****Financial assets (continued)**

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產減值(須根據香港財務報告準則第9號進行減值評估)(續)

(i) 信貸風險顯著增加(續)

- 債務方經營業績的實際或預期顯著惡化；或
- 導致債務方償還債務能力大幅下降的債務方監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估的結果如何，本集團認為，當合約付款逾期超過30天，則自首次確認以來信貸風險已顯著增加，除非本集團有合理且可支持的資料證明並非如此。

本集團會定期監察識別信貸風險是否顯著增加所用標準的有效性，並適時作出修訂以確保有關標準能夠在有關金額逾期前識別信貸風險的顯著增加。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(continued)*

(i) Significant increase in credit risk *(continued)*

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重大會計政策資料(續)**金融工具(續)****金融資產(續)**

金融資產減值(須根據香港財務報告準則第9號進行減值評估)(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部得出或得自外界來源的資料顯示債務方不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團都認為，金融資產逾期超過90日後即算違約，除非本集團有合理及可支持資料顯示更加滯後的違約標準更為恰當。

(iii) 發生信貸減值的金融資產

金融資產在一項或以上的違約事件(對該金融資產估計未來現金流量構成不利影響)發生時發生信貸減值。金融資產發生信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財政困難；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財政困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人將可能陷入破產或其他財務重組；或
- (e) 金融資產因財政困難而失去活躍市場。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial instruments (continued)****Financial assets (continued)**

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產減值(須根據香港財務報告準則第9號進行減值評估)(續)

(iv) 註銷政策

資料顯示對手方處於嚴重財政困難及無實際收回可能時(例如對手方被清盤或已進入破產程序時)，以較早者為準，本集團則撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損的計量及確認

計量預期信貸虧損乃違約概率、違約損失率程度(即倘發生違約的損失程度)及違約風險的函數。違約概率及違約損失率程度的評估根據經前瞻性資料調整的歷史數據作出。預期信貸虧損的估計反映無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流與本集團預期將收取的現金流量間的差額，並按首次確認時釐定的實際利率貼現。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 重大會計政策資料(續)**金融工具**(續)**金融資產**(續)

金融資產減值(須根據香港財務報告準則第9號進行減值評估)(續)

(v) 預期信貸虧損的計量及確認
(續)

對於綜合評估，本集團於建立組別時考慮以下特性：

- 逾期狀況；
- 債務方的性質、規模及行業；及
- 外部信貸評級(如有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續擁有類似信貸風險特性。

利息收入根據金融資產的賬面總額計算，除非金融資產發生信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團通過調整金融資產的賬面值於損益中確認所有金融工具的減值收益或虧損，惟貿易及其他應收款項除外，在此情況下，按金及其他應收款項的相應調整透過虧損撥備賬確認。

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Financial instruments** (continued)**Financial assets** (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception for trade receivables, deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 重大會計政策資料(續)

金融工具(續)

金融資產(續)

終止確認金融資產

僅當資產現金流量之合約權利屆滿，或當本集團將金融資產連同資產擁有權之絕大部分風險及回報轉讓予另一實體，本集團方會終止確認該項金融資產。倘本集團並無轉讓或保留大部份擁有權之風險及回報，並繼續控制已轉讓資產，則本集團將於資產確認保留權益，並可能須付聯屬負債金額。倘本集團保留已轉讓金融資產擁有權之大部份風險及回報，則本集團繼續確認金融資產，並就所收款項確認已抵押借貸。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則會繼續確認金融資產並同時就已收所得款項確認已抵押借款。

於終止確認以攤銷成本計量之金融資產時，該資產賬面值與已收及應收代價之和之間的差額於損益確認。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. 重大會計政策資料(續)**金融工具(續)****金融負債及權益****分類為債務或權益**

債務及權益工具乃根據合約安排的實際內容以及金融負債及權益工具的定義分類為金融負債或股本。

權益工具

權益工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合約。本公司發行的權益工具按所得款項扣減直接發行成本確認。

購回本公司自身的股份權益工具於權益確認並直接扣除。購買、出售、發行或註銷本公司自身的股本權益工具時不會於損益內確認任何收益或虧損。

金融負債

全部金融負債後續按攤銷成本使用實際利率法或按公允值計入損益計量。

按攤銷成本計量的金融負債

本集團的金融負債包括貿易應付款項、其他應付款項及應計費用、租賃負債、借款及應付直接控股公司款項。

可換股票據

可換股票據的組成部分乃根據合約安排的實際內容以及金融負債及權益工具的定義分別分類為金融負債及權益。倘轉換選擇權將透過以固定金額的現金或另一項金融資產換取固定數目的本公司本身權益工具結算，則屬權益工具。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Financial instruments *(continued)*****Financial liabilities and equity****Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and accruals, lease liabilities, borrowings and amount due to an immediate holding company.

Convertible note

The component parts of the convertible note are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

3. 重大會計政策資料(續)

金融工具(續)

金融負債及權益(續)

可換股票據(續)

於發行日期，負債部分的公允值乃透過計量並無相關權益部分的類似負債的公允值作出估計。

分類為權益的轉換選擇權乃透過扣除整個複合工具的公允值的負債部分金額而釐定，並於權益中確認及入賬(扣除所得稅影響)，而其後不予重新計量。此外，分類為權益的轉換選擇權將保留於權益中，直至轉換權獲得行使，而在此情況下，於權益中確認的結餘將轉撥至股份溢價賬。倘轉換選擇權於可換股票據到期日仍未獲行使，則於權益中確認的結餘將轉撥至累計虧損。轉換選擇權獲轉換時或到期時不會於損益內確認任何收益或虧損。

有關發行可換股票據的交易成本乃按所得款項總額的分配比例分配至負債及權益部分。有關權益部分的部分交易成本直接於權益中扣除，有關負債部分的部分交易成本計入負債部分的賬面值，並於可換股票據的期限內按實際利率法攤銷。

終止確認金融負債

當且僅當其責任獲履行、取消或屆滿時，本集團方會終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價的差額於損益確認。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity *(continued)*

Convertible note *(continued)*

At the date of issue, the fair value of the liability component is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs relating to the issuance of the convertible note are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction cost relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策資料(續)**關連人士交易**

在下列情況下，有關人士將被視為與本集團有關連：

- (1) 倘屬以下人士，即該人士或該人士之直系親屬與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

或

- (2) 倘符合下列任何條件，則有關人士為實體：
 - (i) 該實體與本公司屬同一集團之成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合資公司(或另一實體的母公司、附屬公司或同系附屬公司)；
 - (iii) 該實體與本集團均為同一第三方的合資公司；
 - (iv) 一間實體為第三方實體的合資公司，而另一實體為該第三方實體的聯營公司；
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，則為離職福利計劃的提供資助的僱主；
 - (vi) 實體受(1)所識別人土控制或受共同控制；

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Related Parties Transactions**

A party is considered to be related to the Group if:

- (1) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

- (2) The party is an entity where any of the following condition 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 entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (1);

3. 重大會計政策資料(續)

關連人士交易(續)

(2) 倘符合下列任何條件，則有關人士為實體：(續)

(vii) 於(1)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；或

(viii) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

一名人士的家族的密切成員指可能影響該名人士或被該名人士影響的家族成員，從而影響該名人士或其家族的密切成員與實體的交易，包括：

- (a) 該名人士的子女、配偶或同居者；
- (b) 該名人士或其配偶或其同居者的子女；及
- (c) 該名人士或其配偶或其同居者的家屬。

關連人士之間轉讓資源或責任的交易，乃視為關連人士交易。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Related Parties Transactions *(continued)*

(2) The party is an entity where any of the following condition applies: *(continued)*

(vii) a person identified in (1)(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); or

(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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. 重大會計政策資料(續)**分部報告**

經營分部及綜合財務報表所呈列各分部的金額，乃從為向本集團各項業務及地理位置分配資源及評估其業績而定期向本集團多數最高行政管理層提供的財務資料當中識別出來。

個別重要的經營分部不會合計以供財務報告之用，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別不重要的經營分部如果符合以上大部分條件，則可以合計為一個報告分部。

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用於附註3所述之本集團之會計政策時，本公司之董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。所作出之估計及相關假設乃以過往經驗及其他被視為相關之因素為基準。實際業績可能與該等估計有異。

估計及相關假設乃以持續基準被審閱。倘對會計估計之修訂僅影響進行修訂之期間，則於該期間確認，或倘修訂會影響目前及未來期間，則會於目前及未來期間確認。

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)***Segment Reporting**

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源

除本公司董事於應用本集團會計政策之過程中涉及估計之關鍵判斷(見下文)以外，以下為對在綜合財務報表確認之金額有最重大影響之關鍵判斷。

(a) 物業、廠房及設備、使用權資產、無形資產及採礦權的減值的估計

根據附註3所述的會計政策，倘任何事件或情況變動顯示資產的賬面值可能不能收回，則本集團會評估具有有限可使用年期的物業、廠房及設備、使用權資產、無形資產及採礦權有否出現任何減值。本集團的現金產生單位的可收回金額指資產的公允值減銷售成本或其使用價值(以較高者為準)。公允值減銷售成本或使用價值的計算須作出估計及假設。若假設及估計(包括現金流量預測中的貼現率及未來收入)有所變動，可對可收回金額產生重大影響。於二零二三年十二月三十一日，經計及已分別確認的物業、廠房及設備、使用權資產、無形資產及採礦權的減值虧損約188,941,000港元(二零二二年：58,631,000港元)、5,876,000港元(二零二二年：1,957,000港元)、2,443,000港元(二零二二年：942,000港元)及6,642,000港元(二零二二年：零港元)後，須進行減值評估的物業、廠房及設備、使用權資產、無形資產及採礦權的賬面值分別約為1,020,495,000港元(二零二二年：1,337,361,000港元)、31,738,000港元(二零二二年：40,629,000港元)、13,196,000港元(二零二二年：20,939,000港元)及35,781,000港元(二零二二年：46,545,000港元)。

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key Sources of Estimation Uncertainty

The following are the critical judgements, apart from those involving estimation (see below), that the director of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

(a) Estimated Impairment of Property, Plant and Equipment, Right-of-use assets, Intangible assets and Mining Rights

The Group evaluates whether property, plant and equipment, right-of-use assets, intangible assets and mining right with finite useful lives have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, in accordance with the accounting policy stated in Note 3. The recoverable amounts of the Group's CGUs represent the higher of the asset's fair value less costs to disposal or its value-in-use. The calculations of fair value less costs to disposal or value-in-use require the use of estimates and assumptions. Changing the assumptions and estimates, including the discount rates or the future revenue in the cash flow projections, could materially affect the recoverable amounts. As at 31 December 2023, the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and mining rights subject to impairment assessment were approximately HK\$1,020,495,000(2022: HK\$1,337,361,000), HK\$31,738,000 (2022: HK\$40,629,000), HK\$13,196,000 (2022: HK\$20,939,000) and HK\$35,781,000 (2022: HK\$46,545,000) respectively after taking into account the impairment losses of approximately HK\$188,941,000 (2022: HK\$58,631,000), HK\$5,876,000 (2022: HK\$1,957,000), HK\$2,443,000 (2022: HK\$942,000) and HK\$6,642,000 (2022: HK\$nil) in respect of property, plant and equipment, right-of-use assets, intangible assets and mining rights that have been recognised respectively.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

(a) 物業、廠房及設備、使用權資產、無形資產及採礦權的減值的估計(續)

物業、廠房及設備、使用權資產、無形資產及採礦權的減值評估詳情於附註18披露。

(b) 使用權資產、物業、廠房及設備、無形資產和採礦權的可使用年期的估計

本集團的管理層為其使用權資產、物業、廠房及設備、無形資產及採礦權釐定估計可使用年期及相關折舊／攤銷費用。此估計以相似性質及功能的使用權資產、物業、廠房及設備及無形資產過往經驗的實際可使用年期及獨立技術顧問所釐定的礦產資源為基準，其可因科技創新及競爭者對市況作出反應而有很大差距。倘可使用年期較之前估計年期短，管理層將提高折舊／攤銷費用，或撇銷或撇減已棄置或出售的技術上過時或非策略性的資產。

本集團於截至二零二三年及二零二二年十二月三十一日止年度內並無更改使用權資產、物業、廠房及設備、無形資產以及採礦權之估計可使用年期。

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key Sources of Estimation Uncertainty (continued)

(a) Estimated Impairment of Property, Plant and Equipment, Right-of-use Assets, Intangible Assets and Mining Rights (continued)

Details of the impairment assessment of property, plant and equipment, right-of-use assets, intangible assets and mining rights are disclosed in note 18.

(b) Estimated Useful Lives of Right-of-use Assets, Property, Plant and Equipment, Intangible Assets and Mining Rights

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for its right-of-use assets, property, plant and equipment, intangible assets and mining rights. This estimate is based on the historical experience of the actual useful lives of right-of-use assets, property, plant and equipment and intangible assets of similar nature and functions and the mineral reserve determined by independent technical adviser. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or nonstrategic assets that have been abandoned or sold.

During the years ended 31 December 2023 and 2022, the Group did not change the estimated useful lives of right-of-use assets, property, plant and equipment, intangible assets and mining rights.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不明朗因素的主要來源(續)

(c) 預期信貸虧損貿易應收款項撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有類似虧損模式(即按地理區域、產品類型、客戶類型及評級, 以及信用證或其他形式的信用保險的承保範圍)的不同客戶分部組合逾期日數釐定。

撥備矩陣最初基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣, 藉以按前瞻性資料調整過往信貸虧損經驗。舉例而言, 倘預測經濟環境(即本地生產總值)預期將於未來一年惡化, 導致製造業違約事件增加, 則會調整過往違約率。於各報告日期, 過往觀察所得違約率將予更新, 並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟環境及預期信貸虧損之間關連性進行的評估屬重大估計。預期信貸虧損金額對情況變化及預測經濟環境相當敏感。本集團過往信貸虧損經驗及預測經濟環境亦未必能代表客戶日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料於財務報表附註20及40披露。

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key Sources of Estimation Uncertainty (continued)

(c) 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 geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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 products) 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 customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in notes 20 and 40 to the financial statements.

5. 業務分類資料

向主要營運決策者內部呈報以作資源分配及分部表現評估資料，乃集中於所交付或提供貨品或服務種類。本集團於截至二零二三年及二零二二年十二月三十一日止年度主要從事單一分部業務，亦即製造及銷售金屬鎂相關產品。單一管理團隊向全面掌管有關整體業務分部的主要營運決策者匯報。因此，本集團並無獨立可報告分部。

地區資料

(a) 來自外界客戶之收入

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
中國(香港除外)	Mainland China (other than Hong Kong)	263,491	383,899

上述收入資料按客戶所在地呈列。

The revenue information above is based on the locations of the customers.

(b) 非流動資產

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
中國(香港除外)	Mainland China (other than Hong Kong)	1,101,300	1,445,474

上述非流動資產資料按資產所在地呈列。

The non-current assets information above is based on the locations of the assets.

5. OPERATING SEGMENT INFORMATION

Information reported internally to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group is principally engaged in one single segment, which is manufacturing and selling magnesium related products during the years ended 31 December 2023 and 2022. A single management team reports to the chief operating decision makers who comprehensively manages such entire business segment. Accordingly, the Group does not have separately reportable segments.

Geographical information

(a) Revenue from external customers

(b) Non-current assets

5. 業務分類資料(續)

主要客戶資料

於本年度向單一客戶之銷售佔本集團10%或以上之收入如下：

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
客戶A	Customer A	44,732	74,853
客戶B	Customer B	43,738	不適用 N/A

除上文所披露者外，概無其他客戶對本集團年內總收入貢獻10%或以上。

5. OPERATING SEGMENT INFORMATION *(continued)*

Information about major customers

Sales to a single customer contributed 10% or more of the Group's revenue during the year is as follows:

Except disclosed above, no other customers contributed 10% or more to the Group's total revenue for the year.

6. 收入、其他收益或虧損，淨額及債務重組收益

收入、其他收益或虧損，淨額分析如下：

6. REVENUE, OTHER GAINS OR LOSSES, NET AND GAIN ON DEBT RESTRUCTURING

An analysis of revenue and other gains or losses, net is as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
於某一時間點確認 來自客戶合約之收入 銷售鎂金屬相關產品	Revenue from contract with customer recognised at a point in time Sale of magnesium related products	263,491	383,899
其他收益或虧損淨額	Other gains or losses, net		
銀行利息收入	Bank interest income	593	600
銷售廢料	Sales of scrap materials	621	656
出售閒置原材料之虧損	Loss on disposal of idled raw materials	(13,701)	1,215
出售物業、廠房及設備之收益	Gain on disposal of property, plant and equipment	3,454	2,280
租賃收入	Rental income	5,582	4,010
其他	Others	(2,517)	(1,186)
		(5,968)	7,575

所有收入合約年度為一年或以下。如香港財務報告準則第15號的實際權宜所許可，並無披露分配至未履行合約的交易價格。

All revenue contracts are for one year or less. As permitted by practical expedient under HKFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed.

6. 收入、其他收益或虧損，淨額及債務重組收益(續)

債務重組收益

本集團的債權人計劃(「債權人計劃」)已於二零二二年三月一日舉行的債權人計劃會議上獲得法定所需的多數計劃債權人批准。債權人計劃亦已於二零二二年五月二十七日獲香港高等法院頒令批准。此後，債權人計劃已於二零二二年五月三十一日生效。

於二零二二年七月二十五日，計劃管理人已自所有計劃債權人收取意願表態表格且受理申索按以下方式分配：

根據延長五年期限選擇權(「選擇權A」)的條款，選擇權A債權人的受理申索將獲全數償還，而償還日期將由生效日期二零二二年五月三十一日起計延長五年期限。作為債權人計劃的一部分，本公司已於二零二二年七月發行65,843,900股新普通股(「計劃股份」，相當於本公司現時已發行股份約20%)，當中29,630,000港元(作為延長期限的利息及延長期限的潛在額外付款)將向計劃管理人發行並由其代選擇權A債權人持有。延長期限的利息將由計劃公司每年向各選擇權A債權人支付；或

根據可換股債券置換選擇權(「選擇權B」)的條款，本公司已發行公允值約為352,175,000港元的可換股債券。後者可讓受理申索轉換成可換股債券，到期日為計劃生效日期的第五週年。

6. REVENUE, OTHER GAINS OR LOSSES, NET AND GAIN ON DEBT RESTRUCTURING (continued)

Gain on debt restructuring

The Group's creditors' scheme ("Creditors' Scheme") was approved by the requisite statutory majorities of the scheme creditors at the meeting of Creditors' Schemes held on 1 March 2022. The Creditors' Scheme was also sanctioned by the High Court of Hong Kong on 27 May 2022. Since then, the Creditors' Scheme became effective on 31 May 2022.

As at 25 July 2022, the scheme administrators have received the preference indication forms from all scheme creditors and the admitted claims have been allocated in the following manner:

Under the terms of the 5 years term extension option ("Option A"), full repayment of admitted claims will be made to the Option A creditors and the repayment date will be extended for a period of five years beginning from the effective date on 31 May 2022. As part of the Creditors' Scheme, the Company issued 65,843,900 new ordinary shares ("Scheme Shares") of which HK\$29,630,000 being approximately 20% of the currently issued shares of the Company in July 2022 for the term extension interest and term extension potential extra payment, will be issued to the scheme administrator to be held on behalf of the Option A Creditors. The term extension interest will be paid to each Option A Creditor by the Scheme Company on an annual basis or;

Under the terms of convertible bonds swap option ("Option B"), the Company issued convertible bonds in the fair value of approximately HK\$352,175,000. The latter offers the conversion of admitted claims into convertible Bonds with a maturity date of the fifth anniversary of the scheme effective date.

6. 收入、其他收益或虧損，淨額及債務重組收益(續)

債務重組收益(續)

根據債權人計劃，負債(包括計劃負債的本金及應計利息)約847,781,000港元已獲解除並分配至延長五年期限選擇權及可換股債券置換選擇權。因此，截至二零二二年十二月三十一日止年度確認債務重組收益約267,382,000港元。

進一步詳情請參閱本公司日期為二零二二年五月三日及二零二二年七月二十六日的公告。

6. REVENUE, OTHER GAINS OR LOSSES, NET AND GAIN ON DEBT RESTRUCTURING (continued)

Gain on debt restructuring (continued)

Pursuant to the Creditors' Scheme, the liabilities, including the principals and accrued interests of the scheme debts, amounted to approximately HK\$847,781,000 have been discharged and allocated into a 5-year term extension option or a convertible bonds swap option. Accordingly, a gain on debt restructuring of approximately HK\$267,382,000 has been recognized for the year ended 31 December 2022.

For more details, please refer to the announcements of the Company dated 3 May 2022 and 26 July 2022.

		千港元 HK\$'000
已根據債權人計劃轉移的 資產： 計劃股份	Asset transferred pursuant to the Creditors' Scheme: Scheme Shares	(29,630)
已根據債權人計劃 承擔的負債： 可換股債券 - 負債部分(附註28)	Liabilities assumed pursuant to the Creditors' Scheme: Convertible bonds - Liability components (Note 28)	(309,663)
可換股債券 - 權益部分(附註28)	Convertible bonds - Equity components (Note 28)	(42,512)
借款(附註25)	Borrowings (Note 25)	(198,594)
		(550,769)
已根據債權人計劃 解除的負債： 其他應付款項及應計費用(附註24)	Liabilities discharged pursuant to the Creditors' Scheme: Other payables and accrued expenses (Note 24)	77,203
應付一名股東款項(附註26)	Amount due to a shareholder (Note 26)	50,159
借款(附註25)	Borrowings (Note 25)	720,419
		847,781
債務重組收益	Gain on debt restructuring	267,382

7. 稅前(虧損)/溢利

本集團之稅前(虧損)/溢利已扣除/(計入)下列各項：

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
出售存貨成本 [#]	Cost of inventories sold [#]	268,052	252,536
物業、廠房及設備之折舊 ^{*#}	Depreciation of property, plant and equipment ^{*#}	99,625	110,144
物業、廠房及設備撇銷 [*]	Written-off of property, plant and equipment [*]	573	183
以股權結算之購股權費用	Equity-settled share option expenses	-	918
使用權資產折舊 [*]	Depreciation of right-of-use assets [*]	1,336	1,439
出售物業、廠房及設備之收益	Gain on disposal of property, plant and equipment	(3,454)	(2,280)
物業、廠房及設備確認之減值虧損	Impairment loss recognised on property, plant and equipment	188,941	58,631
使用權資產確認之減值虧損	Impairment loss recognised on right-of-use assets	5,876	1,957
無形資產確認之減值虧損	Impairment loss recognised on intangible assets	2,443	942
採礦權攤銷 [*]	Amortisation of mining rights [*]	2,416	-
採礦權確認之減值虧損	Impairment loss recognised on mining right	6,642	-
撇銷預付款項	Written-off of prepayment	-	28,620
無形資產攤銷 [*]	Amortisation of intangible assets [*]	4,503	1,448
核數師酬金 [*]	Auditors' remuneration [*]	800	1,000
僱員福利開支 (包括董事薪酬)	Employee benefit expense (including directors' remuneration)		
工資、薪金及實物福利	Wages and salaries and benefits in kind	31,580	37,402
退休計劃供款	Pension scheme contributions	791	783
		32,371	38,185
匯兌差額·淨額 [*]	Foreign exchange differences, net [*]	2,786	4,412
應收貿易賬款預期 信貸虧損(撥備撥回)/撥備	(Reversal of)/allowance for expected credit loss on trade receivables	(3,948)	104,173
其他應收款項之 預期信貸虧損 (撥備撥回)/撥備	(Reversal of)/allowance for expected credit loss on other receivables	(44)	18

[#] 計入綜合損益及其他全面收入表之「銷售成本」

[#] Included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income

^{*} 計入綜合損益及其他全面收入表之「行政支出」

^{*} Included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

8. 財務費用

8. FINANCE COSTS

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
須於五年內全數償還之銀行及其他借款利息	Interest on bank and other borrowings wholly repayable within five years	3,563	3,620
債權人計劃下借款的實際利息開支	Effective interest expenses on borrowings under the Creditors' Scheme	18,108	6,918
債權人計劃下可換股債券的實際利息開支	Effective interest expenses on convertible bonds under the Creditor's Scheme	27,122	10,385
		48,793	20,923

9. 董事酬金

9. DIRECTORS' REMUNERATION

(a) 董事薪酬

(a) Directors' Emoluments

截至二零二三年十二月三十一日止年度各董事之薪酬載列如下：

The emoluments of each director for the year ended 31 December 2023 are set below:

		袍金 Fees 千港元 HK\$'000	薪金 Salaries 千港元 HK\$'000	購股權 Share options 千港元 HK\$'000	退休金 計劃供款 Pension scheme contribution 千港元 HK\$'000	合計 Total 千港元 HK\$'000
執行董事	Executive directors					
沈世捷	Shum Sai Chit	-	600	-	-	600
池斯樂	Chi Sile	-	600	-	18	618
獨立非執行董事	Independent non-executive directors					
鄺炳文	Kwong Ping Man	-	30	-	-	30
張省本	Cheung Sound Poon	-	30	-	-	30
林鵬軒 ⁽²⁾	Lin Pengxuan ⁽²⁾	-	30	-	-	30
		-	1,290	-	18	1,308

9. 董事酬金(續)

(a) 董事薪酬(續)

截至二零二二年十二月三十一日止年度各董事之薪酬載列如下：

		袍金	薪金	購股權	退休金 計劃供款	合計
		Fees 千港元 HK\$'000	Salaries 千港元 HK\$'000	Share options 千港元 HK\$'000	Pension scheme contribution 千港元 HK\$'000	Total 千港元 HK\$'000
執行董事	Executive directors					
沈世捷	Shum Sai Chit	600	-	134	-	734
池斯樂	Chi Sile	600	-	-	45	645
獨立非執行董事	Independent non-executive directors					
鄭炳文	Kwong Ping Man	30	-	22	-	52
張省本	Cheung Sound Poon	30	-	22	-	52
關毅傑 ⁽¹⁾	Kwan Ngai Kit ⁽¹⁾	15	-	11	-	26
林鵬軒 ⁽²⁾	Lin Pengxuan ⁽²⁾	8	-	-	-	8
		1,283	-	189	45	1,517

⁽¹⁾ 於二零二二年六月二十七日退任

⁽¹⁾ retired on 27 June 2022

⁽²⁾ 於二零二二年九月二十日獲委任

⁽²⁾ appointed on 20 September 2022

截至二零二三年及二零二二年十二月三十一日止年度，本集團概無向本集團任何董事支付任何酬金，以誘使其加入本集團或加入本集團，或作為離職補償。

於本年度內，並無董事訂立任何放棄或同意放棄任何酬金之安排(二零二二年：無)。

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to any of the directors of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2022: nil).

10. 最高薪酬人士

本集團年內薪酬最高的五名僱員包括兩名(二零二二年：兩名)董事，其薪酬詳情載於上文附註9。剩餘三名(二零二二年：三名)薪酬最高僱員(並非本公司董事或主要行政人員)的年內薪酬詳情如下：

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid employees of the Group during the year included two (2022: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining three (2022: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	1,282	1,590
購股權費用	Share option expenses	-	22
退休計劃供款	Pension scheme contributions	36	29
		1,318	1,641

薪酬介乎以下範圍的薪酬最高的僱員(並非本公司董事)人數如下：

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
零至1,000,000 港元	Nil to HK\$1,000,000	3	3

11. 所得稅(抵免)/開支

於綜合損益及其他全面收入表內扣除/(計入)的所得稅(抵免)/開支數額指：

11. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax credit/expense charged/(credited) to the consolidated statement of profit or loss and other comprehensive income represents:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
即期稅項：	Current tax:		
- 中國企業所得稅	- PRC Enterprises Income Tax	-	4,305
遞延稅項(附註29)	Deferred taxation (Note 29)	(2,311)	(77)
		(2,311)	4,228

適用於稅前溢利/(虧損)並以本公司及其大多數附屬公司所在國家/司法權區法定稅率計算之稅項支出與以實際稅率計算之稅項支出對賬，以及適用稅率(即法定稅率)與實際稅率之對賬如下：

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates, are as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
稅前(虧損)/溢利	(Loss)/profit before tax	(425,911)	5,632
按法定稅率計算之稅項	Tax at the statutory tax rates	(87,294)	823
毋須納稅之收入	Income not subject to tax	(163)	(44,217)
不可扣稅之支出	Expenses not deductible for tax	36,871	41,430
未被確認之稅項虧損	Tax losses not recognised	48,275	6,192
按本集團實際稅率計算之稅項(抵免)/支出	Tax (credited)/charge at the Group's effective rate	(2,311)	4,228

11. 所得稅(抵免)/開支(續)

(a) 香港利得稅

於二零一八年三月二十一日，香港立法會通過二零一七年稅務條例草案(修訂)(第7號)(「該草案」)，該草案引入利得稅兩級制。該法案於二零一八年三月二十八日簽署成法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體的首2百萬港元利潤將按8.25%徵稅，而超過2百萬港元的利得稅則須按16.5%徵稅。不符合利得稅兩級制的集團實體利潤將繼續按16.5%的固定稅率徵稅。

本集團董事認為實施兩級制利得稅稅率規定後所涉及的金額就綜合財務報表而言屬不重大。香港利得稅於兩個年度內均按估計應課稅溢利之16.5%計算。由於在香港並無產生應課稅溢利，故截至二零二三年十二月三十一日止年度毋須支付任何稅項(二零二二年：無)。

(b) 中國企業所得稅

中國企業所得稅乃按於中國截至二零二三年及二零二二年十二月三十一日止年度之估計應課稅溢利之25%計算。

12. 股息

董事會不建議就截至二零二三年及二零二二年十二月三十一日止年度派付任何股息。

11. INCOME TAX (CREDIT)/EXPENSE (continued)

(a) Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rate regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits tax above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Group considered the amount involved upon implementation of the two-tiered profit tax rates require as insignificant to the consolidated financial statement. Hong Kong Profits tax is calculated at 16.5% of the estimated assessable profit for both years. No tax is payable for the year ended 31 December 2023 (2022: nil) since there was no assessable profit generated in Hong Kong.

(b) PRC Enterprise Income Tax

The PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profits arising in the PRC for the years ended 31 December 2023 and 2022.

12. DIVIDEND

The board of directors do not recommend the payment of any dividend for the years ended 31 December 2023 and 2022.

13. 本公司普通股應佔每股(虧損)/盈利

計算本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃根據以下數據：

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
計算每股基本及攤薄(虧損)/盈利所用的本公司擁有人應佔年內(虧損)/溢利	(Loss)/profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	(423,600)	1,404
		截至十二月三十一日止年度 Year ended 31 December	二零二二年 2022 (經重列) (Restated)
計算每股基本及攤薄(虧損)/盈利所用的加權平均普通股數目	Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	533,312,399	473,610,666

年內已發行加權平均普通股數目為533,312,399(二零二二年：經重列為473,610,666)，已作出調整以反映附註30所披露的發行供股股份的影響。

The weighted average number of ordinary shares of 533,312,399 (2022: Restated as 473,610,666) in issue during the year, as adjusted to reflect the effect of the share consolidation and issuance of rights shares as disclosed in note 30.

13. 本公司普通股應佔每股(虧損)/盈利(續)

就購股權而言，本公司根據尚未行使購股權所附認購權貨幣值進行計算，以釐定可按公允值(以本公司期內股份平均市價釐定)購入的股份數目。本公司會將按上文所述計算的股份數目與假設行使購股權所發行的股份數目進行比較。

由於購股權行使價高於截至二零二三及二零二二年十二月三十一日止年度的股份平均市價，故計算每股攤薄(虧損)/盈利時並無假設行使本公司的購股權。

截至二零二三年十二月三十一日止年度，計算每股攤薄盈利時並無假設已轉換本公司可換股債券，原因為假設轉換會導致每股盈利增加。

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (continued)

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the year ended 31 December 2023 and 2022.

For the year ended 31 December 2023, the computation of diluted earning per share does not assume the conversion of the Company's convertible bonds since their assumed exercise would result in an increase in earning per share.

14. 物業、廠房及設備

14. PROPERTY, PLANT AND EQUIPMENT

		租賃土地 及樓宇 Leasehold land and buildings 千港元 HK\$'000	在建工程 Construction in progress 千港元 HK\$'000	傢具、 裝置及 設備 Furniture, fixtures and equipment 千港元 HK\$'000	廠房及 機器 Plant and machinery 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	總額 Total 千港元 HK\$'000
成本：	Cost:						
於二零二二年一月一日	As at 1 January 2022	1,106,592	17,673	6,972	1,139,242	3,847	2,274,326
添置	Additions	-	11,337	12	1,413	183	12,945
轉讓	Transfer	-	(53)	-	53	-	-
出售	Disposal	-	-	-	(2,656)	-	(2,656)
撇銷	Written-off	-	-	-	(1,124)	(615)	(1,739)
匯兌重列	Exchange realignment	(83,554)	(1,702)	(527)	(85,942)	(276)	(172,001)
於二零二二年十二月三十一日 及二零二三年一月一日	As at 31 December 2022 and 1 January 2023	1,023,038	27,255	6,457	1,050,986	3,139	2,110,875
添置	Addition	-	20,899	-	5,662	1,508	28,069
出售	Disposal	(428)	-	(9)	(3,792)	(1,762)	(5,991)
撇銷	Written-off	-	-	(153)	(4,344)	(118)	(4,615)
匯兌重列	Exchange realignment	(36,461)	(1,840)	(227)	(37,421)	(105)	(76,054)
於二零二三年十二月三十一日	As at 31 December 2023	986,149	46,314	6,068	1,011,091	2,662	2,052,284
累計折舊及減值：	Accumulated depreciation and impairment:						
於二零二二年一月一日	As at 1 January 2022	(203,224)	(1,722)	(5,589)	(433,948)	(2,995)	(647,478)
本年度計提折舊	Depreciation provided during the year	(40,707)	-	(941)	(68,068)	(428)	(110,144)
減值	Impairment	(34,086)	(2,350)	-	(22,195)	-	(58,631)
出售	Disposal	-	-	-	1,533	-	1,533
撇銷	Written-off	-	-	-	975	581	1,556
匯兌重列	Exchange realignment	9,389	-	442	29,604	215	39,650
於二零二二年十二月三十一日 及二零二三年一月一日	As at 31 December 2022 and 1 January 2023	(268,628)	(4,072)	(6,088)	(492,099)	(2,627)	(773,514)
本年度計提折舊	Depreciation provided during the year	(42,672)	-	(88)	(56,534)	(331)	(99,625)
減值	Impairment	(106,378)	(6,599)	(41)	(75,680)	(243)	(188,941)
出售	Disposal	152	-	8	2,680	1,680	4,520
撇銷	Written-off	-	-	147	3,786	109	4,042
匯兌重列	Exchange realignment	5,936	-	212	15,516	65	21,729
於二零二三年十二月三十一日	As at 31 December 2023	(411,590)	(10,671)	(5,850)	(602,331)	(1,347)	(1,031,789)
賬面值：	Carrying amount:						
於二零二三年十二月三十一日	As at 31 December 2023	574,559	35,643	218	408,760	1,315	1,020,495
於二零二二年十二月三十一日	As at 31 December 2022	754,410	23,183	369	558,887	512	1,337,361

14. 物業、廠房及設備(續)

附註：

- (i) 本集團之租賃土地及樓宇於報告期末之賬面淨值分析如下：

	二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
於中國內地之中年期租約	574,559	754,410

- (ii) 於二零二三年十二月三十一日，本集團賬面淨值約216,036,000港元之樓宇、廠房及機器(二零二二年：270,790,000港元)已被抵押以獲得本集團所獲授之銀行信貸額(附註25)。

物業、廠房及設備之減值測試詳情載於綜合財務報表附註18。

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

- (i) The carrying amount of the Group's leasehold land and buildings reporting periods are analysed as follows:

	二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
Medium term leases in Mainland China	574,559	754,410

- (ii) As at 31 December 2023, buildings, plant and machinery of the Group with a net carrying amount of approximately HK\$216,036,000 (2022: HK\$270,790,000) were pledged to secure banking facilities granted to the Group (note 25).

Details of the impairment testing on property, plant and equipment are disclosed in note 18 to the consolidated financial statements.

15. 使用權資產

15. RIGHT-OF-USE ASSETS

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
於一月一日	As at 1 January	40,629	47,994
本年度計提折舊	Depreciation provided during the year	(1,336)	(1,439)
減值虧損	Impairment loss	(5,876)	(1,957)
匯兌重列	Exchange realignment	(1,679)	(3,969)
於十二月三十一日	As at 31 December	31,738	40,629

使用權資產指土地使用權，包括獲得使用若干土地(主要位於中國)以於固定期限內經營的權利的成本。

於二零二三年十二月三十一日，使用權資產約15,355,000港元(二零二二年：19,685,000港元)已予質押以抵押銀行借款(附註25)。

使用權資產之減值測試詳情載於綜合財務報表附註18。

The right-of-use assets represent the land use rights, comprising cost of acquiring rights to use certain land, which are principally located in the PRC, for operating purposes over fixed periods.

As at 31 December 2023, right-of-use assets of approximately HK\$15,355,000 (2022: HK\$19,685,000) have been pledged to secure bank borrowings (note 25).

Details of the impairment testing on right-of-use assets are disclosed in note 18 to the consolidated financial statements.

16. 無形資產

16. INTANGIBLE ASSETS

		專利 Patent 千港元 HK\$'000
成本：	Cost:	
於二零二二年一月一日	As at 1 January 2022	54,891
匯兌重列	Exchange realignment	(4,144)
於二零二二年十二月三十一日及 二零二三年一月一日	As at 31 December 2022 and 1 January 2023	50,747
匯兌重列	Exchange alignment	(1,809)
於二零二三年十二月三十一日	As at 31 December 2023	48,938
累計攤銷及減值：	Accumulated amortisation and impairment:	
於二零二二年一月一日	As at 1 January 2022	29,485
本年度攤銷	Amortisation for the year	1,448
減值虧損	Impairment loss	942
匯兌重列	Exchange alignment	(2,067)
於二零二二年十二月三十一日及 二零二三年一月一日	As at 31 December 2022 and 1 January 2023	29,808
本年度攤銷	Amortisation for the year	4,503
減值虧損	Impairment loss	2,443
匯兌重列	Exchange alignment	(1,012)
於二零二三年十二月三十一日	As at 31 December 2023	35,742
賬面值：	Carrying amount:	
於二零二三年十二月三十一日	As at 31 December 2023	13,196
於二零二二年十二月三十一日	As at 31 December 2022	20,939

無形資產之減值測試詳情載於綜合財務報表附註18。

Details of the impairment testing on intangible assets are disclosed in note 18 to the consolidated financial statements.

17. 採礦權

17. MINING RIGHTS

		千港元 HK\$'000
成本：	Cost:	
於二零二二年一月一日	As at 1 January 2022	60,357
匯兌重列	Exchange realignment	(4,557)
於二零二二年十二月三十一日 及二零二三年一月一日	As at 31 December 2022 and 1 January 2023	55,800
匯兌重列	Exchange realignment	(1,989)
於二零二三年十二月三十一日	As at 31 December 2023	53,811
累計攤銷：	Accumulated amortisation:	
於二零二二年一月一日	As at 1 January 2022	10,135
本年度攤銷	Amortisation for the year	-
匯兌重列	Exchange realignment	(880)
二零二二年十二月三十一日及 二零二三年一月一日	As at 31 December 2022 and 1 January 2023	9,255
本年度攤銷	Amortisation for the year	2,416
減值虧損	Impairment loss	6,642
匯兌重列	Exchange realignment	(373)
於二零二三年十二月三十一日	As at 31 December 2023	17,940
賬面值：	Carrying amount:	
於二零二三年十二月三十一日	As at 31 December 2023	35,871
於二零二二年十二月三十一日	As at 31 December 2022	46,545

結餘乃位於中國吉林省白山市的白雲石礦的採礦權，以礦石儲備的產量予以攤銷。

The balance represents mining rights of the dolomite mine located in Baishan City of Jilin Province, the PRC, which is amortised by the production quantity over the ore reserve.

採礦權減值測試之詳情載於綜合財務報表附註18。

Details of the impairment testing on mining rights are disclosed in note 18 to the consolidated financial statements.

18. 物業、廠房及設備、使用權資產、無形資產及採礦權之減值測試

截至二零二三年十二月三十一日止年度，本集團的業務表現不佳並產生虧損，乃由於對營運資金的限制。鑒於鎂產品業務的現金產生單位(「現金產生單位」)的經濟表現不如預期，本集團管理層認為存在減值跡象，並對賬面值分別約為1,020,495,000港元(二零二二年：1,337,361,000港元)、31,738,000港元(二零二二年：40,629,000港元)、13,196,000港元(二零二二年：20,939,000港元)及35,871,000港元(二零二二年：46,545,000港元)的物業、廠房及設備、使用權資產、無形資產及採礦權進行減值評估。

倘無法單獨估計資產所屬的現金產生單位之可收回金額，則本集團會估計該現金產生單位之可收回金額，包括於可確立合理及一致基準時分配企業資產。現金產生單位的資產賬面值約為1,101,300,000港元(二零二二年：1,445,474,000港元)。

現金產生單位的可收回金額乃根據使用價值計算釐定。於二零二三年十二月三十一日，該計算使用基於本集團管理層批准的涵蓋未來5年的財務預算的現金流量預測，採用的稅後貼現率為13.90%(二零二二年：14.41%)。超過5年(二零二二年：5年)期之現金流量乃使用2.16%(二零二二年：2%)增長率推算，乃基於行業增長預測，且不超過相關行業的長期平均增長率。使用價值計算的另一項主要假設為預算收入、毛利率及營運支出，乃根據現金產生單位的過往表現及管理層對市場發展的預期釐定。

18. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND MINING RIGHTS

During the year ended 31 December 2023, the Group's business was underperformed and incurred losses due to the constraints to working capital. In view of the economic performance of the cash generating unit ("CGU") of magnesium product business which was worse than expected, management of the Group concluded there was an indication for impairment and conducted impairment assessment on property, plant and equipment, right-of-use assets, intangible assets and mining rights with carrying amounts of approximately HK\$1,020,495,000 (2022: HK\$1,337,361,000), HK\$31,738,000 (2022: HK\$40,629,000), HK\$13,196,000 (2022: HK\$20,939,000) and HK\$35,871,000 (2022: HK\$46,545,000), respectively.

The Group estimates the recoverable amount of the CGU, to which the asset belongs when it is not possible to estimate the recoverable amount individually, including allocation of corporate assets when reasonable and consistent basis can be established. The carrying amounts of assets of CGU was approximately HK\$1,101,300,000 (2022: HK\$1,445,474,000).

The recoverable amount of CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a post-tax discount rate is 13.90% (2022: 14.41%) as at 31 December 2023. The cash flows beyond the five-year (2022: five-year) period are extrapolated using 2.16% (2022: 2%) growth rate, which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Another key assumption for the value in use calculated is the budgeted revenue, gross margin and operating expenses which are determined based on the cash-generating unit's past performance and management expectations for the market development.

18. 物業、廠房及設備、使用權資產、無形資產及採礦權之減值測試(續)

根據減值評估結果，本集團管理層釐定現金產生單位的可收回金額低於賬面值。減值金額已分配至具有有限可使用年期的各類物業、廠房及設備、使用權資產及無形資產，以使各類別資產的賬面值不會降低至低於其公允值減出售成本之最高值、其使用價值及零。根據使用價值計算及分配，已在物業、廠房及設備、使用權資產、無形資產及採礦權涉及的相關功能內就該等資產分別確認減值虧損約188,941,000港元(二零二二年：58,631,000港元)、5,876,000港元(二零二二年：1,957,000港元)、2,443,000港元(二零二二年：942,000港元)及6,642,000港元(二零二二年：零港元)。

18. IMPAIRMENT TESTING ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND MINING RIGHTS *(continued)*

Based on the result of the impairment assessment, management of the Group determined that the recoverable amount of the CGU is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment, right-of-use assets and intangible assets with finite useful lives such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost to disposal, its value in use and zero. Based on the value in use calculation and the allocation, impairment loss of approximately HK\$188,941,000 (2022: HK\$58,631,000), HK\$5,876,000 (2022: HK\$1,957,000), HK\$2,443,000 (2022: HK\$942,000) and HK\$6,642,000 (2022: HK\$nil) has been recognised against the carrying amount of property, plant and equipment, right-of-use assets, intangible assets and mining rights respectively within the relevant functions to which these assets relate.

19. 存貨

19. INVENTORIES

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
原材料	Raw materials	57,962	108,967
製成品	Finished goods	45,425	83,307
		103,387	192,274

20. 應收貿易賬款

20. TRADE RECEIVABLES

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
應收貿易賬款(附註(i))	Trade receivables (note (i))	145,687	154,881
預期信貸虧損撥備	Allowance for expected credit loss	(144,038)	(153,383)
		1,649	1,498
應收票據	Bills receivable	1,556	-
		3,205	1,498

附註：

(i) 本集團與其客戶之貿易主要以除銷形式進行。除銷期一般不超過180天。每名客戶皆有最高除銷額度。本集團務求嚴格控制未償付應收款項並將除銷風險降至最低。高級管理層定期審核逾期結餘。鑒於上文所述，加之本集團之應收貿易賬款涉及眾多分散之客戶，故並無重大的信貸集中風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他信貸提升保障。應收貿易賬款不計利息。

於二零二二年一月一日，來自客戶合約的應收貿易賬款約為206,406,000港元。

於報告期末按發票日期劃分的應收貿易賬款(扣除預期信貸虧損撥備)之賬齡分析如下所示：

Note:

(i) The Group's trading terms with its customers are mainly on credit. The credit period is generally not over 180 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables related to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are interest-free.

As at 1 January 2022, trade receivables from contracts with customers amounted to approximately HK\$206,406,000.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of allowance for expected credit loss, is as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
少於60天	Within 60 days	1,649	1,156
61至90天	61 to 90 days	-	342
		1,649	1,498

20. 應收貿易賬款(續)

應收貿易賬款預期信貸虧損撥備之變動如下：

20. TRADE RECEIVABLES (continued)

The movements in the allowance for expected credit loss of trade receivables are as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
年初	At the beginning of year	153,383	56,902
預期信貸虧損淨額(撥備撥回)／ 撥備	(Reversal of)/allowance for expected credit loss, net	(3,948)	104,173
匯兌差額	Exchange difference	(5,397)	(7,692)
於年末	At the end of year	144,038	153,383

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於向有類似虧損模式(即按地理區域、產品類型、客戶類型及評級，以及信用證或其他形式的信用保險的承保範圍)的多個客戶分部組合的內部信貸評級釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得有關過往事件、目前狀況及預測未來經濟狀況的合理佐證資料。預期信貸虧損評估詳情載於附註40。

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on internal credit ratings for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other 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. Details of assessment of expected credit loss was detailed in Note 40.

20. 應收貿易賬款(續)

採用撥備矩陣分析本集團貿易應收款項的信貸風險資料如下：

20. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零二三年十二月三十一日	31 December 2023			
即期(未逾期)	Current (not past due)	0.66%	1,660	11
逾期少於1年	Less than 1 year past due	100%	144,027	144,027
			145,687	144,038

		預期虧損率 Expected loss rate	賬面總值 Gross carrying amount 千港元 HK\$'000	虧損撥備 Loss allowance 千港元 HK\$'000
於二零二二年十二月三十一日	31 December 2022			
即期(未逾期)	Current (not past due)	1.64%	1,523	25
逾期少於1年	Less than 1 year past due	100%	153,358	153,358
			154,881	153,383

應收貿易賬款減值評估的詳情載於附註40。

Details of impairment assessment of trade receivables are set out in Note 40.

21. 預付款項、按金及其他應收款項

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
預付款項(附註(i))	Prepayments (note (i))	182,631	186,726
按金	Deposits	190	253
其他應收款項(附註(ii))	Other receivables (note (ii))	2,996	3,677
		185,817	190,656
預期信貸虧損撥備	Allowance for expected credit loss	(93)	(142)
		185,724	190,514

按金概無逾期或減值。預期信貸虧損撥備與其他應收款項有關。

None of the deposits is either past due or impaired. The allowance for expected credit loss was related to other receivables.

附註：

Notes:

(i) 於二零二三年十二月三十一日，預付款項主要包括存貨之預付款項約180,743,000港元(二零二二年：182,782,000港元)。

(i) As at 31 December 2023, prepayments mainly comprise of prepayment of inventory of approximately HK\$180,743,000 (2022: HK\$182,782,000).

(ii) 其他應收款項主要包括可於中國收回的增值稅約2,268,000港元(二零二二年：2,223,000港元)。

(ii) Other receivable mainly comprise of value-added tax recoverable in the PRC of approximately HK\$2,268,000 (2022: HK\$2,223,000).

按金及其他應收款項之預期信貸虧損撥備之變動如下：

The movements in the allowance for expected credit loss of deposits and other receivables are as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
年初	At the beginning of year	142	132
預期信貸虧損(撥備撥回)/撥備	(Reversal of)/allowance for expected credit loss	(44)	18
匯兌差額	Exchange difference	(5)	(8)
於年末	At the end of year	93	142

按金及其他應收款項減值評估的詳情載於附註40。

Details of impairment assessment of deposits and other receivables are set out in note 40.

22. 現金及現金等值項目及已抵押銀行存款

22. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
現金及銀行結餘	Cash and bank balances	39,954	28,599
已抵押銀行存款	Pledged bank deposits	–	9,698
		39,954	38,297
減：借款之抵押存款(附註25)	Less: Pledged deposits for borrowings (note 25)	–	(9,698)
現金及現金等值項目	Cash and cash equivalents	39,954	28,599
已抵押銀行存款： 流動部份	Pledged bank deposits： Current portion	–	9,698

於報告期末，本集團以人民幣計值之現金及現金等值項目以及已抵押銀行存款約為24,621,000港元(二零二二年：38,037,000港元)。人民幣不得自由兌換其他貨幣，然而，根據中國外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權可從事匯兌業務的銀行將人民幣兌換為其他貨幣。

銀行現金乃根據銀行每日銀行存款利率之浮動利率賺取利息。視乎本集團即時現金需求，短期定期存款之期限為三個月，並按各自之短期定期存款利率賺取利息。銀行存款及抵押存款存放於具良好信用且沒有近期拖欠付款記錄的銀行。

於二零二三年十二月三十一日，已抵押銀行存款零港元(二零二二年：約9,698,000港元)已抵押予銀行，以獲得借款(附註25)。

At the end of the reporting period, the cash and cash equivalents and pledged bank deposits of the Group denominated in RMB amounted to approximately HK\$24,621,000 (2022: HK\$38,037,000). RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, 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. Short term time deposits are made for three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2023, pledged bank deposit of HK\$nil (2022: approximately HK\$9,698,000) was pledged to bank for secured of borrowings (Note 25).

23. 應付貿易賬款

於報告期末按發票日期劃分的應付貿易賬款之賬齡分析如下所示：

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
少於60天	Within 60 days	5,248	5,966
61至90天	61 to 90 days	32	554
超過90天	Over 90 days	10,192	10,929
		15,472	17,449

應付貿易賬款不計利息，結算期通常為不超過180天。

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

The trade payables are non-interest-bearing and are normally settled within 180-day terms.

24. 其他應付款項及應計費用及合約負債

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
應計費用(附註(i))	Accruals (note (i))	3,292	4,867
其他應付款項(附註(ii))	Other payables (note (ii))	22,460	18,377
		25,752	23,244
合約負債(附註(iii)及(iv))	Contract liabilities (note (iv))	26,477	14,598

24. OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

24. 其他應付款項及應計費用及合約負債(續)

應計費用及其他應付款項為免息及須按要求償還。

附註：

- (i) 於二零二三年十二月三十一日，應計開支主要為應計薪金及員工福利約2,492,000港元(二零二二年：3,118,000港元)及應計專業費用約800,000港元(二零二二年：1,749,000港元)。
- (ii) 於二零二三年十二月三十一日，其他應付款項主要為應付利息約3,721,000港元(二零二二年：8,474,000港元)。
- (iii) 債權人計劃於二零二二年五月三十一日生效後，金額約為77,203,000港元的未償還應計費用及其他應付款項已根據債權人計劃獲全數解除。
- (iv) 在與銷售鎂產品的客戶簽訂合約時，本集團收取若干部分的合約金額。分配至該等銷售的交易價格於初步銷售交易時確認為合約負債。本年度確認於合約負債餘額中的收益約為14,598,000港元(二零二二年：26,321,000港元)。本集團認為預付款項計劃並不包括重大融資部分，而因此經計及付款條款並非主要因向本集團提供融資而訂立，代價金額並非就金錢時間值的影響而調整。
- (v) 合約負債之變動如下：

24. OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES (continued)

Accruals and other payables are interest-free and repayable on demand.

Notes:

- (i) As at 31 December 2023, the accrual expenses mainly represent accrual salary and staff benefit of approximately HK\$2,492,000 (2022: HK\$3,118,000) and accrued professional fee of approximately HK\$800,000 (2022: HK\$1,749,000).
- (ii) As at 31 December 2023, the other payable was mainly represents interest payable of approximately HK\$3,721,000 (2022: HK\$8,474,000).
- (iii) Upon the Creditors' Scheme becoming effective on 31 May 2022, the outstanding accruals and other payable in the amount of approximately HK\$77,203,000 was fully discharged pursuant to the Creditors' Scheme.
- (iv) The Group receives certain portion of contract amounts when signing the contracts with customers on sale of magnesium products. The transaction price allocated to these sales is recognised as a contract liability at the time of initial sales transaction. Revenue recognised in the current year that was included in the contract liability balance was approximately HK\$14,598,000 (2022: HK\$26,321,000). The Group considers the advance payments schemes does not contain significant financing component and accordingly the amount of consideration is not adjusted for the effects of the time value of money taking into consideration that the payment terms were not structured primarily for the provision of finance to the Group.
- (v) The movements of contract liabilities are as follows:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
於一月一日之結餘	Balance at 1 January	14,598	26,321
自本年度滿足的履約責任確認之收益	Revenue recognised from performance obligations satisfied during the year	(14,598)	(26,321)
年內收取按金導致之合約負債增加	Increase in contract liabilities as a result of receiving deposits during the year	27,223	16,586
匯兌重列	Exchange realignment	[746]	[1,988]
於十二月三十一日之結餘	Balance at 31 December	26,477	14,598

25. 借款

25. BORROWINGS

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
銀行借款	Bank borrowings	69,600	72,173
其他借款(附註(ii))	Other borrowings (note (ii))	265,248	247,931
		334,848	320,104
借款：	Borrowings:		
一年內或按要求到期	Due within one year or on demand	111,228	114,592
兩年以上但不超過 五年期間內到期	Due within a period of more than two years but not exceeding five years	223,620	205,512
		334,848	320,104
減：列作非流動負債金額	Less: Amounts shown under non-current liabilities	(223,620)	(205,512)
列作流動負債金額	Amounts shown under current liabilities	111,228	114,592
減：由於貸款違約或 違反貸款契諾而須按要 求償還的銀行及其他借 款賬面值(流動負債下 列示)(附註iv)	Less: The carrying amount of bank and other borrowings that are repayable on demand due to loan defaults or breach of loan covenants (shown under current liabilities) (note iv)	(111,228)	(114,592)
就於一年內應付或按要求 應付之銀行及其他貸款 列作流動負債之金額	Amounts shown under current liabilities for the bank and other borrowings that are repayable within one year or on demand	-	-
借款：	Borrowings:		
有抵押(附註(ii))	Secured (note (ii))	189,782	186,784
無抵押	Unsecured	145,066	133,320
		334,848	320,104

25. 借款(續)

本集團借款之實際利率(亦相等於合約利率)範圍如下：

25. BORROWINGS (continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		截至 二零二三年 十二月三十一日 止年度 Year ended 31 December 2023 千港元 HK\$'000	截至 二零二二年 十二月三十一日 止年度 Year ended 31 December 2022 千港元 HK\$'000
實際利率：	Effective interest rate:		
固定利率借款	Fixed-rate borrowings	8.47%	8.47%
浮動利率借款	Variable-rate borrowings	4.25%-5.48%	4.25%-5.48%

借款以下列貨幣計值：

Borrowings were denominated in the following currencies:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
人民幣	RMB	69,600	72,173
港元	HK\$	223,620	205,512
美元	US\$	41,628	42,419
		334,848	320,104

25. 借款(續)

附註：

- (i) 有抵押借款約189,782,000港元(二零二二年：186,784,000)港元)由世紀陽光集團控股有限公司及一家同系附屬公司擔保，並以已質押物業、廠房及設備約216,036,000港元及使用權資產約15,355,000港元(二零二二年：物業、廠房及設備約331,490,000港元及使用權資產約19,685,000港元)作抵押。

- (ii) 其他借款包括(a)國際金融公司(「國際金融公司」)的貸款約41,628,000港元(二零二二年：42,419,000港元)；(b)債權人計劃項下負債223,619,682港元(二零二二年：205,512,076港元)。

於二零二二年五月三十一日，本金額約為720,419,000港元的未償還借款已根據債權人計劃獲解除。根據債權人計劃，受理申索已分配為(a)延長五年期選擇權(「選擇權A」)；及(b)可換股債券置換選擇權(請參閱附註28)。選擇權A的實際利率為8.47%，該等負債的初步確認金額為198,594,000港元，於二零二三年十二月三十一日的已攤銷金額為223,619,682港元。

- (iii) 於二零二三年十二月三十一日，銀行借款及其他借款的加權實際利率約為7.31%(二零二二年：7.21%)。

- (iv) 本集團若干信貸融資須達成借貸安排中常有的契約條件。於二零二三年十二月三十一日，賬面總值為111,228,000港元(二零二二年：114,592,000港元)的借款拖欠還款或違反貸款契約，並於二零二三年十二月三十一日的綜合財務狀況表中分類為流動負債。本集團正在與貸方磋商以於報告期末為借款再融資。於綜合財務報表批准日期，上述借款尚未續期亦尚未償還。

25. BORROWINGS (continued)

Notes:

- (i) Secured borrowings of approximately HK\$189,782,000 (2022: HK\$186,784,000) were guaranteed by Century Sunshine Group Holdings Limited and a fellow subsidiary, and secured by pledged property, plant and equipment of approximately HK\$216,036,000 and right-of-use assets of approximately HK\$15,355,000 (2022: property, plant and equipment of approximately HK\$331,490,000 and right-of-use assets of approximately HK\$19,685,000).

- (ii) Other borrowings included (a) an International Finance Corporation ("IFC") loan of approximately HK\$41,628,000 (2022: HK\$42,419,000); (b) liabilities under the Creditors' Scheme of HK\$223,619,682 (2022: HK\$205,512,076).

As of 31 May 2022, the outstanding borrowing in the principal amount of approximately HK\$720,419,000 was discharged pursuant to the Creditors' Scheme. Pursuant to the Creditors' Scheme, the admitted claims had been allocated into (a) a 5-year term extension option ("Option A") and (b) a convertible bonds swap option (please refer to note 28). The effective interest rate of Option A is 8.47%, and the initial recognition of such liabilities is HK\$198,594,000 and amortized to HK\$223,619,682 as of 31 December 2023.

- (iii) The weighted effective interest rate of bank and other borrowings as of 31 December 2023, is approximately 7.31% (2022: 7.21%).

- (iv) Certain of the Group's facilities were subject to the fulfillment of covenants commonly found in lending arrangements. As of 31 December 2023, borrowings with an aggregate carrying amount of HK\$111,228,000 (2022: HK\$114,592,000) were in default of repayment or loan covenants and were classified as current liabilities in the consolidated statement of financial position as of 31 December 2023. The Group is in negotiations with the lenders to refinance the borrowings at the end of the reporting period. As of the approval date of the consolidated financial statements, the aforesaid borrowings were not yet renewed nor repaid.

26. 應收／付中間控股公司／直接控股公司

於二零二三年十二月三十一日及二零二二年十二月三十一日應付直接控股公司款項為無抵押、免息及按要求償還。應收中間控股公司款項為無抵押、按固定年利率5厘計息，且按要求償還。

債權人計劃於二零二二年五月三十一日生效後，應付直接控股公司之款項約50,159,000港元已根據債權人計劃獲解除。

27. 遞延收入

與資產相關之政府撥款

Government grants received related to assets

二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
----------------------------------	----------------------------------

66,881

69,354

為促進金屬鎂業之發展，白山市天安金屬鎂礦業有限公司於二零一二年與當地政府訂立一份協議。根據該協議，當地政府同意向白山市天安金屬鎂礦業有限公司提供財務資助(「資助」)以改善其生產科技及提高物業、廠房及設備的產能。

截至二零二三年及二零二二年十二月三十一日止年度，本集團並無收取任何資助，而截至二零二三年及二零二二年十二月三十一日止年度並無確認任何其他收入。遞延收入賬面值減少乃由於匯兌差額所致。

所收或成為應收款項之資助，初始確認為遞延收入及其後以扣減折舊法開支，按該須予折舊資產可用年期於損益中確認。

26. AMOUNT DUE FROM/TO AN INTERMEDIATE/IMMEDIATE HOLDING COMPANY

As at 31 December 2023 and 31 December 2022, the amount due to an immediate holding company is unsecured, interest-free and repayable on demand. The amount due from an intermediate holding company is unsecured, interest-bearing at a fixed rate of 5% per annum and repayable on demand.

Upon the Creditors' Scheme becoming effective on 31 May 2022, the amount due to an immediate holding company of approximately HK\$50,159,000 was discharged pursuant to the Creditors' Scheme.

27. DEFERRED REVENUE

In order to encourage the development of magnesium industry, Baishan City Tianan Magnesium Resources Co., Limited entered into an agreement with the local government in 2012. Pursuant to the agreement, the local government agree to provide financial assistance (the "Assistance") to Baishan City Tianan Magnesium Resources Company Limited to improve their production technology and enhance the capacity of the property, plant and equipment.

During the year ended 31 December 2023 and 2022, the Group has not received any Assistance and there were no other income was recognised for the years ended 31 December 2023 and 2022. The carrying amount of deferred revenue decreased due to the arise of exchange difference.

The Assistance received or which becomes receivables is initially recognised as deferred revenue and subsequently recognised in profit or loss over the life of a depreciable asset by way of as a reduced depreciation charge expense.

28. 可換股債券

於二零二二年八月五日，本公司根據債權人計劃的條款發行本金總額458,390,000港元的零票息可換股債券(「可換股債券」)。

可換股債券賦予債券持有人權利以換股價0.933港元(已就本年度供股之影響作調整)(二零二二年：1.20港元)換取股份。可換股債券的到期日為自發行日期起計五年。持有人可於可換股債券到期日前隨時作出轉換。本公司將贖回於到期日尚未獲轉換的可換股債券。

有關可換股債券條款的詳情，請參閱本公司日期為二零二二年五月三日的通函。

根據本集團的會計政策，可換股債券根據合約安排的實際內容以及金融負債及權益工具的定義分別分類為金融負債及權益。倘轉換選擇權將透過以固定金額的現金或另一項金融資產換取固定數目的本公司本身權益工具結算，則屬權益工具。負債部分的公允值按類似的不可轉換工具的現行市場利率作出估算。權益部分於權益的「可換股債券權益儲備」項下呈列。發行人贖回選擇權被認為與主債務密切相關而並非與主合約分開。負債部分於初步確認時的實際年利率為8.47%。

初步計入可換股債券權益儲備的轉換選擇權於到期時轉撥至保留盈利。

於二零二二年十二月三十一日，可換股債券負債部分的公允值為320,048,000港元，屬公允值等級的第三級。

本集團金融工具的賬面值與其公允值合理相若。

28. CONVERTIBLE BONDS

On 5 August 2022, the Company has issued zero coupon convertible bonds ("Convertible Bonds") with aggregate principal amount of HK\$458,390,000 pursuant to the terms of the Creditors' Scheme.

The Convertible Bonds entitle the bondholder to convert to shares at a conversion price of HK\$0.933 after adjusted for the effect of rights issue during the year (2022: HK\$1.20). The maturity date of the Convertible Bonds is 5 years from the date of issue. Conversion may occur at any time before maturity date of the Convertible Bonds. The Company will redeem the Convertible Bonds if the bonds have not been converted on maturity date.

For more details of the terms of Convertible Bonds. Please refer to the Company's circular dated on 3 May 2022.

According to the Group's accounting policy, the Convertible Bonds are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. The fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. The equity element is presented in equity under the heading of "convertible bond equity reserve". The issuer redemption options are considered as closely related to the host debt and are not separated from the host contract. The effective interest rate of the liability component on initial recognition is 8.47% per annum.

The convertible option initially included in convertible bonds equity reserve was transferred to retained earnings upon expiry.

The fair value of the liability component of the Convertible Bonds at 31 December 2022 amounted to HK\$320,048,000, which are within level 3 of the fair value hierarchy.

The carrying amounts of the Group's financial instruments reasonably approximate to fair values.

28. 可換股債券(續)

年內發行的可換股債券已分拆為負債部分及權益部分如下：

28. CONVERTIBLE BONDS (continued)

The Convertible Bonds issued during the year have been split into the liability and equity components as follows:

		千港元 HK\$'000
可換股債券於發行日期的公允值	Fair value of the Convertible Bonds at the issuance date	352,175
權益部分	Equity Component	(32,127)
於發行日期的負債部分	Liability component at the issuance date	320,048
利息開支(附註8)	Interest expenses (Note 8)	27,122
於二零二三年十二月三十一日的負債部分	Liability component as at 31 December 2023	347,170

29. 遞延稅項

年內於綜合財務狀況表確認之遞延稅項結餘的組成部份及其變動如下：

遞延稅項負債**29. DEFERRED TAXATION**

The components of deferred tax balances recognised in the consolidated statement of financial position and the movements during the year as follows:

Deferred Tax Liabilities

		可換股債券 Convertible bond 千港元 HK\$'000	使用權資產 Right-of- use assets 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零二二年一月一日	As at 1 January 2022	-	2,995	2,995
計入綜合損益及其他 全面收入表	Credited to consolidated statement of profit or loss and other comprehensive income	-	(77)	(77)
與發行可換股債券有關之 遞延稅項	Deferred tax related to insurance of convertible bonds	6,861	-	6,861
匯兌重列	Exchange realignment	-	(225)	(225)
於二零二二年十二月三十一日 及二零二三年一月一日	As at 31 December 2022 and 1 January 2023	6,861	2,693	9,554
計入綜合損益及其他 全面收入表	Credited to consolidated statement of profit or loss and other comprehensive income	-	(73)	(73)
與發行可換股債券變動有關之 遞延稅項	Deferred tax related to movement of convertible bonds	(2,238)	-	(2,238)
匯兌重列	Exchange realignment	-	(95)	(95)
於二零二三年 十二月三十一日	As at 31 December 2023	4,623	2,525	7,148

29. 遞延稅項(續)**遞延稅項負債(續)**

本集團於稅務局(「稅務局」)評估前於香港產生的稅務虧損約為36,537,000港元(二零二二年：87,887,000港元)，並可供無限期抵銷產生有關虧損的公司的未來應課稅溢利。本集團亦於中國內地產生稅務虧損零港元(二零二二年：零港元)，將於一至五年內到期以抵銷未來應課稅溢利。因此附屬公司已虧損一段時間且認為其應課稅溢利不足以抵銷此等附屬公司可動用之稅務虧損，故此等虧損而言，並未確認遞延稅項資產。

根據中國企業所得稅法，於中國內地成立之外資企業向外國投資者宣派之股息須徵收10%之暫繳稅。是項規定已由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之後產生之盈利。倘中國內地與外國投資者所屬司法管轄區之間訂有稅務協議，則可按較低暫繳稅率繳稅。就本集團而言，適用稅率為5%。因此，本集團須就於中國內地成立之附屬公司於二零零八年一月一日以後產生之盈利所分派之股息繳納暫繳稅。

於二零二三年十二月三十一日，本集團並無就於中國內地成立之附屬公司、聯營公司及合資公司因未匯出盈利而產生之應付股息暫繳稅確認任何遞延稅項。董事認為，此等附屬公司、聯營公司及合資公司在可見未來不大可能分派此等盈利。於報告期末，有關於中國內地的附屬公司、合資公司及聯營公司之投資，並未有產生重大暫時差額(二零二二年：無)。

本公司向其股東支付的股息並無附有所得稅後果。

29. DEFERRED TAXATION (continued)**Deferred Tax Liabilities (continued)**

The Group has tax losses arising in Hong Kong before Inland Revenue Department ("IRD") assessment of approximately HK\$36,537,000 (2022: HK\$87,887,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK\$nil (2022: HK\$nil) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised by these subsidiaries.

Pursuant to the PRC 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 after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2023, no deferred tax has been recognised for withholding dividend taxes that would be payable on the unremitted earnings that are subject to withholding dividend taxes of the Group's subsidiaries, associate, and joint ventures established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, associate and joint ventures will distribute such earnings in the foreseeable future. There was no significant temporary difference associated with investments in subsidiaries, joint ventures and associate in Mainland China at the end of the reporting period (2022: nil).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

30. 股本

本公司法定及已發行股本之變動概述如下：

30. SHARE CAPITAL

A summary of movements in the Company's authorised and issued share capital is as follows:

		Number of shares 已發行 股份數目	Share capital 股本 HK\$'000 千港元
已發行及繳足： 每股面值0.01港元普通股 (二零二二年：0.01港元)	Issued and fully paid: Ordinary shares of HK\$0.01 (2022: HK\$0.01) each		
於二零二二年一月一日	As at 1 January 2022	6,584,390,058	658,439
股本重組生效時之股本削減；股份合併及 股份拆細(附註a)	Capital reduction; share consolidation and share sub-division upon capital reorganisation effective (Note a)	(6,255,170,556)	(655,147)
於重組生效時所發行之計劃股份(附註b)	Issue of scheme shares upon capital reorganisation effective (Note b)	65,843,900	658
於二零二二年十二月三十一日及 二零二三年一月一日	As at 31 December 2022 and 1 January 2023	395,063,402	3,950
發行供股股份(附註c)	Issuance of right shares (Note c)	197,531,701	1,976
於二零二三年十二月三十一日	As at 31 December 2023	592,595,103	5,926

30. 股本(續)

附註：

(a) 本公司之股本重組於二零二二年七月十四日生效。而股本重組包括以下各項：

(i) 本公司股本中每二十股每股面值0.10港元之已發行及未發行股份合併為一股本公司股本中每股面值2.00港元之合併股份；

(ii) 股本削減：(a)因股份合併而產生之本公司已發行股本中任何零碎合併股份將予註銷；及(b)削減本公司之已發行股本，方式為從當時已發行之每股合併股份之已繳股本中註銷1.99港元，令已發行合併股份之面值由每股2.00港元降低至每股0.01港元；及

(iii) 緊隨股本削減後，每股面值2.00港元之法定但未發行合併股份將拆細為二百股每股面值0.01港元之新普通股。

(b) 截至二零二二年十二月三十一日止年度，根據債權人計劃，本公司已按發行價每股1.20港元發行65,843,900股計劃股份，即佔有兩股股份發行前之現有已發行股份數目20%。

計劃股份將由計劃公司代表延長期限選擇權債權人持有。發行計劃股份將不會導致延長期限選擇權債權人成為主要股東。

有關更多詳情，請參閱本公司日期為二零二二年五月三日及二零二二年七月二十六日之公告。

(c) 於二零二三年十月三十日，本公司按於二零二三年九月二十一日每持有兩股現有股份獲發一股供股股份之基準進行供股，認購價為每股供股股份0.08港元。

計劃公司申請1,230,212股供股股份。於供股生效後，每股經調整換股價及換股股份數目分別為0.933港元及80,242,892股。

有關更多詳情，請參閱本公司日期為二零二三年十月六日、二零二三年十月二十七日及二零二三年十月三十日之公告。

30. SHARE CAPITAL (continued)

Notes:

(a) On 14 July 2022, the capital reorganisation of the Company became effective. And the capital reorganization comprised the following:

(i) every twenty issued and unissued shares of par value HK\$0.10 each in the share capital of the Company be consolidated into one consolidated share of par value HK\$2.00 each in the share capital of the Company;

(ii) the capital reduction by which: (a) any fractional consolidated share in the issued share capital of the Company arising from the share consolidation shall be cancelled; and (b) the issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$1.99 on each of the then issued consolidated shares such that the par value of each issued consolidated share will be reduced from HK\$2.00 to HK\$0.01; and

(iii) immediately following the capital reduction, each of the authorised but unissued consolidated share with par value of HK\$2.00 each be subdivided into two hundred new shares of par value HK\$0.01 each.

(b) During the year ended 31 December 2022, the Company issued 65,843,900 scheme shares at an issue price of HK\$1.20 per share under the Creditors' Scheme which represents 20% of existing number of issued shares before relevant share issue.

The Scheme Shares are held by the Scheme Company for and on behalf of the Term Extension Option Creditors. None of the Term Extension Option Creditors will become a substantial shareholder of the Company as a result of the issuance of the Scheme Shares.

For more details, please refer to the announcements of the Company dated 3 May 2022 and 26 July 2022.

(c) On 30 October 2023, the Company carried out a rights issue on the basis of one rights share for every two existing shares held on 21 September 2023 at the subscription price of HK\$0.08 per rights share.

The scheme company applied for 1,230,212 rights issue. With the effect of the rights issue, the adjusted conversion price per share and number of conversion share would be HK\$0.933 each and 80,242,892 respectively.

For more details, please refer to the announcements of the Company dated 6 October 2023, 27 October 2023 and 30 October 2023.

31. 購股權

於二零一七年十二月四日，本公司股東批准購股權計劃(「該計劃」)。根據該計劃，本公司可授出購股權予本集團及任何主要股東之董事或僱員、本集團的顧問或諮詢人、分銷商、分包商、供應商、服務供應商、代理、客戶及業務夥伴(「合資格參與者」)，以認購本公司股份。

購股權可按董事全權酌情釐定的歸屬、行使或其他方面的條款及條件而授出，惟有關條款及條件須與該計劃的任何其他條款及條件相符一致。

認購價不會低於以下最高者：(i)股份於購股權提呈日期於聯交所每日報價表所列於主板之收市價；(ii)股份於緊接購股權提呈日期前五個交易日於聯交所每日報價表所列於主板之平均價；及(iii)股份之面值。本集團並無法定或推定責任以現金購回或償付購股權。

合資格參與者須於購股權授出日期起至指定行使日期止期間於本集團或主要股東任職，方可行使購股權。

各合資格人士於要約日期屆滿前十二個月期間內因行使其獲授購股權而獲發行及將獲發行的股份總數，不得超過本集團已發行股本1%。倘向本集團主要股東或獨立非執行董事(或彼等各自的任何聯繫人)授出任何購股權而導致在截至授出日期(包括該日)止任何十二個月期間內，上述人士已獲授及將獲授的全部購股權(包括已行使、已註銷及尚未行使的購股權)獲行使而發行及將予發行的證券數目，(i)合共超過相關類別已發行證券的0.1%；及(ii)(倘證券於聯交所上市)根據證券於各授出日期收市價計算的總值超過5,000,000港元，該額外授出購股權須經本集團股東批准。

31. SHARE OPTIONS

On 4 December 2017, a share option scheme (the "Scheme") was approved by the shareholders of the Company. Under the Scheme, the Company may grant options to the directors or employees of the Group and any substantial shareholder, consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Group (the "Eligible Participant") to subscribe for shares in the Company.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the directors may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other term conditions of the Scheme.

The subscription price is not less than the highest of (i) the closing price of the shares on Main Boards stated in the Stock Exchange's daily quotation sheet on the date of offer of the option; (ii) the average prices of the shares on Main Board as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and (iii) the nominal value of the shares. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The share options are exercisable only if the Eligible Participants remain in the service of the Group or substantial shareholder from the grant date of the share options up to the designated exercise date.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible person in the twelve-month period expiring on the offer date must not exceed 1% of the issued share capital of the Group. Where any grant of options to a substantial shareholder or an independent non-executive director of the Group, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the relevant class of securities in issue; and (ii) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by shareholders of the Group.

31. 購股權(續)

截至二零二三年十二月三十一日止年度

31. SHARE OPTIONS (continued)

For the year ended 31 December 2023

	於二零二三年一月一日持有							於二零二三年十二月三十一日		於二零二三年十月三十日
	供股完成後經調整	供股後持有	年內授出之購股權	年內行使之購股權	年內註銷之購股權	年內失效之購股權	持有	供股前每股行使價	供股後之經調整每股行使價	
	Adjusted completion of the rights issue	Held after rights issue	Options granted during the year	Options exercised during the year	Options cancelled during the year	Options lapsed during the year	Held at 31 December 2023	Exercisable share before rights issue on 30 October 2023	Adjusted exercise price per share after the rights issue on 30 October 2023	
								港元	港元	
								HK\$	HK\$	
(A) 僱員										
Employees	8,170,000	1,040,280	9,210,280	-	-	-	[9,210,280]	-	7	
	7,000,000	-	-	-	-	-	[7,000,000]	-	N/A	
(B) 董事										
Directors										
沈世捷	1,500,000	190,994	1,690,994	-	-	-	[1,690,994]	-	7	
Shum Sai Chit										
鄭炳文	250,000	31,832	281,832	-	-	-	[281,832]	-	7	
Kwong Ping Man										
張省本	250,000	31,832	281,832	-	-	-	[281,832]	-	7	
Cheung Sound Poon										
	10,170,000	1,294,938	11,464,938	-	-	-	[11,464,938]	-	7	
	7,000,000	-	-	-	-	-	[7,000,000]	-	N/A	
	17,170,000		11,464,938	-	-	-	[18,464,938]	-	-	

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

31. 購股權(續)

截至二零二二年十二月三十一日止年度

31. SHARE OPTIONS (continued)

For the year ended 31 December 2022

	於 二零二二 年一 月一 日 持有	於 股份合 併時調 整 (附註30)	於 股份 合 併 後 持 有	年 內 授 出 之 購 股 權	年 內 行 使 之 購 股 權	年 內 註 銷 之 購 股 權	年 內 失 效 之 購 股 權	於 二 零 二 二 年 十 二 月 三 十 一 日 持 有	於 二 零 二 二 年 七 月 十 四 日 份 份 合 併 前 之 每 股 行 使 價	於 二 零 二 二 年 七 月 十 四 日 份 份 合 併 後 之 經 調 整 每 股 行 使 價 (附註)
	Held at 1 January 2022	Adjusted upon the completion of the share consolidation (note 30)	Held after share consolidation	Options granted during the year	Options exercised during the year	Options cancelled during the year	Options lapsed during the year	Held at 31 December 2022	Exercisable price per share before share consolidation on 14 July 2022 港元 HK\$	Adjusted exercisable price per share after share consolidation on 14 July 2022 (note) 港元 HK\$
(A) 僱員										
Employees	163,400,000	(155,230,000)	8,170,000	-	-	-	-	8,170,000	0.4	8
	140,000,000	(133,000,000)	7,000,000	-	-	-	-	7,000,000	0.3	6
(B) 董事										
Directors										
沈世捷 Shum Sai Chit	30,000,000	(28,500,000)	1,500,000	-	-	-	-	1,500,000	0.4	8
鄭炳文 Kwong Ping Man	5,000,000	(4,750,000)	250,000	-	-	-	-	250,000	0.4	8
張省本 Cheung Sound Poon	5,000,000	(4,750,000)	250,000	-	-	-	-	250,000	0.4	8
關毅傑* Kwan Ngai Kit*	5,000,000	(4,750,000)	250,000	-	-	-	(250,000)	-	0.4	8
	208,400,000	(197,980,000)	10,420,000	-	-	-	(250,000)	10,170,000	0.4	8
	140,000,000	(133,000,000)	7,000,000	-	-	-	-	7,000,000	0.3	6
	348,400,000	(330,980,000)	17,420,000	-	-	-	(250,000)	17,170,000	-	-

* 於二零二二年六月二十七日退任

* retired on 27 June 2022

於二零二三年十二月三十一日並未有尚未行使購股權。

No options were outstanding at 31 December 2023.

於本年報日期，該計劃項下可供發行之本公司股份總數(包括上述尚未行使購股權)為22,871,950股，相當於本公司當日已發行股本約3.86%。該計劃之餘下年期約為4年，並將於二零二七年十二月四日屆滿。

As at the date of the annual report, the total number of Shares of the Company available for issue under the Scheme (including the above Options outstanding not yet exercised) was 22,871,950 representing approximately 3.86% of the issued share capital of the Company as of the date thereof. The remaining life of the Scheme is approximately 4 years and to be expired on 4 December 2027.

31. 購股權(續)

截至二零一九年十二月三十一日止年度所授出之購股權，使用二項式期權定價模式釐定公允值為約13,509,000港元。輸入該估值模式的重要計算因素為於授出日期的股價0.285港元上述行使價、預期股價波動介於46.729%至54.568%、年度無風險利率1.459%至1.758%。約1.10至3.10年預計購股權年期及股息收益率1.64。按預期股價回報的標準偏差而計量的波幅，乃根據由二零一零年十二月三十一日至二零一九年七月二十五日的每日股價的統計分析計算得出。截至二零二三年十二月三十一日止年度，零港元(二零二二年：約918,000港元)已計入綜合損益及其他全面收益表內。

截至二零二三年及二零二二年十二月三十一日止年度概無授出任何購股權。

32. 儲備

本集團於本年度及過往期間之儲備金額及其變動呈列於財務報表第60頁之綜合權益變動表內。

於二零二三年十二月三十一日，本公司可供分派儲備(根據一九八一年百慕達公司法(經修訂)(「公司法」)計算)為521,318,000港元(二零二二年：669,253,000港元)。根據公司法，本公司的實繳盈餘亦可供分派予股東。如會導致本公司無法償還到期負債或其資產的可變現價值因此低於其負債，則不會以實繳盈餘派付股息或作出分派。

本集團之特別儲備指根據一九九三年本公司之股份上市前所進行之本集團重組而收購之附屬公司股份之面值，為交換此等股份而發行之本公司股份面值之差額。

31. SHARE OPTIONS (continued)

The fair value of Options granted during the year ended 31 December 2019 determined using the Binomial Option Pricing model was approximately HK\$13,509,000. The significant inputs into the model were share price of HK\$0.285, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility ranged from 46.729% to 54.568%, annual risk-free interest rate of 1.459% to 1.758%. Expected life of Options of approximately 1.10 to 3.10 years and dividend payout ratio 1.64. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 31 December 2010 to 25 July 2019. During the year ended 31 December 2023, HK\$nil (2022: approximately HK\$918,000) were charged to the consolidated statement of profit or loss and other comprehensive income.

No Options were granted during the years ended 31 December 2023 and 2022.

32. RESERVES

The amounts of the Group's reserves and the movements therein for the current year and prior period are presented in the consolidated statement of changes in equity on page 60 of the financial statements.

As at 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended) ("Companies Act") amounted to HK\$521,318,000 (2022: HK\$669,253,000). Under the Companies Act, the Company's contributed surplus of the Company is also available for distribution to the Shareholders. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

The Group's special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares in 1993, and the nominal value of the Company's shares issued in exchange therefor.

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

33. 融資業務所產生負債之對賬

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		應收/(付) 控股公司 之款項	借款	應付利息	可換股債券	總計
		Due from/ (to) holding companies	Borrowings	Interest Payables	Convertible bonds	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零二三年一月一日	As at 1 January 2023	2,871	320,104	8,474	320,048	651,497
融資現金流量	Financing cash flow	(6,010)	(901)	(8,474)	-	(15,385)
匯兌重列	Exchange realignment	-	(2,463)	687	-	(1,776)
其他非現金變動：	Other non-cash movement:					
應付利息	Interest payable	-	-	3,034	-	3,034
實際利息支出	Effective interest expense	-	18,108	-	27,122	45,230
於二零二三年十二月三十一日 的債務淨額	Net debt as at 31 December 2023	(3,139)	334,848	3,721	347,170	682,600

		應付一名 股東之款項	借款	應付利息	可換股債券	總計
		Due to a shareholder	Borrowings	Interest Payables	Convertible bonds	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零二二年一月一日	As at 1 January 2022	39,958	876,043	82,847	-	998,848
融資現金流量	Financing cash flow	13,072	(34,621)	(429)	-	(21,978)
匯兌重列	Exchange realignment	-	(6,411)	183	-	(6,228)
其他非現金變動：	Other non-cash movement:					
應付利息	Interest payable	-	-	3,076	-	3,076
實際利息支出	Effective interest expense	-	6,918	-	10,385	17,303
根據債權人計劃轉移的負債	Liabilities transferred pursuant to the Creditors' Scheme	(50,159)	(521,825)	(77,203)	309,663	(339,524)
於二零二二年十二月三十一日 的債務淨額	Net debt as at 31 December 2022	2,871	320,104	8,474	320,048	651,497

34. 非現金交易

截至二零二二年十二月三十一日止年度期間，物業、廠房及設備之添置部分由存貨及存貨還款金額分別約1,601,000港元及5,921,000港元所結算。

34. NON-CASH TRANSACTION

During the year ended 31 December 2022, additions of property, plant and equipment was partially settled by inventories and prepayment for inventories with the amounts of approximately HK\$1,601,000 and HK\$5,921,000 respectively.

35. 資產抵押

本集團以某些資產作為抵押的借款的詳情見附註14、15、22及25。

35. PLEDGE OF ASSETS

Details of the Group's borrowings, which are secured by certain assets of the Group, are included in notes 14, 15, 22 and 25.

36. 承擔

本集團於報告期末亦有下列資本承擔：

36. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
已訂約但未作撥備： 物業、廠房及設備	Contracted, but not provided for: Property, plant and equipment	18,872	26,973

37. 重大關連人士交易

(a) 除在此等財務報表其他章節詳述的交易外，於年內，本集團有下列重大關連人士交易：

37. MATERIAL RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

		截至 二零二三年 十二月三十一日 止年度 Year ended 31 December 2023 千港元 HK\$'000	截至 二零二二年 十二月三十一日 止年度 Year ended 31 December 2022 千港元 HK\$'000
向中間控股公司支付 之管理費	Management fee paid to an intermediate holding company	2,950	2,950

37. 重大關連人士交易(續)

(b) 本集團主要管理人員報酬：

37. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group:

		二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
董事(附註9)	Directors (Note 9)	1,308	1,517
其他主要管理人員： 薪金及其他短期僱員福利	Other key management personnel: Salaries and other short term employee benefits	1,318	1,641
		2,626	3,158

(c) 於二零二三年十二月三十一日，應付直接控股公司之款項約為5,822,000港元(二零二二年：2,871,000港元)。該款項為無抵押、免息及按要求償還(附註26)。

(c) As at 31 December 2023, the amount due to an immediate holding company was approximately HK\$5,822,000 (2022: HK\$2,871,000). The amount is unsecured, non-interest bearing and repayable on demand (note 26).

(d) 於二零二三年十二月三十一日，向本公司直接控股公司Ming Xin Developments Limited發行的可換股債券約為338,601,000港元(附註28)。

(d) As at 31 December 2023, the convertible bonds issued to the immediate holding company of the Company, Ming Xin Developments Limited, was approximately HK\$338,601,000 (note 28).

(e) 誠如本公司於二零二一年八月一日刊發的公告(「該公告」)所披露，白山市天安金屬鎂礦業有限公司及新疆騰翔鎂製品有限公司(本公司的間接全資附屬公司)與銀行訂立擔保協議，以擔保貸款協議項下山東紅日化工股份有限公司(「山東紅日」，世紀陽光集團控股有限公司(本公司的控股股東)的間接全資附屬公司)就該銀行根據貸款協議向山東紅日墊付的金額為人民幣124,960,000元的貸款的付款責任。因此，山東紅日是本公司於上市規則第14A章項下之關連人士，及擔保事項構成本公司於上市規則項下之關連交易，並須遵守上市規則第14A章項下之申報、公告規定及獨立股東批准規定。然而，本公司於有關時間內未遵守有關擔保之申報、公告規定及獨立股東批准規定。本公司已採取多種補救措施提升其內部控制，預防再次發生該公告所披露的有關不合規事件。

(e) As disclosed in the announcement of the Company published on 1 August 2021 (the "Announcement"), Baishan City Tianan Magnesium Resources Co., Ltd. and Xinjiang Tengxiang Magnesium Products Company Limited, the indirect wholly-owned subsidiaries of the Company, entered into guarantee agreements with a bank to guarantee the payment obligations of Shandong Hongri Chemical Joint Stock Company Limited ("Shandong Hongri"), an indirect non-wholly owned subsidiary of Century Sunshine Group Holdings Limited (the controlling shareholder of the Company), in respect of the loans amounting to RMB124.96 million advanced by that bank to Shandong Hongri under the loan agreements. Shandong Hongri is accordingly a connected person of the Company under Chapter 14A of the Listing Rules, and the guarantees constituted connected transactions of the Company under the Listing Rules and were subject to the reporting, announcement requirements and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. However, the Company had not complied with the reporting, announcement requirements and independent shareholders' approval requirement in respect of the Guarantees at the relevant time. The Company has taken various remedial measures to enhance its internal control and prevent recurrence of such non-compliance as disclosed in the Announcement.

37. 重大關連人士交易(續)

- (f) 根據本公司於二零二三年八月十六日發佈的公告披露，本公司已與世紀陽光集團控股有限公司簽署了一份自二零二三年八月十六日起至二零二四年八月十五日為期一年的貸款協議。根據該協議，本公司已同意向世紀陽光集團控股有限公司提供少於10,000,000港元的貸款，該貸款的年利率為5%。

由於世紀陽光集團控股有限公司是本公司的中間控股公司，因此是本公司的關連人士。按照上市規則第14A章的規定，根據貸款協議擬進行的交易構成本公司的關連交易。由於與該貸款相關的一個或多個適用比率(按上市規則第14.07條的定義)低於25%，且貸款協議下的貸款本金超過3,000,000港元但少於10,000,000港元，根據上市規則第14A章的規定，貸款協議及其擬進行的交易需遵循報告和公告的規定要求，但獲豁免發送通函(包括獨立財務顧問)及獨立股東批准的要求。

截至二零二三年十二月三十一日，本公司應收世紀陽光集團控股有限公司之款項為8,961,000港元(二零二二年：零港元)。

37. MATERIAL RELATED PARTY TRANSACTIONS (continued)

- (f) As disclosed in the announcement of the Company published on 16 August 2023, the Company has entered into the loan agreements with Century Sunshine Group Holdings Limited for a term of 1 year from 16 August 2023 to 15 August 2024, pursuant to which the Company has agreed to provide a loan of less than HK\$10,000,000 to Century Sunshine Group Holdings Limited, bearing an interest rates of 5% per annum.

As Century Sunshine Group Holdings Limited is an intermediate holding company of the Company, and is therefore a connected person of the Company. Pursuant to Chapter 14A of the Listing Rules, the transaction contemplated under the loan agreement constitutes a connected transaction of the Company. As one or more of the relevant applicable ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the loan are less than 25%, and the loan principal under the Loan Agreement exceeds HK\$3,000,000 but is less than HK\$10,000,000, pursuant to Chapter 14A of the Listing Rules, the Loan Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements.

As at 31 December 2023, the amount due from Century Sunshine Group Holdings Limited is HK\$8,961,000 (2022: HK\$Nil).

37. 重大關連人士交易(續)

(g) 根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A.72條：

- 除上文(a)、(c)、(d)及(f)披露者外，董事認為附註37所披露之其他關聯方交易不再上市規則第14A章的定義下。
- 董事確認上文(a)項所載「應付中間控股公司管理費」悉數豁免上市規則第14A.73條及第14A.76條項下之報告、公告及股東批准之規定。
- 董事確認上文(c)項所載「應付Ming Xin Developments Limited款項」乃基於正常或較佳商業條款，且本集團並無資產作為抵押，因此悉數豁免上市規則第14A.73條及第14A.90條項下之報告、公告、通函及股東批准之規定。

除以上所披露外，董事認為，附註37及財務報表的其他部分所披露之其他關連人士交易並不符合上市規則第14A章中「關連交易」的定義。

37. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(g) Pursuant to Rule 14A.72 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

- Save as disclosed in the item (a), (c), (d) and (f) above, the Directors consider that the other related party transactions disclosed in the Note 37 do not fall under the definition of “connected transaction” in Chapter 14A of the Listing Rules.
- The Directors confirm that the transactions under “management fee paid to an intermediate holding company” set forth in item (a) above are fully exempt from the reporting, announcement, circular and shareholders’ approval requirements under Rule 14A.73 and Rule 14A.76 of the Listing Rules.
- The Directors confirm that the transaction under “amount due to Ming Xin Developments Limited” set forth in item (c) was conducted on normal commercial terms or better, and not secured by the assets of the Group, and thus are fully exempt from the reporting, announcement, circular and shareholders’ approval requirements under Rule 14A.73 and Rule 14A.90 of the Listing Rules.

Save as disclosed above, the Directors consider that the other related party transactions disclosed in the Note 37 and elsewhere in these financial statements do not fall under the definition of “connected transaction” in Chapter 14A of the Listing Rules.

38. 按類別劃分之金融工具

各類別金融工具於報告期末之賬面值如下：

38. 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:

二零二三年十二月三十一日 31 December 2023		按攤銷 成本計量之 金融資產 Financial assets at amortised cost 千港元 HK\$'000
金融資產	Financial assets	
應收貿易賬款及應收票據 列為按金及其他應收款項之金融資產	Trade receivables and bills receivable Financial assets included in deposits and other receivables	3,205 3,094
現金及現金等值項目	Cash and cash equivalents	39,945
應收中間控股公司之款項	Amount due from an intermediate holding company	8,961
		55,205
金融負債	Financial liabilities	按攤銷 成本計量之 金融負債 Financial liabilities at amortised cost 千港元 HK\$'000
應付貿易賬款 列為其他應付款項及應計費用之 金融負債	Trade payables Financial liabilities included in other payables and accruals	15,472 25,752
借款	Borrowings	334,848
應付直接控股公司之款項	Amount due to an immediate holding company	5,822
可換股債券	Convertible bonds	347,170
		729,064

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

38. 按類別劃分之金融工具(續)

38. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

二零二二年十二月三十一日 31 December 2022		按攤銷 成本計量之 金融資產 Financial assets at amortised cost 千港元 HK\$'000
金融資產	Financial assets	
應收貿易賬款	Trade receivables	1,498
列為按金及其他應收款項之金融資產	Financial assets included in deposits and other receivables	3,789
已抵押銀行存款	Pledged bank deposits	9,698
現金及現金等值項目	Cash and cash equivalents	28,599
		43,584
金融負債	Financial liabilities	按攤銷 成本計量之 金融負債 Financial liabilities at amortised cost 千港元 HK\$'000
應付貿易賬款	Trade payables	17,449
列為其他應付款項及應計費用之 金融負債	Financial liabilities included in other payables and accruals	23,244
借款	Borrowings	320,104
應付一名股東之款項	Amount due to a shareholder	2,871
可換股債券	Convertible bonds	320,048
		683,716

39. 金融工具之公允值及公允值等級

管理層已評估本集團之金融資產及負債之公允值結餘與賬面值相若，此乃頗大程度由於此等工具將於短期內到期。

40. 財務風險管理目標及政策

本集團主要金融工具包括應收貿易賬款及應收票據、按金及其他應收款項、應收中間控股公司之款項、現金及現金等值項目、已抵押銀行存款、應付貿易賬款、其他應付款項及應計費用、借款，以及應付直接控股公司之款項及可換股債券。

本集團金融工具產生的主要風險為信貸風險、流動資金風險及外幣風險。董事會檢討及同意管理此類風險的政策，概述如下：

信貸風險

本集團僅與認可且信譽良好的第三方進行交易。本集團的政策規定，所有欲以信貸條款進行交易的客戶均須遵守信貸驗證程序。此外，本集團持續監控應收款項結餘，而本集團的壞賬風險屬不重大。對於非以相關營運單位的功能貨幣計值的交易，未經信貸控制主管的特別批准，本集團不會提供信貸條款。

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of the Group's financial assets and liabilities, the balance were approximate to their carrying amounts largely due to the short term maturities of these instruments.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise trade and bills receivables, deposits and other receivables, amount due from an intermediate holding company, cash and cash equivalents, pledged bank deposits, trade payables, other payables and accruals, borrowings, and amount due to an immediate holding company and convertible bonds.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

40. 財務風險管理目標及政策

(續)

信貸風險(續)

本集團的內部信貸風險分級評估包括以下類別：

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Credit risk (continued)

The Group's internal credit risk grading assessment comprises the following categories:

內部信貸評級 Internal credit rating	描述 Description	應收貿易賬款 Trade receivables	其他金融資產 Other financial assets
低風險 Low risk	交易對手方的違約風險低且並無任何逾期款項 The counterparty has a low risk of default and does not have any past-due amounts	全期預期信貸虧損 – 未發生信貸減值 Lifetime ECL – not credit-impaired	12個月預期信貸虧損 12m ECL
監察名單 Watch list	債務人經常在到期後才還款，但通常悉數清償 Debtor frequently repays after due dates but usually settle in full	全期預期信貸虧損 – 未發生信貸減值 Lifetime ECL – not credit-impaired	12個月預期信貸虧損 12m ECL
存疑 Doubtful	根據內部生成或從外部所得資料，自初步確認以來信貸風險顯著上升 There have been significant increases in credit risk since initial recognition through information developed internally or externally	全期預期信貸虧損 – 未發生信貸減值 Lifetime ECL – not credit-impaired	全期預期信貸虧損 – 未發生信貸減值 Lifetime ECL – not credit-impaired
虧損 Loss	有證據顯示資產已發生信貸減值 There is evidence indicating the asset is credit-impaired	全期預期信貸虧損 – 已發生信貸減值 Lifetime ECL – credit-impaired	全期預期信貸虧損 – 已發生信貸減值 Lifetime ECL – credit-impaired
撇銷 Write-off	有證據顯示債務人陷入嚴重財困而本集團收回款項的機會渺茫 There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect	Amount is written off	Amount is written off

40. 財務風險管理目標及政策

(續)

下表詳載本集團須進行預期信貸虧損評估的金融資產所面臨的信貸風險：

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	附註 Notes	外部信貸 評級 External credit rating	內部信貸 評級 Internal credit ratings	12個月或全期預期 信貸虧損 12-month or lifetime ECL	賬面總值	
					Gross carrying amount	
					二零二三年 2023 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000
按攤銷成本計量的金融資產						
Financial assets at amortised cost						
應收貿易賬款	20		低風險	全期預期信貸虧損 - 未發生信貸減值 lifetime ECL-	1,660	1,523
Trade receivables	20		Low risk	not credit-impaired	1,660	1,523
			監察名單	全期預期信貸虧損 - 未發生信貸減值 lifetime ECL-not	-	-
			Watch list	credit-impaired	-	-
			存疑	全期預期信貸虧損 - 未發生信貸減值 lifetime ECL-not	-	-
			Doubtful	credit-impaired	-	-
			虧損	全期預期信貸虧損 - 已發生信貸減值 Lifetime ECL-	144,027	153,358
			Loss	credit-impaired	144,027	153,358
按金及其他應收款項	21		低風險	12個月預期信貸虧損	3,186	3,930
Deposits and other receivables	21		Low risk	12m ECL	3,186	3,930
已質押銀行存款	22	A3至Aa2	不適用	12個月預期信貸虧損	-	9,698
Pledged bank deposits	22	A3 to Aa2	N/A	12m ECL	-	9,698
銀行結餘	22	A3至Aa3	不適用	12個月預期信貸虧損	39,936	28,595
Bank balances	22	A3 to Aa3	N/A	12m ECL	39,936	28,595

40. 財務風險管理目標及政策

(續)

本集團已對應收貿易賬款應用香港財務報告準則第9號的簡化方法，按全期預期信貸虧損計量虧損撥備。除未償還結餘重大或已出現信貸減值的應收貿易賬款外，本集團對該等項目按賬齡及逾期狀況分組，整體釐定預期信貸虧損。

作為本集團信貸風險管理的一部分，本集團就其營運對其客戶應用內部信貸評級。下表提供於全期逾期信貸虧損內(未發生信貸減值)按集體基準評估有關應收貿易賬款所面臨信貸風險的資料。於二零二三年十二月三十一日已發生信貸減值而賬面總值為144,027,000港元(二零二二年：153,358,000港元)的賬款按獨立基準評估。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by aging status and past due status.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of HK\$144,027,000 as at 31 December 2023 (2022: HK\$153,358,000) were assessed individually.

內部信貸評級	Internal credit rating	二零二三年 2023		二零二二年 2022	
		平均虧損率 Average loss rate	應收貿易賬款 Trade receivables 千港元 HK\$'000	平均虧損率 Average loss rate	應收貿易賬款 Trade receivables 千港元 HK\$'000
低風險 監察名單	Low risk Watch list	0.7%	1,660	1.6%	1,523
		N/A	-	不適用 N/A	-
存疑	Doubtful	N/A	-	不適用 N/A	-
			1,660		1,523

估計虧損率乃根據應收貿易賬款於預期存續期內的違約概率及違約損失率作出估計，並按毋須付出過多成本或努力即可獲得的前瞻性資料予以調整。

截至二零二三年十二月三十一日止年度，本集團根據整體評估確認應收貿易賬款減值虧損撥回13,000港元(二零二二年：撥備19,000港元)。撥回曾為結餘重大並已發生信貸減值的賬款計提減值撥備3,935,000港元(二零二二年：撥備104,192,000港元)。

The estimated loss rates are estimated based on probability of default and loss given default over the expected life of the trade receivables and are adjusted for forward-looking information that is available without undue costs or effort.

During the year ended 31 December 2023, the Group provided reversal of HK\$13,000 (2022: allowance for HK\$19,000) impairment loss recognised for trade receivables based on collective assessment. Reversal of allowance of HK\$3,935,000 (2022: allowance of HK\$104,192,000) were made on debtors with significant balance and credit-impaired debtors.

40. 財務風險管理目標及政策

(續)

下表列示已按簡化方法確認的應收貿易賬款全期預期信貸虧損的變動：

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

		全期預期 信貸虧損 (未出現信 貸減值)	全期預期 信貸虧損 (已出現信 貸減值)	總數
		Lifetime ECL (not credit- impaired) 千港元 HK\$'000	Lifetime ECL (credit- impaired) 千港元 HK\$'000	Total 千港元 HK\$'000
於二零二二年一月一日	At 1 January 2022	5,717	51,185	56,902
轉移	Transfer	(4,459)	4,459	-
已確認減值虧損撥備 淨額	Impairment losses recognised, net	(19)	104,192	104,173
匯兌差額	Exchange difference	(1,214)	(6,478)	(7,692)
於二零二二年 十二月三十一日及 於二零二三年一月一日	At 31 December 2022 and 1 January 2023	25	153,358	153,383
已確認減值虧損淨額	Impairment losses recognised, net	(13)	(3,935)	(3,948)
匯兌差額	Exchange difference	(1)	(5,396)	(5,397)
於二零二三年 十二月三十一日	At 31 December 2023	11	144,027	144,038

40. 財務風險管理目標及政策

(續)

就按金及其他應收款項的內部風險管理而言，本集團使用過往資料來評估信貸風險是否已自初步確認以來顯著上升。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

For the purpose of internal credit risk management of deposits and other receivables, the Group uses past due informations to assess whether credit risk has increased significantly since initial recognition.

		未逾期 Not past due 千港元 HK\$'000	已逾期 Past due 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零二三年 按金及其他應收款項	2023 Deposits and other receivables	3,186	-	3,186
二零二二年 按金及其他應收款項	2022 Deposits and other receivables	3,930	-	3,930

就按金及其他應收款項而言，管理層根據行業信貸評級及違約率對按金及其他應收款項的可收回性進行週期性獨立評估。管理層認為，該等款項的信貸風險自初步確認以來並無顯著上升，而本集團按12個月預期信貸虧損計提減值撥備。

For deposits and other receivables, the management makes periodic individual assessment on the recoverability of deposits and other receivables based on industry credit rating and default rate. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

40. 財務風險管理目標及政策

(續)

下表顯示已就按金及其他應收款項確認的預期信貸虧損的變動。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

The following table show the movement of ECL that has been recognised for deposits and other receivables.

		12個月 預期信貸虧損	全期預期 信貸虧損 (未出現信 貸減值)	全期預期 信貸虧損 (已出現信 貸減值)	總數
		12m 千港元 HK\$'000	Lifetime ECL (not credit- impaired) 千港元 HK\$'000	Lifetime ECL (credit- impaired) 千港元 HK\$'000	Total 千港元 HK\$'000
於二零二二年一月一日	At 1 January 2022	132	-	-	132
已確認減值虧損淨額	Impairment losses recognised, net	18	-	-	18
匯兌差額	Exchange difference	(8)	-	-	(8)
於二零二二年十二月三十一日 及於二零二三年一月一日	At 31 December 2022 and 1 January 2023	142	-	-	142
已確認減值虧損撥回淨額	Reversal of impairment losses recognised, net	(44)	-	-	(44)
匯兌差額	Exchange difference	(5)	-	-	(5)
於二零二三年十二月三十一日	At 31 December 2023	93	-	-	93

40. 財務風險管理目標及政策

(續)

就已質押銀行存款及銀行結餘而言，由於交易對手均為信譽良好且獲國際信貸機構給予高度信貸評級的銀行，因此信貸風險有限。本集團參考外部信貸評級機構所發佈有關各信貸評級的違約概率及違約損失率程度的資料，評估銀行結餘的12個月預期信貸虧損。根據平均損失率，銀行結餘的12個月預期信貸虧損被認為並不重大，因此並無確認虧損撥備。

利率風險

本集團就已抵押銀行存款及固定利率借款面臨公允值利率風險(有關詳情請分別參閱附註22及25)。

由於管理層認為本集團的上述公允值利率風險並不重大，故於年內管理層並無進行利率掉期或其他對沖活動。

由於銀行存款及浮動利率銀行借款的現行市場利率的波動，本集團亦面臨現金流量利率風險。本集團的現金流量利率風險主要集中於銀行結餘及借款利率的波動。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

For pledged bank deposits and bank balances, the credit risk is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Interest Rate Risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits and fixed-rate borrowings (see Notes 22 and 25 respectively for details).

As management considers the Group's exposure to the above fair value interest rate risk is not significant, no interest rate swaps or other hedging activities are undertaken by management during the year.

The Group is also exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and borrowings.

40. 財務風險管理目標及政策

(續)

敏感度分析

倘於二零二三年十二月三十一日的浮動利率借款利率較實際上的實際利率高/低10個基點(年利率0.1%)(二零二二年：10個基點)，本集團的年內除稅後虧損將增加/減少約36,000港元(二零二二年：年內除稅後虧損將增加/減少約35,000港元)。

本集團亦面臨與以現行市場利率計息的銀行結餘有關的現金流量利率風險。然而，由於銀行結餘均為短期性質，故本集團的有關風險微乎其微。

流動資金風險

本集團以經常性流動資金規劃工具監察其資金短缺風險。該工具審議其金融工具及金融資產(如應收貿易賬款)之到期情況，並預測經營業務之現金流量情況。

本集團運用銀行借款及銀行信貸額，致力在資金持續性及靈活性中間取得平衡。本集團於二零二三年十二月三十一日一年內到期之銀行借款乃根據賬面值反映於財務報表內。

下表描述本集團截至報告期末根據合約未折現付款之金融負債。尤其是，按要求條款償付借款及債權人要求立即償還之款項計入最早時間範圍內。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Sensitivity Analysis

If interest rates on variable-rate borrowings as at 31 December 2023 had been 10 basis points (0.1% per annum) (2022: 10 basis points) higher/lower than the actual effective interest rate, the Group's post-tax loss for the year would increase/decrease by approximately HK\$36,000 (2022: post tax loss for the year would increase/decrease by approximately HK\$35,000).

The Group is also exposed to cash flow interest rate risk in relation to bank balances carried at prevailing market rate. However, such exposure is minimal to the Group as the bank balances are all short-term in nature.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings and banking facilities. The Group's bank borrowings would mature in less than one year as at 31 December 2023 based on the carrying value of borrowings reflected in the financial statements.

The following tables described the maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments. Specifically, borrowing with repayment on demand clause and amounts being demanded by the creditors for immediate repayment are included in the earliest time band.

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

40. 財務風險管理目標及政策

(續)

流動資金風險(續)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Liquidity risk (continued)

		二零二三年十二月三十一日 31 December 2023				
		加權平均 實際利率 Weighted average effective interest rate %	按要求或 少於一年 On demand or less than 1 year 千港元 HK\$'000	超過一年 Over 1 year 千港元 HK\$'000	未貼現現金 流量總額 Total undiscounted cash flows 千港元 HK\$'000	賬面值 Carrying amount 千港元 HK\$'000
應付貿易賬款	Trade payables	-	15,472	-	15,472	15,472
列為其他應付款項及應計費用 之金融負債	Financial liabilities included in other payables and accruals	-	25,752	-	25,752	25,752
借款	Borrowings	7.31	114,949	298,401	413,350	334,848
應付一名股東之款項	Amount due to a shareholder	-	5,822	-	5,822	5,822
可換股債券	Convertible bonds	8.47	29,504	428,886	458,390	347,170
			191,499	727,287	918,786	729,064

		二零二二年十二月三十一日 31 December 2022				
		加權平均 實際利率 Weighted average effective interest rate %	按要求或 少於一年 On demand or less than 1 year 千港元 HK\$'000	超過一年 Over 1 year 千港元 HK\$'000	未貼現現金 流量總額 Total undiscounted cash flows 千港元 HK\$'000	賬面值 Carrying amount 千港元 HK\$'000
應付貿易賬款	Trade payables	-	17,449	-	17,449	17,449
列為其他應付款項及應計費用 之金融負債	Financial liabilities included in other payables and accruals	-	23,244	-	23,244	23,244
借款	Borrowings	6.70	122,270	219,281	341,551	320,104
應付一名股東之款項	Amount due to a shareholder	-	2,871	-	2,871	2,871
可換股債券	Convertible bonds	8.47	27,122	431,268	458,390	320,048
			192,956	650,549	843,505	683,716

40. 財務風險管理目標及政策

(續)

外幣風險

鑑於本集團大部分業務交易、資產及負債主要以各附屬公司的功能貨幣計值，故此並沒有承受巨大的外匯風險。本集團目前並無就外幣交易、資產及負債訂立外幣對沖政策。本集團將密切監測其外匯風險，並在需要時考慮對沖重大外幣風險。

資本管理

本集團之資本管理，主要目標乃保障本集團能持續經營，並維持健康之資本比率，以支持其業務及提高股東價值。

本集團管理其資本架構，並因應經濟狀況之變動及資產風險特性作出調整。在保持或調整其資本架構時，本集團或會向股東退回資本或發行新股份。於截至二零二三年十二月三十一日及二零二二年十二月三十一日止年度，其目標、政策或程序並無變動。

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Foreign currency risk

The Group does not have significant exposures to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective subsidiaries. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its significant foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

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 manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2023 and 31 December 2022.

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

41. 本公司之財務狀況表

本公司於報告期末之財務狀況表資料如下：

41. 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:

		二零二三年 十二月三十一日 31 December 2023 千港元 HK\$'000	二零二二年 十二月三十一日 31 December 2022 千港元 HK\$'000
非流動資產	NON-CURRENT ASSET		
附屬公司之投資	Investments in subsidiaries	886,257	990,467
流動資產	CURRENT ASSETS		
應收附屬公司款項	Amounts due from subsidiaries	214,375	218,108
預付款項	Prepayments	-	1,524
應收中間控股公司之款項	Amount due from an intermediate holding company	8,961	-
現金及銀行結餘	Cash and bank balances	209	257
流動資產總額	Total current assets	223,545	219,889
流動負債	CURRENT LIABILITIES		
其他應付款項及應計費用	Other payables and accruals	1,323	1,861
應付直接控股公司之款項	Amount due to an immediate holding company	5,822	2,871
流動負債總額	Total current liabilities	7,145	4,732
流動資產淨值	NET CURRENT ASSETS	216,400	215,157
資產總額減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES	1,102,657	1,205,624

41. 本公司之財務狀況表(續)

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

		二零二三年 十二月三十一日 31 December 2023 千港元 HK\$'000	二零二二年 十二月三十一日 31 December 2022 千港元 HK\$'000
非流動負債	NON-CURRENT LIABILITIES		
借款	Borrowings	223,620	205,512
可換股債券	Convertible bonds	347,170	320,048
遞延稅項負債	Deferred tax liabilities	4,623	6,861
非流動負債總額	Total non-current liabilities	575,413	532,421
資產淨值	Net assets	527,244	673,203
權益	EQUITY		
已發行股本	Issued capital	5,926	3,950
儲備(附註)	Reserves (note)	521,318	669,253
權益總額	Total equity	527,244	673,203

財務報表於二零二四年三月二十八日經董事會審批及授權刊印，並由下列董事代表簽署：

The financial statement was approved and authorised for issue by the board of directors on 28 March 2024 and was signed on its behalf by:

沈世捷先生
Mr. Shum Sai Chit
董事
Director

池斯樂女士
Ms. Chi Sile
董事
Director

財務報表附註(續)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

截至二零二三年十二月三十一日止年度 For the year ended 31 December 2023

41. 本公司之財務狀況表(續)

附註：

本公司之儲備概要如下：

		股份溢價賬 Share premium account 千港元 HK\$'000	繳入盈餘 Contributed surplus 千港元 HK\$'000	資本 贖回儲備 Capital redemption reserve 千港元 HK\$'000	可換股債券 權益儲備 Convertible bond equity reserve 千港元 HK\$'000	購股權儲備 Share option reserve 千港元 HK\$'000	累計虧損 Accumulated losses 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零二二年一月一日	As at 1 January 2022	1,562,634	21,976	419	-	30,324	(1,135,269)	480,084
年度虧損及全面虧損總額	Loss and total comprehensive loss for the year	-	-	-	-	-	(531,519)	(531,519)
股本重組	Capital reorganisation	-	655,147	-	-	-	-	655,147
發行股份，扣除交易成本	Issue of shares, net of transaction cost	28,972	-	-	-	-	-	28,972
發行可換股債券	Issue of convertible bonds	-	-	-	42,512	-	-	42,512
與發行可換股債券有關之遞延稅項	Deferred tax related to issuance of convertible bonds	-	-	-	(6,861)	-	-	(6,861)
已失效購股權	Share option lapsed	-	-	-	-	(596)	596	-
股權結算股份付款之交易	Equity settled share-based transactions	-	-	-	-	918	-	918
於二零二二年十二月三十一日及二零二三年一月一日	As at 31 December 2022 and 1 January 2023	1,591,606	677,123	419	35,651	30,646	(1,666,192)	669,253
年度虧損及全面支出總額	Loss and total comprehensive expense for the year	-	-	-	-	-	(160,645)	(160,645)
已失效購股權	Share option lapsed	-	-	-	-	(30,646)	30,646	-
發行供股股份	Issue of rights shares	12,710	-	-	-	-	-	12,710
於二零二三年十二月三十一日	As at 31 December 2023	1,604,316	677,123	419	35,651	-	(1,796,191)	521,318

本公司之繳入盈餘指根據一九九三年本公司之股份上市前所進行之集團重組而收購之附屬公司股份之公允值超逾為交換此等股份而發行之本公司股份面值之部份。根據一九八一年百慕達公司法，一間公司可在若干情況下，以繳入盈餘賬內之款項向其成員作出分派。

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(continued)

Note:

A summary of the Company's reserves is as follows:

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares in 1993, over the nominal value of the Company's shares issued in exchange therefor. Under the Bermuda Companies Act 1981, a company may make distributions to its members out of the contributed surplus in certain circumstances.

42. 法律訴訟及或然負債

- (a) 白山天安金屬鎂礦業有限公司(「白山天安」)，為本集團在中國境內的附屬公司，誠如2022年報中所述，於2021年6月2日，白山天安接獲一間中國銀行就天安公司違反貸款條款及條件發出了中國法院傳訊令狀，該銀行向白山天安提呈申索，要求償還約人民幣64,000,000元的未償還本金，以及利息和其他相關費用。至2022年3月16日，吉林省白山市中級人民法院(白山法院)發出的執行裁定書，裁定銀行申請查封白山天安擁有的資產。於同年12月22日，法院解除了對白山天安採礦權的查封。及後白山天安於2024年2月5日白山法院的執行裁定書，通知將在2024年3月10日至11日拍賣白山天安抵押資產，拍賣總價約人民幣1.33億元，截止本報告發佈之日，該拍賣已流拍。

目前，白山天安的債務重組仍在進行中，但由於流動資金的短缺和訴訟執行的影響，重組過程變得更為困難，也妨礙了白山天安的正常運營。本集團正積極與債權人進行溝通，希望通過和解解決訴訟，以便為相關企業獲得重組的時間和空間。若無法和債權人達成新的協議，債權人可能會重啟法律程序來申請執行法院的裁決。本集團將根據白山天安債務重組的進展情況，及時公佈相關信息，讓股東及投資者了解任何有關重組或訴訟的重大進展。

42. LITIGATIONS AND CONTINGENT LIABILITIES

- (a) Baishan City Tianan Magnesium Resources Company Limited (“Baishan Tianan”), a PRC subsidiary of the Group, received a court summons from a PRC bank on 2 June 2021, as disclosed in our 2022 annual report. This summons was regarding a breach of loan terms and conditions by Baishan Tianan, with the bank demanding repayment of approximately 64 million yuan in principal that had not been settled, along with interest and other related costs. As of 16 March 2022, the Baishan Intermediate People’s Court of Jilin Province issued an execution ruling, approving the bank’s application to freeze certain assets owned by Baishan Tianan. However, on December 22 of the same year, the court lifted the freezing on the mining rights of Baishan Tianan. Subsequently, Baishan Tianan was notified by the Baishan Court through an execution ruling on 5 February 2024, that its pledged assets would be auctioned from 10 March to 11 March 2024, with a starting price of approximately RMB133 million. As of the date of this report, the auction has failed without any bids.

Currently, the debt restructuring process for Baishan Tianan is still ongoing, but it has become increasingly difficult due to a shortage of liquid funds and the impact of litigation enforcement, which also hinders the regular operations of the company. The Group is actively communicating with creditors, hoping to resolve the lawsuits through settlements to provide the related enterprises with the necessary time and space for restructuring. If a new agreement cannot be reached with the creditors, they may resume legal proceedings to enforce the court’s judgment. The Group will disclose relevant information in a timely manner based on the progress of Baishan Tianan’s debt restructuring, to keep shareholders and investors informed of any significant developments related to the restructuring or litigation.

42. 法律訴訟及或然負債(續)

- (b) 茲提述本公司日期為二零二一年八月一日之公告，本公司收到臨沂市中級人民法院(「臨沂法院」)有關一間中國銀行申請強制執行該銀行向山東紅日授出的金額為人民幣124,960,000元的貸款擔保的書面裁定(「裁定」)，有關擔保乃由本集團若干附屬公司提供。

於二零二一年十一月二十五日，該中國銀行向臨沂法院遞交申請以撤銷執行。根據臨沂法院二零二一年十二月一日的書面裁定，該申請獲批准，執行獲撤銷。

誠如上文披露，董事認為直至報告日期，概無重大法律訴訟會對本集團之業務、運營及財務狀況產生重大不利影響。

43. 報告期後事項

本集團之於報告期後有一項建議拍賣。詳情如下：

本公司收到白山法院日期為二零二四年二月五日之執行裁定書並獲悉，白山法院將於二零二四年三月十日至二零二四年三月十一日期間拍賣白山天安資產，拍賣總底價約人民幣182,790,000元。

於報告日期，拍賣並未成功。

44. 授權刊印綜合財務報表

綜合財務報表於二零二四年三月二十八日已獲得董事會批准及授權刊印。

42. LITIGATIONS AND CONTINGENT LIABILITIES *(continued)*

- (b) Reference is made to the announcement of the Company dated 1 August 2021, the Company received a written ruling (the "Ruling") from Linyi Intermediate People's Court ("Linyi Court") regarding a PRC bank's application to enforce guarantees of loans amounting to RMB124.96 million granted to Shandong Hongri by the bank that have been provided by certain subsidiaries of the Group.

On 25 November 2021, the PRC bank had submitted an application to Linyi Court to withdraw the enforcement. Pursuant to the written ruling from Linyi Court dated 1 December 2021, such application was approved and the enforcement was withdrawn.

Save as disclosed above, the Directors consider that up to report date there were no significant litigations would have material adverse impact on the business, operation and financial position of the Group.

43. EVENTS AFTER THE REPORTING PERIOD

There is a proposed auction for the Group on subsequent event. The detail is shown as follow:

The Company has received an execution ruling from the Baishan Court dated 5 February 2024, and has been informed that the Baishan Court carried out an auction in related to the Baishan Tianan Assets from 10 March 2024 to 11 March 2024, with a total reserve price of approximately RMB182.79 million.

As of the date of this report, the auction has been unsuccessful.

44. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2024.

本概要並非組成經審核財務報表之其中一部份。

This summary does not form part of the audited financial statements.

業績

RESULTS

		截至 二零一九年 十二月三十一日 止年度 For the year ended 31 December 2019 千港元 HK\$'000 附註(i) 及附註(ii) Note (i) and Note (ii)	截至 二零二零年 十二月三十一日 止年度 For the year ended 31 December 2020 千港元 HK\$'000	截至 二零二一年 十二月三十一日 止年度 For the year ended 31 December 2021 千港元 HK\$'000	截至 二零二二年 十二月三十一日 止年度 For the year ended 31 December 2022 千港元 HK\$'000	截至 二零二三年 十二月三十一日 止年度 For the year ended 31 December 2023 千港元 HK\$'000
收入	Revenue	1,515,291	744,836	416,060	383,899	263,491
稅前溢利／(虧損)	Profit/(loss) before tax	263,128	(68,648)	(326,725)	5,632	(425,911)
所得稅	Income tax	(53,396)	(5,363)	(5,158)	(4,228)	2,311
本年度溢利／(虧損)	Profit/(loss) for the year	209,732	(74,011)	(331,883)	1,404	(423,600)
以下人士應佔溢利／(虧損)：	Profit/(Loss) attributable to:					
本公司股權持有人	Equity holders of the Company	209,732	(74,011)	(331,883)	1,404	(423,600)
非控制性權益	Non-controlling interests	-	-	-	-	-
本年度溢利／(虧損)	Profit/(loss) for the year	209,732	(74,011)	(331,883)	1,404	(423,600)

資產與負債

ASSETS AND LIABILITIES

		於二零一九年 十二月三十一日 As at 31 December 2019 千港元 HK\$'000 附註(i) Note (i)	於二零二零年 十二月三十一日 As at 31 December 2020 千港元 HK\$'000	於二零二一年 十二月三十一日 As at 31 December 2021 千港元 HK\$'000	於二零二二年 十二月三十一日 As at 31 December 2022 千港元 HK\$'000	於二零二三年 十二月三十一日 As at 31 December 2023 千港元 HK\$'000
資產總額	Total assets	2,554,324	2,556,832	2,360,619	1,873,174	1,442,531
負債總額	Total liabilities	(1,166,437)	(1,104,910)	(1,171,677)	(777,222)	(829,570)
		1,387,887	1,451,922	1,188,942	1,095,952	612,961
本公司股權持有人應佔股權	Equity attributable to equity holders of the Company	1,387,887	1,451,922	1,188,942	1,095,952	612,961
		1,387,887	1,451,922	1,188,942	1,095,952	612,961

附註：

- (i) 業績及資產與負債之比較數字乃按相應年度已刊發之往年年報而編製。
- (ii) 本集團之呈列猶如截至二零一八年十二月三十一日止年度之已終止經營業務於比較期初經已終止。

Notes:

- (i) The comparative figures of the results and asset and liabilities have been prepared based on the previous annual report published in the corresponding years.
- (ii) The Group has re-presented as if the operation discontinued during the year ended 31 December 2018 had been discontinued at the beginning of the comparative period.