



TIAN CHANG GROUP HOLDINGS LTD. 天長集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2182



ANNUAL REPORT 年報

《《 2023 》》

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Tsan Lam (*Chairman*)
Ms. Poon Po Han Lisa
Ms. Chan Yin Yan

Independent Non-Executive Directors

Mr. Ng Chi Wai
Mr. Hung Chun Leung
Mr. Chan Bing Kai

COMPANY SECRETARY

Ms. Poon Po Han Lisa

AUTHORISED REPRESENTATIVES

Mr. Chan Tsan Lam
Ms. Poon Po Han Lisa

AUDIT COMMITTEE

Mr. Ng Chi Wai (*Chairman*)
Mr. Hung Chun Leung
Mr. Chan Bing Kai

REMUNERATION COMMITTEE

Mr. Chan Bing Kai (*Chairman*)
Mr. Chan Tsan Lam
Mr. Ng Chi Wai

NOMINATION COMMITTEE

Mr. Chan Tsan Lam (*Chairman*)
Mr. Hung Chun Leung
Mr. Ng Chi Wai

REGISTERED OFFICE

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

WEBSITE OF THE COMPANY

www.hkctgroup.com

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

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Dongjiang High New Technology
Industrial Park, Zhongkai Hi-Tech District,
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China

董事會

執行董事

陳燦林先生(*主席*)
潘寶嫻女士
陳燕欣女士

獨立非執行董事

吳志偉先生
洪俊良先生
陳秉階先生

公司秘書

潘寶嫻女士

授權代表

陳燦林先生
潘寶嫻女士

審核委員會

吳志偉先生(*主席*)
洪俊良先生
陳秉階先生

薪酬委員會

陳秉階先生(*主席*)
陳燦林先生
吳志偉先生

提名委員會

陳燦林先生(*主席*)
洪俊良先生
吳志偉先生

註冊辦事處

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

公司網站

www.hkctgroup.com

中華人民共和國(「中國」)主要營業 地點

中國
廣東省惠州市
仲愷高新區
東江高新科技產業園
興德東路2號

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop Unit 6
13th Floor, Block B
Hoi Luen Industrial Centre
55 Hoi Yuen Road
Kwun Tong
Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Mazars CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
42nd Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAWS

Adrian Lau & Yim Lawyers
Units 610-611, 6/F, Tower 2
Lippo Centre, 89 Queensway, Admiralty,
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Dah Sing Bank Limited
Bank of Communications Co., Ltd.

STOCK CODE

2182

香港總部及主要營業地點

香港
觀塘
開源道55號
開聯工業中心
B座13樓
6室

香港股份過戶登記處

卓佳證券登記有限公司
香港
夏慤道16號
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Conyers Trust Company (Cayman) Limited
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核數師

中審眾環(香港)會計師事務所有限公司
執業會計師
註冊公眾利益實體核數師
香港
灣仔
港灣道18號
中環廣場42樓

香港法律的法律顧問

劉永雄 • 嚴穎欣律師事務所
香港金鐘
金鐘道89號力寶中心
2座6樓610-611室

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
大新銀行有限公司
交通銀行股份有限公司

股份代號

2182

CHAIRMAN'S STATEMENT

主席致辭

TO THE SHAREHOLDERS

On behalf of the board (the "Board") of directors (the "Directors") of Tian Chang Group Holdings Ltd. (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2023 (the "Year").

BUSINESS REVIEW

The Group operates its business through three segments, namely integrated plastic solutions segment, electronic cigarette (the "e-cigarettes") products segment and medical consumable products segment. The integrated plastic solutions segment engages in mould design and fabrication services as well as plastic component design and manufacturing services. The e-cigarettes products segment engages in the manufacturing and sales of e-cigarettes products. The Group's medical consumable products segment engages in the manufacturing and sales of disposable face masks products under our own brand name of "CAREWE". The Group distributes our products within the domestic market and to overseas markets, including Europe, Asia and the United States (the "U.S."). During 2023, the Group obtained the Authorised Economic Operator ("AEO") Certificate issued by the China Customs, which could improve the operational efficiency of the Group.

During 2023, the macroeconomy and consumer confidence were inevitably affected by high inflation rate for necessities and high interest rates. It was an uneasy year for most of the businesses. Additionally, as disclosed in the Company's public announcements dated 14 March 2022, 14 June 2023 and 12 January 2024, the exclusivity term between the major customer of e-cigarette products ("Exclusivity") was removed. Therefore, the number of sales orders for e-cigarettes products was adversely affected. The Group recorded a decrease in both revenue and profit after tax during the year. Facing all these uncontrollable external factors and the volatility environment, throughout the year, the Group has integrated the team and invested in research and development projects to support the long-term development of the Group. A research and development centre was established in our Shenzhen office, primarily focusing on advancement of the core technology of e-cigarette, including atomization technology, coils technology and other related technologies.

During the Year, the Group's total revenue amounted to approximately HK\$697.5 million, representing a decrease of approximately 39.0% (2022: HK\$1,143.9 million). The Group recorded a gross profit of approximately HK\$135.9 million (2022: HK\$260.1 million) with a gross profit margin of approximately 19.5% (2022: 22.7%).

致股東：

本人謹代表天長集團控股有限公司(「本公司」)董事(「董事」)會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至2023年12月31日止年度(「本年度」)的年度報告。

業務回顧

本集團通過三個分部經營其業務，即一體化注塑解決方案分部、電子煙(「電子煙」)產品分部及醫療消耗品分部。一體化注塑解決方案分部從事模具設計及製作服務以及注塑組件設計及製造服務。電子煙產品分部從事製造及銷售電子煙產品。本集團的醫療消耗品分部以我們的自有品牌「CAREWE」從事製造及銷售即棄口罩產品。本集團將我們的產品分銷至國內市場及海外市場，包括歐洲、亞洲及美國(「美國」)。於2023年，本集團已取得由中國海關頒發的高級認證企業證書(「AEO」)，有效提升集團營運效率。

於2023年，宏觀經濟及消費者信心不可避免地受到必需品通脹率高企及高利率的影響。對大多數企業而言，這是艱難的一年。此外，如本公司發佈的日期為2022年3月14日、2023年6月14日及2024年1月12日的公告所披露，電子煙產品主要客戶之間的獨家權(「獨家權」)條款已取消。因此，電子煙產品的銷售訂單數量受到了不利影響。本集團錄得本年度收益及除稅後溢利減少。面對該等不可控外部因素及動蕩環境，本集團於年內整合團隊並投資研發項目，為本集團的長遠發展提供了支持。我們於深圳辦事處成立了研發中心，主要致力提高電子煙的核心技術，包括霧化技術、發熱絲技術及其他相關技術。

於本年度，本集團的總收益約為697.5百萬港元，減少約39.0%(2022年：1,143.9百萬港元)。本集團錄得毛利約135.9百萬港元(2022年：260.1百萬港元)，毛利率約19.5%(2022年：22.7%)。

The Group recorded a profit for the Year attributable to equity holders of the Company of approximately HK\$23.5 million (2022: HK\$105.9 million). Basic earnings per share attributable to equity holders of the Company were approximately 3.78 HK cents (2022: 17.09 HK cents).

FUTURE PLAN AND PROSPECTS

The high inflation rate, high interest rate and risk of a downturn in the global economy will continue to cast uncertainties over the business environment and consumption confidence. In light of this challenging business environment, we will continue our efforts in prospecting new customers who are seeking high quality e-cigarettes and plastic products. In addition, with the assistance of the newly set up research and development centre, the Group's core technologies and competitive advantages will be greatly enhanced. This enhancement will contribute to the expansion of the product range, including but not limited to e-cigarette products and medical consumable products, and provide momentum for long-term growth. In the meantime, the Group will strive to improve cost efficiency to strengthen competitiveness. Considering all aspects of the development mentioned above, we are optimistic about the Group's future prospects.

APPRECIATION

On behalf of the Board, I would like to express my most sincere gratitude towards the continual support from the shareholders and the valuable contributions of the staff. The management team will continue to fulfill its duties to create more values for the shareholders.

Chan Tsan Lam
Chairman

Hong Kong, 28 March 2024

本集團錄得本公司權益持有人應佔本年度溢利約23.5百萬港元(2022年：105.9百萬港元)。本公司權益持有人應佔每股基本盈利約為3.78港仙(2022年：17.09港仙)。

未來計劃及前景

高通脹率、高利率及全球經濟衰退的風險將持續給商業環境及消費信心帶來不確定性。鑒於這個充滿挑戰的商業環境，我們將繼續努力尋找對高品質電子煙及塑料產品有需求的新客戶。此外，在新成立研發中心的協助下，本集團的核心技術及競爭優勢將大力提升。該提升將有助於擴大我們的產品範圍，包括但不限於電子煙產品及醫療器械產品，並為長期成長帶來動能。同時，本集團將繼續努力提升成本效益以增強競爭力。綜合以上各方面的發展，我們對本集團未來發展充滿期待。

致謝

本人謹代表董事會就股東的長期支持以及員工的寶貴貢獻致以最誠摯的謝意。管理團隊將繼續履行所肩負的職責，以為股東創造更多價值。

主席
陳燦林

香港，2024年3月28日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS SEGMENT ANALYSIS

Integrated Plastic Solutions

Revenue from the integrated plastic solutions business division was mainly derived from (i) the design and fabrication of plastic injection moulds; and (ii) design and manufacturing of plastic components employing the plastic injection moulds fabricated internally or by our subcontractors.

The Group is able to specifically engineer and fabricate, with cavities plastic injection moulds, to shape the plastic components in accordance with the desired and customised design, features and specifications. The Group has the technical capabilities to fabricate moulds that meet the MT1 precision level as defined by the "National Standard of the People's Republic of China GB/T14486-2008-Dimensional Tolerances for Moulded Plastic Parts" (中華人民共和國國家標準GB/T14486-2008-塑料模塑件尺寸公差) which is the highest precision level under the national guidelines. By utilising the plastic injection process and applying the plastic injection moulds fabricated by the Group or, in limited cases, external subcontractors, the Group manufactures plastic components for office furniture, office electronic products, home appliances, communication products, automobiles, solar system and pool cleaners.

Manufacturing of e-cigarette products

The Group manufactures e-cigarettes products as an original equipment manufacturer ("OEM") and sells to overseas and the People's Republic of China (the "PRC"). Such e-cigarette products include disposable e-cigarettes, refillable e-cigarettes, battery rods, clearomisers, liquidpods and heated tobacco device. As disclosed on the announcement dated 14 March 2022, the restrictive clause for accepting the order from other customer in manufacturing the products which is similar or competing to the products manufacturing for the well-known tobacco group customer had been cancelled.

The Group obtained the Tobacco Monopoly Production Enterprise License issued by the State Tobacco Monopoly Administration of the People's Republic of China in respect of OEM with validity period from 28 June 2022 to 30 June 2023. In 2023, the license has been further extended for two years.

Manufacturing of medical consumable products

The Group manufactures disposable face masks by utilising the cleanroom facilities in the Group's production plant in Huizhou and acquiring disposable face mask production machines since 2020, as disclosed in the announcement of the Company dated 7 July 2020. Apart from this, the Group also engages in the manufacturing and sales of medical devices products.

業務分部分析

一體化注塑解決方案

一體化注塑解決方案業務分部的收益主要來自(i)注塑模具的設計及製作；及(ii)藉助內部或分包商製作的注塑模具進行注塑組件的設計及製造。

本集團能根據所需成型及定制注塑組件的設計、特點及規格特別設計及製作注塑模具及其型腔。本集團有相關技術能力，所製作的模具能達到《中華人民共和國國家標準GB/T14486-2008—塑料模塑件尺寸公差》所界定的國家指引最高級精密等級MT1精密等級。本集團藉助注塑工序及應用由本集團或(在少數情況下)外部分包商所製作的注塑模具製造辦公傢俱、辦公電子產品、家用電器、通訊產品、汽車、太陽能系統及泳池清潔器所需的注塑組件。

電子煙產品的製造

本集團作為代工製造商(「OEM」)製造電子煙產品並銷往海外及中華人民共和國(「中國」)。有關電子煙產品包括一次性電子煙、可注油電子煙、電池桿、霧化器、蒸汽煙及加熱煙裝置。誠如日期為2022年3月14日的公告所披露，有關從其他客戶承接與知名煙草集團客戶之產品相似或構成競爭產品的訂單限制條款已取消。

本集團取得由中華人民共和國國家煙草專賣局就OEM頒發的煙草專賣生產企業許可證，有效期自2022年6月28日至2023年6月30日。於2023年，本集團已將有關許可證再延長兩年。

醫療消耗品的製造

誠如本公司日期為2020年7月7日的公告所披露，本集團自2020年起透過使用本集團於惠州製造廠的潔淨廠房設施及購入即棄口罩生產機器生產即棄口罩。除此之外，本集團亦從事醫療器械產品的生產及銷售。

BUSINESS SEGMENT ANALYSIS (CONTINUED)

Manufacturing of medical consumable products (Continued)

The cleanroom facility in Huizhou has been certified in compliance with the standard of “YY/T 0033-2000 Good manufacture practice for sterile medical devices” as recognised by the National Medical Products Administration in the PRC. The manufacturing quality system has also fulfilled the standard of EN ISO13485:2016 Medical Devices-Quality Management Systems as certified by the Société Générale de Surveillance S.A. (“SGS”). In addition, the Group has been granted Medical Device Manufacturing Enterprise License (醫療器械生產許可證) on medical device production issued by the National Medical Products Administration in the PRC.

The procedure face masks have been tested and proved to have attained the standard of ASTM F2100 Level 3 in the U.S. and the standard of EN14683 Type IIR in Europe. Apart from the procedure face masks, the Group also developed face masks with higher level of protection, such as particulate face masks – KN95 and FFP2. The particulate face masks – KN95, has passed the requirements of GB2626-2019 standard in the PRC and NIOSH N95 – Pre-Certification Test issued by the ICS Laboratories in the U.S. In addition, the particulate face masks – FFP2, has also passed the requirements of EN 149:2001+A1:2009 standard, credited as FFP2 NR protective respirator, and certified with CE Mark (through SGS Fimko Oy, Notified Body #0598) granted by the SGS. Furthermore, the Group has obtained the Section 510(k) premarket notification (“PMN”) clearance from the United States Food and Drug Administration (“FDA”) in August 2022 on our surgical particulate face masks – N95 and FFP2, indicating that our particulate face mask products are safe and effective to be used in medical and surgical situation. And they can be legally sold and marketed in the U.S..

FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2023 was approximately HK\$697.5 million, representing a decrease of approximately HK\$446.4 million, or approximately 39.0%, from approximately HK\$1,143.9 million for the year ended 31 December 2022.

Revenue from the integrated plastic solutions segment for the year ended 31 December 2023 was approximately HK\$572.4 million, accounting for approximately 82.1% of our total revenue and representing a decrease of approximately HK\$14.7 million, or approximately 2.5%, from segment revenue of approximately HK\$587.1 million for the year ended 31 December 2022. This was primarily due to the decrease in orders from the Group’s major customers during the year.

業務分部分析(續)

醫療消耗品的製造(續)

位於惠州的潔淨廠房設施已取得獲中國國家藥品監督管理局認可的標準《YY/T 0033-2000無菌醫療器具生產管理規範》。製造質量體系亦符合經 Société Générale de Surveillance S.A. (「SGS」) 認證的 EN ISO13485:2016 醫療器械—質量管理系統規範。此外，本集團已獲中國國家藥品監督管理局就醫療器械生產頒發的醫療器械生產許可證。

醫用口罩已經過測試，結果達到美國的 ASTM F2100 Level 3 標準及歐洲的 EN14683 Type IIR 標準。除醫用口罩外，本集團亦開發了防護等級更高的口罩，如防顆粒摺疊口罩—KN95 及 FFP2。防顆粒摺疊口罩—KN95 已通過中國 GB2626-2019 標準規定及美國 ICS 實驗室頒發的 NIOSH N95—認證前測試。此外，防顆粒摺疊口罩—FFP2 亦已通過 EN 149:2001+A1:2009 標準規定，獲認證為 FFP2 NR 防護呼吸器，並獲得 SGS 授予的 CE 標誌(通過 SGS Fimko Oy, 公告機構號 #0598)。再者，本集團的醫用防顆粒摺疊口罩—N95 及 FFP2 於 2022 年 8 月取得美國食品藥品管理局(「FDA」)的 510(k) 上市前通知審核批准(「PMN」)，表明我們的防顆粒摺疊口罩產品可安全有效地用作醫療及外科手術用途。並且，它們可在美國合法出售及銷售。

財務回顧

收益

截至 2023 年 12 月 31 日止年度的收益約為 697.5 百萬港元，較截至 2022 年 12 月 31 日止年度約 1,143.9 百萬港元減少約 446.4 百萬港元或約 39.0%。

截至 2023 年 12 月 31 日止年度，一體化注塑解決方案分部收益約為 572.4 百萬港元，佔總收益約 82.1%，較截至 2022 年 12 月 31 日止年度的分部收益約 587.1 百萬港元減少約 14.7 百萬港元或約 2.5%。此乃主要由於年內來自本集團主要客戶的訂單減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Revenue (Continued)

The e-cigarettes products segment revenue for the year ended 31 December 2023 was approximately HK\$122.7 million, accounting for approximately 17.6% of our total revenue and representing a decrease of approximately HK\$430.5 million, or approximately 77.8%, from segment revenue of approximately HK\$553.2 million for the year ended 31 December 2022. The decrease was resulted from the decrease in sales orders for e-cigarettes products following the removal of the Exclusivity.

The medical consumable products segment revenue for the year ended 31 December 2023 was approximately HK\$2.4 million, accounting for approximately 0.3% of our total revenue and representing a decrease of approximately HK\$1.2 million, or approximately 33.3%, from segment revenue of approximately HK\$3.6 million for the year ended 31 December 2022. The decrease was primarily due to the relief of the mandatory mask-wearing requirements in Hong Kong during the year, which affected the number of orders for medical consumable products sold.

Gross Profit

Gross profit for the year ended 31 December 2023 was approximately HK\$135.9 million (2022: HK\$260.1 million), representing a gross profit margin of 19.5% (2022: 22.7%).

Segment gross profit for integrated plastic solutions for 2023 was approximately HK\$122.9 million (2022: HK\$146.9 million), representing a gross profit margin of 21.5% (2022: 25.0%). The decrease in gross profit margin was resulted from the change of product mix of which the products are of lower profit margin.

Segment gross profit for e-cigarettes products for 2023 was approximately HK\$15.2 million (2022: HK\$113.0 million), representing a gross profit margin of 12.4% (2022: 20.4%). During the year, sales volume decreased. The fixed overhead per unit sold is thus higher and lowered the gross profit margin. In addition, there was a change of product mix of which the products are of lower profit margin.

Segment gross loss for medical consumable products for 2023 was approximately HK\$2.2 million (2022: gross profit HK\$0.2 million), representing a gross loss margin of 91.7% (2022: gross profit margin 5.6%). During the year, the Group provided an allowance for inventories on slow-moving medical consumable products resulting a gross loss for medical consumable products.

財務回顧(續)

收益(續)

截至2023年12月31日止年度，電子煙產品分部收益約為122.7百萬港元，佔總收益約17.6%，較截至2022年12月31日止年度的分部收益約553.2百萬港元減少約430.5百萬港元或約77.8%。該減少主要是由於取消獨家權後，電子煙產品的銷售訂單減少。

截至2023年12月31日止年度，醫療消耗品分部收益約為2.4百萬港元，佔總收益約0.3%，較截至2022年12月31日止年度的分部收益約3.6百萬港元減少約1.2百萬港元或約33.3%。該減少主要是由於年內香港解除了強制佩戴口罩的規定，從而影響了醫療消耗品的銷售訂單數量。

毛利

截至2023年12月31日止年度的毛利約為135.9百萬港元(2022年：260.1百萬港元)，毛利率為19.5%(2022年：22.7%)。

2023年的一體化注塑解決方案的分部毛利約為122.9百萬港元(2022年：146.9百萬港元)，毛利率為21.5%(2022年：25.0%)。毛利率下降主要是由於產品組合的變化，該組合中的產品利潤率較低。

2023年的電子煙產品的分部毛利約為15.2百萬港元(2022年：113.0百萬港元)，毛利率為12.4%(2022年：20.4%)。年內銷售有所減少。因此，所出售每單位固定間接管理費較高，並降低了毛利率。此外，產品組合發生變化，該組合中的產品利潤率較低。

2023年的醫療消耗品的分部毛損約為2.2百萬港元(2022年：毛利0.2百萬港元)，毛損率為91.7%(2022年：毛利率5.6%)。年內，本集團已就滯銷醫療消耗品存貨計提撥備，其導致醫療消耗品產生毛損。

FINANCIAL REVIEW (CONTINUED)

Other Income

Other income for the year ended 31 December 2023 was approximately HK\$16.1 million, representing an increase of approximately HK\$8.2 million, or approximately 103.8%, from approximately HK\$7.9 million for the same period in 2022. The increase was contributed by the rental income received from leasing the new factory premises to an independent third party during the year. However, due to the poor business environment, the tenant terminated the lease. Therefore, the Group received a termination fee from the tenant for the early termination. Apart from this, the increase also resulted from an uptick in bank interest income received.

Selling and Distribution Costs

Selling and distribution costs for the year ended 31 December 2023 were approximately HK\$4.6 million, representing a decrease of approximately HK\$1.2 million, or approximately 20.7%, from approximately HK\$5.8 million for the year ended 31 December 2022. The decrease was primarily because of the decrease in sales volume during the year.

Administrative and Other Operating Expenses

Administrative and other operating expenses for the year ended 31 December 2023 were approximately HK\$114.8 million, representing a decrease of approximately HK\$15.9 million, or approximately 12.2%, from approximately HK\$130.7 million for the year ended 31 December 2022. The decrease was resulted from a decrease in discretionary bonus paid to the Directors and senior management during the year.

Finance Costs

Finance costs for the year ended 31 December 2023 were approximately HK\$5.4 million, representing a decrease of approximately HK\$1.8 million, or approximately 25.0%, from approximately HK\$7.2 million for the year ended 31 December 2022. The decrease was primarily attributable to the repayment of the secured bank borrowings during the year.

Income Tax Expenses

Income tax expenses for the year ended 31 December 2023 were approximately HK\$2.5 million, representing a decrease of approximately HK\$8.4 million, or approximately 77.1%, from approximately HK\$10.9 million for the year ended 31 December 2022. Such decrease was attributable to the decrease in profit before tax.

財務回顧(續)

其他收入

截至2023年12月31日止年度，其他收入約為16.1百萬港元，較2022年同期的約7.9百萬港元增加約8.2百萬港元或約103.8%。該增加乃由於年內向獨立第三方出租新廠房收取租金收入所致。然而，由於商業環境惡劣，租戶已終止租賃。因此，本集團已就提前終止向租戶收取終止費。此外，該增加亦由於收取的銀行利息收入增加所致。

銷售及分銷成本

截至2023年12月31日止年度，銷售及分銷成本約為4.6百萬港元，較截至2022年12月31日止年度的約5.8百萬港元減少約1.2百萬港元或約20.7%。該下降乃主要由於年內銷量下降。

行政及其他經營開支

截至2023年12月31日止年度，行政及其他經營開支約為114.8百萬港元，較截至2022年12月31日止年度的約130.7百萬港元減少約15.9百萬港元或約12.2%。該減少乃由於年內支付予董事及高級管理人員的酌情花紅減少所致。

財務成本

截至2023年12月31日止年度，財務成本約為5.4百萬港元，較截至2022年12月31日止年度的約7.2百萬港元減少約1.8百萬港元或約25.0%。該減少乃主要由於年內償還有抵押銀行借款所致。

所得稅開支

截至2023年12月31日止年度，所得稅開支約為2.5百萬港元，較截至2022年12月31日止年度的約10.9百萬港元減少約8.4百萬港元或約77.1%。該減少主要是由於除稅前溢利減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (CONTINUED)

Profit Attributable to Equity Holders of the Company

As a result of the foregoing, profit for the year ended 31 December 2023 was approximately HK\$23.5 million, representing a decrease of approximately HK\$82.4 million, or approximately 77.8%, from approximately HK\$105.9 million for the year ended 31 December 2022.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 31 December 2023, the Group had bank balances and cash of approximately HK\$132.6 million (2022: HK\$128.4 million). Interest-bearing borrowings as at 31 December 2023 was approximately HK\$61.9 million (2022: HK\$128.8 million) with weighted average effective interest rate of approximately 3.91% per annum (2022: 4.19% per annum). The Group's gearing ratio as at 31 December 2023, calculated based on the total borrowings to the equity attributable to owners of the Company, was 8.8% (2022: 18.9%).

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transaction of the Group are mainly carried out and conducted in Hong Kong dollars, U.S. dollars and Renminbi. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into foreign currency forward contracts, if necessary. As at 31 December 2023, the Group did not have any outstanding foreign currency forward contracts. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2023, the Group has made no material acquisitions or disposals of subsidiaries and associated companies.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any significant contingent liabilities.

CHARGE ON GROUP ASSETS

As at 31 December 2023, certain buildings, machineries and equipment and right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK\$374.7 million (2022: HK\$431.1 million) and key management insurance contracts with fair value of approximately HK\$32.6 million (2022: HK\$31.6 million) were pledged as security for bank facilities.

財務回顧(續)

本公司權益持有人應佔溢利

因上述原因，截至2023年12月31日止年度的溢利約為23.5百萬港元，較截至2022年12月31日止年度的約105.9百萬港元減少約82.4百萬港元或約77.8%。

流動資金及財務資源

本集團通常以內部產生的現金流量及主要往來銀行提供的銀行融資為業務營運提供資金。於2023年12月31日，本集團擁有銀行結餘及現金約132.6百萬港元(2022年：128.4百萬港元)。於2023年12月31日，計息借款約為61.9百萬港元(2022年：128.8百萬港元)，加權平均實際年利率約為3.91%(2022年：年利率為4.19%)。本集團於2023年12月31日的資產負債率按借款總額與本公司擁有人應佔權益的比率計算為8.8%(2022年：18.9%)。

外匯風險

本集團的貨幣資產及負債以及業務交易主要以港元、美元及人民幣計值。本集團通過定期審核其外匯風險淨額來管理外匯風險，並於必要時藉著訂立外幣遠期合約以降低匯率波動的影響。於2023年12月31日，本集團概無未結算外幣遠期合約。本集團將繼續評估本集團的外匯風險並適時採取措施。

重大收購及出售事項

截至2023年12月31日止年度，本集團並無關於附屬公司及聯營公司的重大收購或出售事項。

或然負債

於2023年12月31日，本集團並無任何重大或然負債。

集團資產押記

於2023年12月31日，賬面淨值合共約374.7百萬港元(2022年：431.1百萬港元)的若干樓宇、機器及設備及有關預付土地租賃款的使用權資產、公允值約32.6百萬港元(2022年：31.6百萬港元)的主要管理層保險合約抵押為銀行融資的擔保。

SUBSEQUENT EVENT

No material events occurred subsequent to 31 December 2023 which may have a significant effect on the assets and liabilities or future operations of the Group.

EMPLOYEE AND REMUNERATION POLICY

The Group has 936 employees as at 31 December 2023. The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. The total remuneration of employees includes basic salaries, performance bonus and share options. Directors and senior management of the Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, share options, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Group.

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2023, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group has no plan to make material investments or increase its capital assets.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and any of its subsidiaries have not purchased, redeemed or sold any of its listed securities during the year ended 31 December 2023.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK1.5 cents per share for the year ended 31 December 2023 (2022: HK2.0 cents per share) to the shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 18 June 2024. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Thursday, 30 May 2024. The final dividend, if approved, is expected to be paid on Friday, 28 June 2024.

期後事件

於2023年12月31日之後並無發生可能對本集團的資產及負債或未來營運有重大影響的重大事件。

僱員及薪酬政策

本集團於2023年12月31日擁有936名僱員。本集團的薪酬政策是根據僱員的表現、資歷及本集團的經營業績向僱員發放薪酬。僱員薪酬總額包括基本薪資、績效獎金及購股權。本集團的董事及高級管理層以袍金、薪金、津貼、酌情花紅、購股權、定額供款計劃及其他實物利益(經參考可資比較公司所支付的情況、時間投入及本集團表現)收取報酬。本集團亦就董事及高級管理層為本集團提供服務或就本集團的營運履行彼等職能所產生的必要及合理開支作出償付。本集團參考(其中包括)可資比較公司所支付薪酬及報酬的市場水平、董事及高級管理層各自的職責以及本集團的表現，定期檢討及釐定董事及高級管理層的薪酬及報酬待遇(包括獎勵計劃)。

所持重大投資

截至2023年12月31日止年度，本集團並無持有任何其他公司股權的任何重大投資。

有關重大投資及資本資產的未來計劃

本集團並無計劃進行重大投資或增加資本資產。

購買、贖回或出售本公司上市證券

截至2023年12月31日止年度，本公司及其任何附屬公司並無購買、贖回或出售其任何上市證券。

末期股息

董事會建議向於2024年6月18日(星期二)營業時間結束時名列本公司股東名冊的股東派付截至2023年12月31日止年度的末期股息每股1.5港仙(2022年：每股2.0港仙)。建議末期股息須待股東於將於2024年5月30日(星期四)舉行的應屆股東週年大會上批准後方可作實。如獲批准，預期末期股息將於2024年6月28日(星期五)派付。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Report Overview

This "Environmental, Social, and Governance Report" (referred to as the "ESG Report" or "Report"), is being presented by Tian Chang Group Holdings Ltd. (the "Company") and its subsidiaries (referred to as "Tian Chang", the "Group" or "We"). The purpose of this Report is to disclose the environmental, social and governance ("ESG") initiatives, programs and performance about the Group's activities during the period from 1st January 2023 to 31st December 2023 (referred to as the "Reporting Period", "FY2023", or "2023").

Reporting Scope and Boundary

The scope of this ESG Report includes the Group's office operations in Hong Kong, namely Tian Chang Industrial Limited, Sun Leader Mould Industrial Limited and Tian Hong New Materials Technology Limited. In addition, operations of integrated plastic solutions, manufacturing of electronic cigarette (the "e-cigarettes") products and medical consumable products in the People's Republic of China (the "PRC") are also covered in this ESG Report, which included Tian Chang Industrial (Shenzhen) Limited* (天長實業(深圳)有限公司), Hui Zhou Tian Chang Industrial Company Limited* (惠州市天長實業有限公司), Sun Leader Mould Industrial (Shenzhen) Limited* (新利達模具(深圳)有限公司), Sun Leader Mould Industrial (Huizhou) Limited* (新利達模具實業(惠州)有限公司) and Tian Hao New Materials Technology (Hui Zhou) Limited* (天濠新材料科技(惠州)有限公司).

The Group considers that the above subsidiaries are relatively significant from environmental and social perspectives, therefore, the relevant data from these subsidiaries are collected and included in this ESG Report.

Tian Chang Group Holdings Ltd., Tian Chang Investments Limited, Sun Leader Holdings Limited, Tian Chang Holdings Limited and Guang Dong Tian Yuan Electronic Technology Limited* (廣東天沅電子科技有限公司) are excluded from this ESG Report as they have no business operation and thus their contributions are immaterial to the Group.

* For identification purpose only.

Reporting Framework

This report has been prepared in accordance with the mandatory disclosure requirements and "comply or explain" provisions of the ESG Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Please refer to the Stock Exchange Content Index in this report for information on the location of specific disclosures.

關於本報告

報告概述

本環境、社會及管治報告(「環境、社會及管治報告」或「報告」)由天長集團控股有限公司(「本公司」)連同其附屬公司(以下簡稱「天長」、「本集團」或「我們」)呈獻。本報告旨在披露集團在2023年1月1日至2023年12月31日期間(以下簡稱「報告期」、「2023財政年度」或「2023年」)的環境、社會和管治措施、計劃和績效。

報告範圍

本環境、社會及管治報告的範圍包括本集團在香港的辦事處(即天長實業有限公司、新利達模具實業有限公司及天濠新材料科技有限公司)業務。此外,在中華人民共和國(「中國」)營運的一體化注塑解決方案業務、電子煙(「電子煙」)產品製造及醫療消耗品製造,亦覆蓋在本環境、社會及管治報告內,當中包括天長實業(深圳)有限公司、惠州市天長實業有限公司、新利達模具(深圳)有限公司、新利達模具實業(惠州)有限公司及天濠新材料科技(惠州)有限公司。

本集團認為以上附屬公司在環境及社會的角度而言相對重要,所以這些附屬公司的相關資料已收集並納入在本環境、社會及管治報告中。

天長集團控股有限公司、Tian Chang Investments Limited、Sun Leader Holdings Limited、天長控股有限公司及廣東天沅電子科技有限公司並不包括在本環境、社會及管治報告內,因其並無商業營運,所以其貢獻對本集團並不重大。

* 僅供識別。

報告框架

本報告依據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄C2所載的環境、社會及管治報告指引(「環境、社會及管治報告指引」)中的強制披露要求及「不遵守就解釋」條文編製。請參閱本報告中的聯交所內容索引。

Reporting Principles

In the process of preparation of this Report, the Group have adhered to the reporting principles stipulated in the ESG Reporting Guide as the following:

Materiality	A materiality assessment was conducted to identify material issues during the Reporting Period, thereby acknowledging the material issues as the focus for preparation of this ESG Report. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
重要性	我們進行重要性評估以識別報告期間的重要議題，從而採納已確認的重要議題作為編製環境、社會及管治報告的重點。有關進一步詳情，請參閱「持份者參與」及「重要性評估」章節。
Quantitative	Supplementary notes are added along with quantitative data disclosed in this ESG Report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption.
量化	環境、社會及管治報告所披露的量化數據已加入補充附註，以解釋計算排放及能源消耗時所使用的任何標準、方法及轉換系數的來源。
Consistency	The preparation approach of this ESG Report is substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure or calculation methodologies.
一致性	本環境、社會及管治報告的編製方法大致與上年度一致，並就披露範圍及計算方法變動的數據作出解釋。
Balance	This ESG Report is completed based on fact and actual data disclosure to avoid biased judgement and misleading information to the report readers.
平衡	本環境、社會及管治報告乃根據事實及實際數據披露完成，以避免提供偏見判斷及誤導資訊予報告讀者。

報告原則

於編製本環境、社會及管治報告的過程中，本集團應用了環境、社會及管治報告指引中載列的規定報告原則，如下所列：

Forward-looking Statements

This Report contains forward-looking statements based on the current expectations, estimates, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it and its subsidiaries operate. The forward-looking statement is not a guarantee of future performance and is subject to market risk, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes and returns may differ materially from the assumptions and statements in this Report.

前瞻性陳述

本報告載有前瞻性陳述，該等陳述乃基於本集團目前對其業務及經營所在市場的預期、估計、預測、信念及假設而作出。該等前瞻性陳述並非對未來表現的保證，並受市場風險、不確定因素及本集團無法控制的因素所影響。因此，實際結果可能與本報告所作假設及所載陳述有差異。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Contact and Feedback

Your feedback is valuable to our continuous improvement, and we welcome any comments and suggestions you may have on this ESG Report. Please share any comments or suggestions regarding the Group's ESG performance by info@hktcgroup.com.

聯絡及反饋

本集團非常重視您的意見反饋，這對我們的持續改進至關重要。如果您對本環境、社會及管治報告有任何意見或建議，請通過 info@hktcgroup.com 分享您對集團環境、社會及管治績效的任何評論或建議。

ESG GOVERNANCE STRUCTURE

環境、社會和管治治理框架

The Board 董事會

- Oversee ESG-related approach, strategy, and policies.
- Assess materiality issues, risks and opportunities.
- Set goals and targets, and oversee the Group's sustainability performance.
- Review and approve the ESG report.
- 監督環境、社會和管治相關的方法、策略和政策。
- 評估重要問題、風險和機會。
- 設定目標和指標，並監督集團的可持續發展表現。
- 審查並批准環境、社會和管治報告。

The ISO Department ISO 體系部

- Review ESG strategies and policies.
- Act as a coordinator to oversee ESG performance in our factories and operations.
- Set the target reduction of different environmental performance with the Board's approval.
- Monitor and assess the achievability of the targets.
- Report information and management on sustainability risks and performance to the Board annually.
- 審查環境、社會及管治策略及政策。
- 擔任協調員，負責監督我們廠房環境、社會及管治的實施及營運。
- 定下針對不同環境績效的減排目標，並得到董事會的批准。
- 密切監測及評估目標的可實現性。
- 有關可持續發展的風險和表現資料及管理均會由ISO 體系部透過會議每年向董事會匯報。

The Board Statement

The Board takes overall responsibility for our ESG strategy, overseeing the executive management in developing the approach and execution of the strategy, as well as the associated reporting. The Group has a clear organisational hierarchy to carry out different parts of operations within the Group. The Board is responsible for overseeing long-term sustainable development for all operating companies under the Group, determining the Group's ESG approach and supervising the relevant department in providing relevant policies with appropriate measures. Furthermore, to attain the goal of sustainable development and meet the stakeholders' expectation, the Board will ensure a close cooperation between all departments and formulate a clearer ESG objectives and targets for the Group.

The Board exercises diligent oversight of ESG issues, reflecting the Group's unwavering commitment to promoting sustainable development throughout its business operations. Environmental considerations are integrated into the decision-making processes, ensuring a harmonious equilibrium among economic growth, environmental stewardship, and societal well-being. The Board actively monitors and addresses ESG challenges and opportunities, fostering long-term value creation while upholding responsible business practices.

董事會聲明

董事會全面負責環境、社會及管治策略，並監督執行管理層制訂方針、執行策略和編製相關報告的過程，集團擁有清晰的組織層級結構，董事會負責監督集團旗下所有營運公司的長期可持續發展，確定集團的環境、社會和管治方法並監督相關部門提供相應政策和措施。此外，為實現可持續發展目標並滿足持份者的期望，董事會將確保各部門之間密切合作，制定更明確的集團環境、社會和管治目標和指標。

董事會對環境、社會和管治事項進行謹慎監督，體現了集團在整個業務運營中促進永續發展的堅定承諾。環境因素被融入決策考慮過程中，確保在經濟增長、環境保護和社會福祉之間達到和諧平衡。董事會會積極監測和應對環境、社會和管治帶來的挑戰和機遇，促進長期價值創造，同時堅持負責任的商業實踐。

The ISO Department

The Group has accredited ISO 9001 and ISO 14001 certifications, the ISO department under the Board is mainly responsible for reviewing ESG strategies and policies and act as a coordinator to oversee ESG performance in our factories and operations. The ISO department sets 2021 as the baseline for the target reduction of different environmental performance with the Board's approval. The ISO department also closely monitors and assesses the achievability of the targets. In addition, information and management on sustainability risks and performance is reported to the Board by the ISO department, through meetings annually.

2030 Environmental target

Setting up ESG environmental targets is crucial for the Group committed to sustainability and responsible business practices. These targets help guide and measure our efforts in minimising environmental impacts and promoting sustainability.

Below is our ESG Environmental targets:

ISO 體系部

本集團已通過ISO 9001和ISO 14001認證，直屬董事會的ISO體系部主要負責審查環境、社會及管治策略及政策，並擔任協調員，負責監督我們廠房環境、社會及管治的實施及營運。ISO體系部定下以2021年為基準以針對不同環境績效的減排目標，並得到董事會的批准。ISO體系部亦密切監測及評估目標的可實現性。此外，有關可持續發展的風險和表現資料及管理均會由ISO體系部透過會議每年向董事會匯報。

2030年環境目標

設定環境、社會和管治目標對於集團在致力於可持續發展和負責任商業實踐至關重要。這些目標有助於指導和衡量我們在減少環境影響和促進可持續性方面的努力。

以下是我們的環境、社會和管治的目標：

2030 ENVIRONMENTAL TARGETS 2030 環境目標

Reduce energy consumption intensity, including electricity, gasoline, and natural gas, by 3% by 2030, using 2021 as the baseline.

以2021年作為基準，到2030年，將能源消耗強度（包括電力、汽油和天然氣）減少3%。

Reduce water consumption by 3% by the year 2030, using 2021 as the baseline.

以2021年作為基準，到2030年，將水消耗量減少3%。

Reduce hazardous and non-hazardous waste by 10% by 2030, with 2021 set as the baseline.

以2021年作為基準，到2030年，將危險和非危險廢物減少10%。

Reduce carbon emissions by 10% by 2030, with 2021 set as the baseline.

以2021年作為基準，到2030年，將碳排放減少10%。

By setting the ESG targets, we demonstrate our commitment to environmental stewardship and sustainable practices. These targets provide a roadmap for continuous improvement, drive innovation, and contribute to a greener and more sustainable future.

通過設定環境、社會和管治目標，我們展示了對環境管理和可持續實踐的承諾。這些目標為持續改進提供了思路，並且推動了創新，並為實現更綠色和可持續的未來做出貢獻。

Stakeholder Engagement

As a responsible business, we have the responsibility to build a thriving future where we can create long-term value for our stakeholders. We maintain an open dialogue with our stakeholders, including management, employees, customers, suppliers, business partners, charity groups and investors, to receive their comments and understand their expectations on what the ESG issues matter most via meetings, interviews, and discussions. We tried to reach our stakeholders through all channels and consider ESG issues that are deemed as important by both the Group and stakeholders as material ESG issues.

The following table provides an overview of the Group's main stakeholders and various platforms and communication channels to reach and respond.

持份者參與

作為負責任的企業，我們有責任開拓豐盛未來，為我們的持份者創造長期價值。我們與持份者(包括管理層、僱員、客戶、供應商、業務夥伴、慈善團體及投資者)保持公開對話，通過會議、訪談及討論聽取彼此的意見並了解彼此對環境、社會及管治事宜的殷切期望。我們嘗試以各種渠道接觸持份者，並考慮到對集團和持份者都評定為重要的環境、社會及管治問題均視為重大的議題。

下表提供了集團的主要持份者概述以及溝通管道以實現接觸和回應。

Major Stakeholders 主要持份者	Engagement Channels 溝通管道
Shareholders and investors 股東／投資者	<ul style="list-style-type: none"> • Annual General meetings • Financial reports • Announcements and circulars • Company websites • 股東週年大會 • 財務報告 • 通函及公告 • 公司網站
Customers 客戶	<ul style="list-style-type: none"> • Customer service hotline • Customer complaint mechanism • Social media • Questionnaires • Customer meetings • 客戶服務熱線 • 客戶投訴機制 • 社交媒體 • 問卷調查 • 客戶會議
Employees 僱員	<ul style="list-style-type: none"> • Training, seminars, and briefing sessions • Performance reviews • 培訓、研討會和簡報會 • 績效評估

Stakeholder Engagement (Continued)

持份者參與(續)

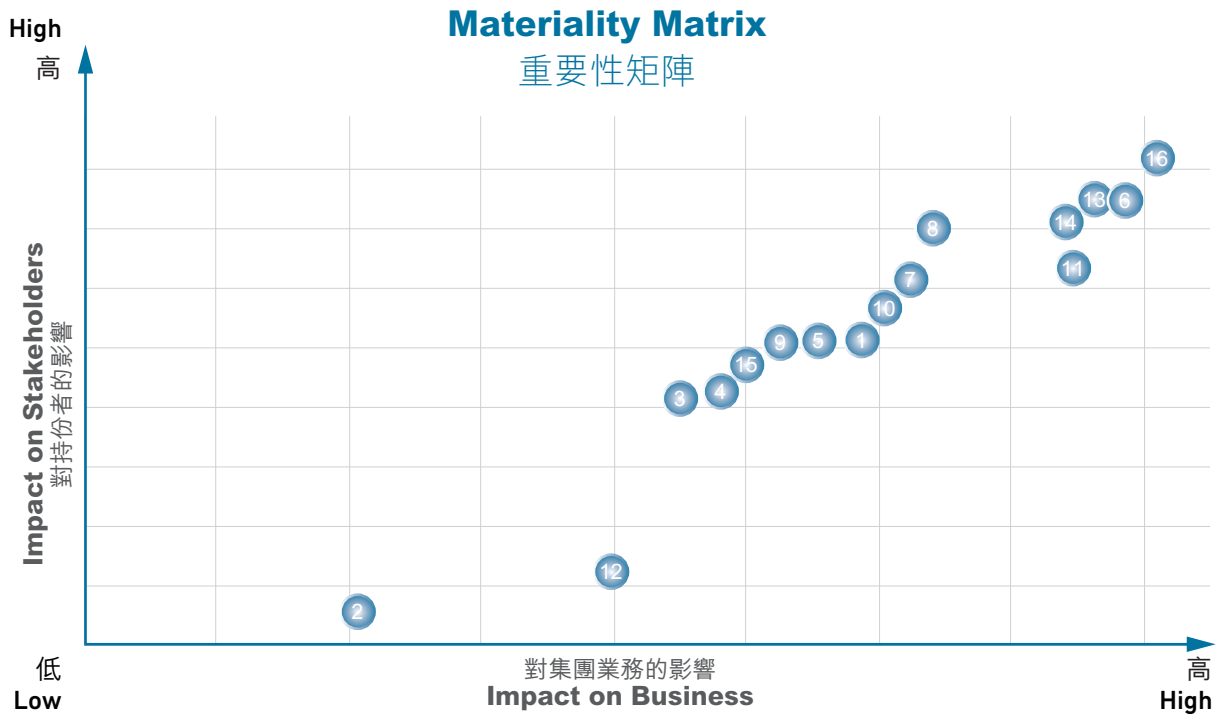
Major Stakeholders (Continued) 主要持份者(續)	Engagement Channels (Continued) 溝通管道(續)
Suppliers 供應商	<ul style="list-style-type: none"> • Supplier evaluation process • Supplier audit • Tender selection • 供應商評估流程 • 供應商審核 • 招標選擇
Communities and NGOs 社區和非政府組織	<ul style="list-style-type: none"> • Community activities • Employees volunteer activities • Sponsor and donation • 社區活動 • 員工志願者活動 • 贊助和捐贈
Media and the Public 媒體和公眾	<ul style="list-style-type: none"> • ESG Reports • Company website • ESG 報告 • 公司網站
Government and Regulatory Authorities 政府和監管機構	<ul style="list-style-type: none"> • Written or electronic correspondence • Phone meetings • 書面或電子通信 • 電話會議

Materiality Assessment

By maintaining ongoing communication with stakeholders, the Group gains a comprehensive understanding of their expectations and concerns. In line with the global sustainability agenda, international best practices, operational risks and strategies, as well as stakeholder input, the Group identifies and evaluates material issues for FY2023. To ensure comprehensive coverage, key stakeholders are engaged in discussions regarding critical ESG issues. Following internal management deliberations, validated ESG issues are approved for implementation. A survey is conducted on the identified material ESG topics to gather input and feedback from stakeholders, and the results are summarised in the matrix provided below.

重要性評估

通過與持份者的持續溝通，集團全面了解他們的期望和擔憂。根據全球可持續發展議程、國際最佳實踐、營運風險和策略以及持份者的意見，集團確定並評估2023財政年度的重要問題。為確保全面涵蓋，持份者就關鍵的環境、社會和管治議題進行討論。在內部管理討論後，確定的環境、社會和管治議題經過驗證並獲得批准以供實施。對確定的重要環境、社會和管治主題進行調查，以收集持份者的意見和反饋，調查結果在下面的矩陣中進行了總結。



Material Topics of the Group

集團的重要議題

- | | | | |
|-----------------------------------|-----------------------------------|--|--|
| 1. Emissions and waste management | 2. Climate change | 3. Environmental and natural resource conservation | 4. Energy and resource usage |
| 1. 排放和廢棄物管理 | 2. 氣候變化 | 3. 環境及天然資源保護 | 4. 能源和資源使用 |
| 5. Employment regulations | 6. Occupational health and safety | 7. Employee development and training | 8. Labor standards |
| 5. 僱傭常規 | 6. 職業健康與安全 | 7. 僱員發展及培訓 | 8. 勞工準則 |
| 9. Sustainable supply chain | 10. Product liability | 11. Anti-Corruption | 12. Community building and development |
| 9. 可持續供應鏈 | 10. 產品責任 | 11. 反貪污 | 12. 社區建設和發展 |
| 13. Customer satisfaction | 14. Cleaner production | 15. Supplier management | 16. Compliance operations |
| 13. 客戶滿意度 | 14. 清潔生產 | 15. 供應商管理 | 16. 合規營運 |

A: ENVIRONMENTAL

The Group acknowledges the critical influence of environmental performance on its business operations, particularly in addressing ongoing challenges related to reducing greenhouse gas (GHG) emissions, conserving energy, and managing waste. Consequently, the Group has established an environmental management system to proactively mitigate its environmental impact and promote sustainable practices.

The environmental management system was established in accordance with ISO 14001:2015. Also, the Group have an environmental data collection system to keep track of the performance and monitor the efficiency of the measures adopted in the past years.

A1:Emissions

The Group adheres to all applicable national and local laws, regulations, and industry standards, including the Environmental Protection Law of the People's Republic of China (PRC), the Law of the PRC on the Prevention and Control of Atmospheric Pollution, the Law of the PRC on the Prevention and Control of Water Pollution, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, and the Law of the PRC on Appraising Environmental Impacts.

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to exhaust gas and greenhouse gases ("GHGs"), emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Apart from the above-mentioned compliances with the national and local laws and regulations, the Group has put additional efforts in regulating gas emissions, waste generation and usage of water during the daily operation. The Group has established "Procedures for Managing Wastewater, Exhaust Gas and Noise" which outlined the daily procedures on reducing emissions on site.

A : 環境

集團認識到環境表現對其業務運營的重要影響，特別是在應對減少溫室氣體排放、節約能源和管理廢棄物等方面的挑戰。因此，集團建立了一個環境管理體系，以主動降低其對環境的影響並促進可持續實踐。

本集團已根據ISO 14001:2015建立環境管理體系。另外，本集團還有一個環境資料收集系統，以跟蹤績效並監察在過往年度所採取之措施的效果。

A1：排放

本集團遵守所有國家及地方的法律法規及相關行業標準，例如《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》及《中華人民共和國環境影響評價法》。

在報告期內，集團未發現與廢氣和溫室氣體（「GHG」）、排放、水和土地排放以及有害和非有害廢棄物的生成相關的環境相關法律法規的重大違規行為，這些違規行為將對集團產生重大影響。

除了上述遵守國家和地方法律法規外，集團在日常運營中還加強了對氣體排放、廢棄物生成和水的使用的監管。集團制定了「污水、廢氣及噪音管理程序」，以減少工廠日常的廢棄物排放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

A: ENVIRONMENTAL (CONTINUED)

A1: Emissions (Continued)

Air Emissions

Vehicular consumption of fuel and power generation relies on diesel fuel are the major source of the Group's air pollution. The exhaust gas generated by the Group includes nitrogen oxides ("NOx"), sulphur oxides ("SOx") and particulate matters ("PM"). To mitigate air emissions, the Group has well established practices in place for improving air quality.

During the Reporting Period, the Group's exhaust gas emissions performance was as below:

Direct Emissions 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
Nitrogen Oxides (NO _x) 氮氧化物 (NO _x)	kg 公斤	118.70	43.48
Sulphur Oxides (SO _x) 硫氧化物 (SO _x)	kg 公斤	95.91	0.37
Particulate Matter (PM) 顆粒物排放 (PM)	kg 公斤	7.69	3.42

Due to the relief of novel coronavirus pandemic in FY 2023, travel between Hong Kong and the PRC has resumed, leading to an increase in the frequency of the company's private car usage and a rise in fuel consumption. Besides, due to more frequent internal transportation within the factory and goods transportation, the use of diesel for transportation have been increased, which resulted in the group's air emissions of NO_x, SO_x and PM have a significant increase. The measures taken for reducing air emissions from vehicles and electricity were described under the below section headed "GHG emissions".

GHG emissions

The major business for the Group is providing integrated plastic solution services, manufacturing of e-cigarettes products as an original equipment manufacturer ("OEM") and manufacturing of medical consumable products. The operation of injection molding machines is identified as the major gas-emitting source in the operation site.

A: 環境 (續)

A1: 排放 (續)

氣體排放

集團的車輛燃料消耗和發電主要依賴柴油燃料，是集團空氣污染的主要源頭。集團產生的廢氣包括氮氧化物(「NO_x」)、硫氧化物(「SO_x」)和顆粒物(「PM」)。為了減少氣體排放，集團已經建立了良好的實踐方法，以改善空氣質量。

在報告期內，集團的廢氣排放情況如下：

由於2023財政年度新冠肺炎疫情有所緩和，香港與內地之間的往來交通已恢復，這導致公司私家車使用頻率上升，汽油消耗增加。此外，由於廠房內部運輸及貨物運輸頻繁，運輸過程中的柴油使用量增加，故此引致集團的氣體排放如氮氧化物(NO_x)、硫氧化物(SO_x)及顆粒物(PM)有顯著的增加。針對減少車輛和電力的空氣排放所採取的措施已在以下「溫室氣體排放」部分中描述。

溫室氣體 (GHG) 排放

本集團的主要業務是提供一體化注塑解決方案服務、作為代工製造商(「OEM」)製造電子煙產品及製造醫療消耗品。操作注塑機已確定為經營場地的主要氣體排放來源。

A: ENVIRONMENTAL (CONTINUED)

A1:Emissions (Continued)

GHG emissions (Continued)

During the Reporting Period, the GHG emissions performance is summarised as below:

Indicators 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
GHG Emissions ¹ 溫室氣體排放 ¹			
Scope 1 Direct emissions 範圍 1：直接溫室氣體排放	tCO ₂ e 噸二氧化碳當量	549.03	157.49
Scope 2 Energy indirect emissions 範圍 2：能源間接溫室氣體排放	tCO ₂ e 噸二氧化碳當量	17,204.37	21,254.92
Scope 3 Other indirect emissions ³ 範圍 3：其他間接溫室氣體排放 ³	tCO ₂ e 噸二氧化碳當量	390.00	109.75
Total GHG emissions 溫室氣體排放總量	tCO ₂ e 噸二氧化碳當量	18,143.40	21,522.16
Intensity ² 密度 ²	tCO ₂ e./million HKD revenue 噸二氧化碳當量／百萬港元收益	25.99	18.81

Note:

- GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the HKEX, the latest released emission factors of China's regional power grid basis issued by the Ministry of Ecology and Environment of the PRC and the "CLP 2022 Sustainability Report" published by CLP Holdings Ltd, the latest released emission factors of EDF.
- As of 31 December 2023, the Group's revenue was HKD 698 million (2022: HKD 1,144 million). This data is also used for calculating the intensity of other data.
- Scope 3 GHG emissions comprises emissions from paper waste disposed at landfills, air travel, energy used for processing fresh water and sewage.

A：環境 (續)

A1：排放 (續)

溫室氣體 (GHG) 排放 (續)

在報告期內，溫室氣體 (GHG) 排放情況如下所述：

附註：

- 溫室氣體 (GHG) 排放數據以二氧化碳當量為單位，基於但不限於世界資源研究所及世界可持續發展工商理事會發佈的《溫室氣體議定書：企業會計與報告標準》、聯交所刊發的《如何準備環境、社會及管治報告—附錄二：環境關鍵績效指標匯報指引》、中華人民共和國生態環境部發布的中國區域電網基礎的最新排放因數以及中電控股有限公司發布的《中電 2022 年可持續發展報告》、EDF 發布的最新排放因數。
- 截至 2023 年 12 月 31 日，集團的收入為 698 百萬港元 (2022 年：1,144 百萬港元)。此數據也用於計算其他數據的強度。
- 範圍 3 的溫室氣體排放包括填埋場處置的紙張廢棄物、航空旅程、用於處理淡水和污水的能源消耗。

A: ENVIRONMENTAL (CONTINUED)

A1: Emissions (Continued)

GHG emissions (Continued)

As a result of reduced electricity consumption, indirect energy emissions in Scope 2 have decreased. However, due to the increased use of fuels, such as diesel and petrol used in transportation, Scope 1 GHG emission has increased accordingly. Additionally, there has been an increase in paper usage, waste disposal in landfills and air travel, leading to an increase in CO₂e emissions in Scope 3. The Group has set a target of reducing carbon emissions. To achieve the target, we implemented various environmental measures effectively to reduce GHG emission:

- Regularly check on the motor vehicles and production facilities are conducted to ensure their energy efficiencies and the exhaust emissions comply with the national standard.
- Raise employee's awareness on energy saving, for instance, employees are encouraged to turn off the unnecessary electrical equipment (e.g. lighting and air conditioning) after work, take public transportation and stop the car engine while idling.
- The Group will choose the equipment with high energy efficiency certification and power-saving modes.
- Gas emission data will be obtained quarterly to assess the GHG emission level and monitor the progress of the reduction target. If any irregularities are found, the ISO department will investigate the reasons for the fluctuation and suggest appropriate measures to relevant department.
- The Group will closely monitor the GHG emission level and strive to alleviate the environment impact.

Waste Management

The Group has implemented a comprehensive waste management system, encompassing both hazardous and non-hazardous waste. The disposal practices for waste within the operational sites strictly adhere to the relevant laws and regulations, including the Law of the People's Republic of China (PRC) on the Prevention and Control of Environmental Pollution by Solid Wastes, the Measures for the Administration of Permits for the Operation of Hazardous Wastes, and the National Hazardous Waste List. These measures ensure compliance and responsible handling of waste in accordance with applicable legal requirements.

A : 環境 (續)

A1 : 排放 (續)

溫室氣體 (GHG) 排放 (續)

由於減少了電力消耗，範圍2中的間接溫室氣體排放有所下降。但是由於運輸以及交通過程中使用的燃料，例如柴油、汽油的使用量增加，故此範圍一的溫室氣體排放量相應地提升。此外，紙張使用量增加、堆填區廢棄物處理和航空旅程增加導致範圍3中二氧化碳當量排放量增加。集團已設定了減少碳排放的目標。為了實現這一目標，我們有效實施了各種環境措施以減少溫室氣體排放：

- 定期檢查機動車輛和生產設施，確保它們的能源效率和排放符合國家標準。
- 提高員工節能意識，例如鼓勵員工下班後關閉不必要的電器設備（如照明和空調）、乘坐公共交通工具和在怠速時熄火。
- 選擇具有高能源效率認證和節能模式的設備。
- 每季度獲取氣體排放數據，評估溫室氣體排放水準並監測減排目標的進展。如發現任何異常情況，ISO體系部門將調查波動原因並向相關部門提出適當的措施建議。
- 集團將密切監測溫室氣體排放水平，努力減輕對環境的影響。

廢棄物管理

集團實施了全面的廢棄物管理系統，對有害廢棄物和非有害廢棄物進行管理。工廠內處置廢棄物的方法均符合《中華人民共和國固體廢物污染環境防治法》、《危險廢物經營許可證管理辦法》、《國家危險廢物名錄》和其他相關法律法規。這些措施確保了根據適用法律要求的合規性和負責任的廢棄物處理。

A: ENVIRONMENTAL (CONTINUED)

A1: Emissions (Continued)

Non-hazardous Waste

- Non-hazardous waste emitted from the Group included domestic waste, construction waste, plastic waste, scrap metal and office paper. Regarding non-hazardous waste, the Group implements separate collection and management procedures for recyclable items like toner cartridges and batteries, which are handled by external recycling partners. General waste is stored in designated refuse areas and collected by the local environmental and hygiene department. These measures ensure proper disposal and minimise the risk of contamination to underground water sources. The Group is committed to taking proactive steps to prevent any potential harm to the environment and safeguard the integrity of underground water resources.

Hazardous Waste

- Our hazardous waste included: Ink sludge, waste cigarette oil, cutting oil, waste thinner, activated carbon, waste packaging drums, rags and gloves. The Group has implemented the "Procedures for Waste Management", which provides clear guidelines for employees on the proper disposal of both hazardous and non-hazardous solid waste. In the case of hazardous waste, all chemical waste is stored appropriately in a designated indoor warehouse on-site, equipped with secondary containment measures to prevent any potential leakage. Any spills or contamination on the ground are promptly addressed using specific materials such as absorbent cloth or sawdust. Furthermore, all hazardous waste is collected and handled by authorized collectors, ensuring compliance with proper disposal protocols and regulatory requirements.

A : 環境 (續)

A1 : 排放 (續)

無害廢棄物

- 集團產生的非危險廢棄物包括家庭垃圾、建築廢棄物、塑膠廢棄物、廢金屬和辦公紙張。對於無害廢棄物，一些可回收的廢棄物如碳粉匣和電池就會分開收集並會交給外部回收商處理。其他一般廢棄物則存放在垃圾站，由當地環境衛生部門收集。這些措施確保了適當的處理，並將對地下水源的污染風險降到最低。集團致力於採取積極措施，防止對環境造成潛在的傷害，保護地下水資源的完整性。

有害廢棄物

- 本集團的有害廢棄物包括：墨漬、廢煙油、切削油、廢稀釋劑、活性炭、廢包裝桶、抹布和手套。我們還建立了「廢棄物處理程序」，指導僱員如何正確處置有害和無害固體廢棄物。對於有害廢棄物，所有廢棄化學品均妥善儲存在指定的室內倉庫中，並設有雙重容器，以防止洩漏。任何地面上的溢漏或污染都會立即使用特殊的布或木屑清潔場地。此外，所有危險廢棄物均由授權的收集者收集和處理，確保遵守正確的處置協定和監管要求。

Indicators 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
Hazardous waste 有害廢棄物	Tonnes 噸	11.96	22.67
Intensity ² 密度 ²	Tonnes/million HKD revenue 噸／百萬港元收益	0.02	0.02
Non-hazardous waste 無害廢棄物	Tonnes 噸	287.77	61.35*
Intensity ² 密度 ²	Tonnes/million HKD revenue 噸／百萬港元收益	0.41	0.05

Note:

- * The usage of paper has been concluded in Non-hazardous waste in 2022, this number has been restated.

附註：

- * 在2022年，紙張的使用情況已被歸入非危險廢棄物，該數字已被重述。

A: ENVIRONMENTAL (CONTINUED)

A1:Emissions (Continued)

Hazardous Waste (Continued)

Throughout the year, as part of our commitment to sustainability and environmental responsibility, we actively promote and practice the recycling of plastic and paper materials. We have implemented comprehensive recycling programs that encourage employees and stakeholders to participate in the responsible disposal and reuse of these resources, the performance is below:

Indicators 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
– Plastic Recycling – 塑膠回收	Tonnes 噸	88	339
– Paper Recycling – 紙張回收	Tonnes 噸	49	74
Total 總計	Tonnes 噸	137	413

The Group has established a waste reduction target, aiming to demonstrate the Group's dedication to sustainability and responsible waste management, as it strives to minimise its environmental impact and promote a more sustainable future.

The Group implemented the following measures to reduce wastes:

- Encourage green office to minimise the use of printers to reduce paper consumption.
- Recycling bins are placed in the office and the factories to encourage staff to develop proper waste sorting habits.
- Monthly waste data at our factories will be obtained to keep track of our waste reduction and recycling performance and oversee the progress of the reduction target.
- If any irregularities are found, the ISO department will investigate the reasons for the fluctuation and suggest appropriate measures to relevant department. Meanwhile, the ISO department will report the issues to the Board immediately.

A : 環境 (續)

A1 : 排放 (續)

有害廢棄物 (續)

在整個年度中，作為對可持續發展和環境責任的承諾的一部分，我們積極推廣和實踐塑膠和紙張材料的回收利用。我們實施了全面的回收計劃，鼓勵員工和持份者負責任的處理並再利用這些資源，其表現如下：

集團已設定了減少廢棄物的目標，旨在展示集團對可持續發展和負責任廢棄物管理的承諾，努力減少其對環境的影響，促進更可持續的未來。

集團實施了以下措施來減少廢棄物：

- 鼓勵綠色辦公，減少列印機的使用，以減少紙張消耗。
- 在辦公室和工廠設置回收垃圾箱，鼓勵員工培養良好的廢棄物分類習慣。
- 每月將獲取我們工廠的廢棄物數據，以追蹤我們的廢棄物減量和回收表現，並監督減量目標的進展。
- 如果發現任何異常情況，ISO體系部門將調查波動的原因並向相關部門提出適當的措施建議，同時，ISO體系部門也將立即向董事會匯報問題。

A: ENVIRONMENTAL (CONTINUED)

A1: Emissions (Continued)

Wastewater Discharge

In line with our commitment to environmental responsibility, the Group strictly adheres to the Law of the PRC on the Prevention and Control of Water Pollution, the Urban Sewage Treatment Plant Pollutant Discharge Standard, and other relevant laws and regulations. These measures ensure that our operations comply with the necessary environmental standards and regulations related to water management.

The Group has implemented stringent regulations for the management of water discharge during operations. All sewage is directed to the government sewage pipeline and subsequently transferred to the local sewage treatment plant, ensuring compliance with proper wastewater treatment procedures. Additionally, the Group conducts annual monitoring of wastewater quality to ensure compliance with relevant standards and regulations. These measures affirm the Group's commitment to responsible water management and sustainable practices.

A2: Use of Resources

To mitigate the environmental risks associated with our business operations, the Group actively promotes resource efficiency through the implementation of "Procedures for reducing resource and energy usage." We prioritise the engagement of professional and certified electricians to maintain the on-site electricity system, ensuring its optimal functionality. Monthly records are maintained to monitor electricity consumption.

Furthermore, we encourage our employees to actively participate in resource conservation efforts. We emphasize the importance of reducing resource usage and provide guidance on practical ways to achieve this goal. By fostering a culture of resource consciousness, we aim to collectively contribute to the reduction of resource consumption within our organisation.

Energy

Energy consumption is the primary driver of GHG emissions from the Group, we take a proactive approach to identify and implement strategies for systematic energy management and optimisation. Among our operations, electricity, gasoline, and natural gas are the primary sources of energy consumption within our premises and office. To mitigate our environmental impact and reduce our energy footprint, we prioritise close monitoring of energy usage across our facilities. This enables us to identify areas of inefficiency and implement measures to minimise energy consumption. By leveraging advanced monitoring systems and energy-efficient technologies, we strive to continuously optimise our energy usage and reduce our carbon emissions.

A : 環境 (續)

A1 : 排放 (續)

廢水排放

根據我們對環境責任的承諾，本集團嚴格遵守《中華人民共和國水污染防治法》、《城鎮污水處理廠污染物排放標準》等相關法律法規。這些措施確保我們的業務符合水資源管理相關的環境標準和法規。

集團在業務運營中實施了嚴格的廢水排放管理規定。所有污水均連接到政府的污水管道及轉接到當地污水處理廠，確保符合適當的廢水處理程序。此外，本集團每年都會進行廢水品質監測，以確保符合相關標準和法規。這些措施體現了集團負責任的水資源管理和可持續實踐的承諾。

A2 : 資源使用

為了降低我們業務對環境的影響，本集團透過制定「資源和能源的節約程序」以推動提高資源運用效率。我們每月記錄電力的使用情況，優先聘用專業和認證的電工來維護現場電力系統，確保其正常運行。

此外，本集團鼓勵員工積極參與資源保護工作，強調減少資源使用的重要性，並提供實踐指導，以達到設定的目標。通過培養資源意識的文化，我們旨在共同減少集團內的資源消耗。

能源

能源消耗是集團溫室氣體排放的主要因素，我們採取積極的措施，確定並實施系統性的能源管理和優化策略。我們場地和辦公室主要消耗的能源是電力、汽油和天然氣。為了減少我們對環境的影響，減少能源足跡，我們優先監控設施的能源使用情況。這使我們能夠識別出能源使用效率低下的部分，並實施措施來降低能源消耗。通過利用先進的監測系統和節能技術，我們將努力不斷優化能源使用，減少碳排放。

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A: ENVIRONMENTAL (CONTINUED)

A2: Use of Resources (Continued)

Energy (Continued)

Additionally, we actively seek opportunities to enhance energy efficiency through initiatives such as upgrading equipment, improving insulation, and implementing energy-saving practices. We also promote employee awareness and engagement by providing training on energy conservation and encouraging behavioral changes that contribute to energy efficiency.

Through these efforts, we aim to not only reduce our environmental impact but also achieve long-term cost savings. By optimising energy usage and minimising GHG emissions, we are committed to promoting sustainability and contributing to a greener future.

During the Reporting Period, energy consumption by the Group was as follows:

Indicators 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
Total Direct energy consumption 直接能源消耗	MWh 兆瓦時	828.72	703.36*
– Diesel oil – 柴油	MWh 兆瓦時	98.14	N/A 不適用
– Petrol – 汽油	MWh 兆瓦時	396.66	238.67
– LPG – 液化石油氣	MWh 兆瓦時	34.56	112.36*
– Natural gas – 天然氣	MWh 兆瓦時	299.36	352.33
Total indirect energy consumption 間接能源消耗	MWh 兆瓦時	30,177.08	34,164.75
– Purchased electricity – 外購電力	MWh 兆瓦時	30,177.08	34,164.75
Total Energy consumption 能源消耗總量	MWh 兆瓦時	31,005.80	34,868.11*
– Intensity ² – 能源消耗密度 ²	MWh/million HKD revenue 兆瓦時／百萬港元收益	44.42	30.48

Note:

* The data has been restated due to an updated calculation model.

A: 環境(續)

A2: 資源使用(續)

能源(續)

此外，我們積極尋求通過升級設備、改善隔熱和實施節能措施等舉措提高能源效率。我們還通過提供節能培訓和鼓勵改變日常行為來提高員工對節能的意識和參與度。

通過這些努力，我們的目標不僅是減少對環境的影響，還要實現長期的成本節約。

在報告期內，集團的能源消耗情況如下：

附註：

* 由於計算模型更新，資料已重新表述。

A: ENVIRONMENTAL (CONTINUED)

A2: Use of Resources (Continued)

Water Resources

In order to minimise water usage in our manufacturing process, the Group places a strong emphasis on employing waterless techniques, such as injection molding, which reduces the need for water as a primary component. Nonetheless, we remain dedicated to implementing measures that effectively reduce water consumption in both operational and domestic aspects of our operations. The Group has no issue in sourcing suitable water.

The Group has implemented various strategies to achieve this target, particularly focusing on our cooling water system. This system incorporates recycling and reuse mechanisms, allowing us to minimise water consumption by maximising the utilisation of available water resources. Additionally, our cooling water system undergoes daily monitoring to promptly detect and address any potential leaks or inefficiencies, ensuring optimal water usage.

Through these initiatives, we aim to not only reduce our environmental impact but also contribute to the conservation of water resources. By actively managing and optimising our water consumption, we strive to operate in a more sustainable and responsible manner.

A : 環境 (續)

A2 : 資源使用 (續)

水資源

為了在我們的製造過程中最大程度地減少水的使用，集團非常重視採用無水技術，因為本集團主要使用注塑機及其他無水生產工序。本集團一直實施節約用水措施，以減少生產及生活用水。本集團在採購適用水源上沒有任何問題。

集團已經採取了各種策略來實現這一目標，我們的冷卻水系統採用回收和再用措施，最大程度地利用可用的水資源，從而使我們的水消耗得以最小化。本集團每日派員監察該系統，以防止任何洩漏，及時檢測和解決任何可能的洩漏或低效問題，確保水的最佳利用。

通過這些舉措，我們的目標不僅是減少對環境的影響，還為保護水資源做出貢獻。我們會積極管理和優化用水量，以更加可持續和負責任的方式運營。

Indicators 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
Water Consumption 水資源消耗	m ³ 立方米	157,686.20	161,244.00
– Intensity ² – 消耗密度 ²	m ³ /million HKD revenue 立方米／百萬港元收益	225.91	140.95

A: ENVIRONMENTAL (CONTINUED)

A2: Use of Resources (Continued)

Packing Materials

The primary packaging material utilised by the Group is paper carton boxes. As part of our commitment to environmental sustainability, we are dedicated to sourcing and using eco-friendly raw materials to minimise our impact on nature. In the future, we will actively seek out and adopt packaging materials that are sustainable, renewable, and have a reduced environmental footprint. By prioritising the use of environmentally friendly materials, we aim to contribute to the preservation of the natural environment and promote a more sustainable future.

Indicators 指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度
– Paper Carton Box – 紙箱	Tonnes 噸	1,048	1,753
– Plastic – 塑膠	Tonnes 噸	160.46	316.04
Total 總計	Tonnes 噸	1,208.46	2,069.04

A3: The Environmental and Natural Resources

The Group's policy promotes the adoption of innovative environmental practices to minimise our impact on the environment and natural resources. We are dedicated to implementing a range of initiatives to reduce the negative environmental effects of our daily operations. We continuously enhance our environmental awareness and foster a sense of responsibility both at work and personal lives. Furthermore, we integrate the principles of environmental and natural resource protection into our internal management and operational activities, striving towards sustainable development goals.

A : 環境 (續)

A2 : 資源使用 (續)

包裝材料

集團主要使用的包裝材料是紙箱。作為我們對環境可持續性的一部分，我們致力於採購和使用環保的原材料，最大程度減少對自然環境的影響。在未來，我們將積極尋找和採用可持續、可再生且對環境影響較小的包裝材料。通過優先使用環保材料，我們旨在為保護自然環境和促進更加可持續的未來做出貢獻。

A3 : 環境和自然資源

集團的政策鼓勵採用創新的環境實踐，以最小化我們對環境和自然資源的造成的影響。我們出台一系列舉措，減少我們日常經營活動對環境的負面影響。我們不斷增強環境保護意識，培養在工作和個人生活中的責任感。此外，我們將環境和自然資源保護原則納入我們的內部管理和運營活動中，努力實現可持續發展目標。

A: ENVIRONMENTAL (CONTINUED)

A4: Combating Climate Change

The Group is aware of the threat posed by climate change and actively contributes to offset its carbon footprint. The Group recognises the importance of identifying and responding to major climate issues, so it closely monitors the potential impact of climate change on its business and operations and is committed to managing potential climate risks that may affect the Group's business activities.

According to the reporting framework developed by the Task Force on Climate-related Financial Disclosures ("TCFD"), there are two types of climate-related risks, namely physical risks and transition risks, and the Group has thoroughly evaluated the associated risks and their impact on the Group's business.

Physical Risks
實體風險

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat pose acute and chronic physical risks to the Group's business. The Group's capacity and productivity will be reduced under extreme weather events as the safety of our employees is threatened, and the operational sites might be damaged, which leads to a direct negative impact on the Group's revenue.

We have established mitigation plans to minimise potential risks and hazards, including flexible work arrangements and precautionary measures during bad weather conditions such as typhoons, floods and black rainstorms. The Group will improve emergency plans to reduce the vulnerability of its business to extreme weather events.

颱風、風暴、暴雨及極端寒冷或酷熱等極端天氣事件的頻率及嚴重程度增加，對本集團的業務構成急性及慢性實體風險。由於我們的員工安全受到威脅，本集團的產能及生產力將於極端天氣事件下下降，而營運地點亦可能受損，從而對本集團的收入造成直接負面影響。

我們已制定緩解計劃，以盡量降低潛在風險及危害，包括靈活的工作安排及於惡劣天氣狀況(如颱風、洪水及黑色暴雨)期間的防範措施。本集團將優化應急計劃，以降低營運在極端天氣事件中的受影響程度。

A: 環境 (續)

A4: 應對氣候變化

本集團意識到氣候變化帶來的威脅，並為抵銷其碳足跡積極作出貢獻。本集團深明識別及應對重大氣候相關事宜的重要性，因此密切監察氣候變化對我們業務及營運的潛在影響，並致力管理可能影響本集團業務活動的潛在氣候風險。

根據氣候相關財務資訊披露工作組(「TCFD」)制定的報告框架，氣候相關風險分為兩類，即實體風險及過渡風險，本集團已全面評估相關風險及其對本集團業務的影響。

Transition Risks
過渡風險

To achieve the global vision of carbon neutrality, the Group expects the evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies, the emergence of environmentally related taxes and the shifting of customer preference to an eco-friendlier operation.

In response to transition risks, we constantly monitor the updates of environmental regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to the violation of laws. In addition, we have been taking comprehensive environmental protection measures, including energy saving, water conserving and GHG emissions reduction.

為實現全球碳中和的願景，本集團預期氣候變化將導致監管、技術及市場格局的演變，包括國家政策收緊、環境相關稅項出台及客戶偏好轉向更環保的業務。

為應對過渡風險，我們持續監察環境法規的更新及全球氣候變化的趨勢，以避免因違反法律而導致成本增加、違規罰款或帶來聲譽風險。此外，我們一直採取節能、節水、溫室氣體減量等綜合環境保護措施。

B: SOCIAL

B1: Employment

We place great importance on the growth and well-being of our employees. To create an appealing work environment and attract the best talents, we offer competitive compensation and benefits packages, along with clear career development paths. By providing these advantages, we aim to build a workplace that is both rewarding and fulfilling, encouraging employees to excel and remain with the Group in the long term.

Our commitment to employee development and welfare reflects our belief in the value of human capital as a key driver of success. Through continuous learning and support, we empower our employees to reach their full potential and contribute to the ongoing growth and prosperity of the Group.

To ensure the Group's performance continuity and minimise turnover, we actively conduct exit interviews with employees who have resigned. These interviews allow us to gain insights into the reasons behind their departure and address any concerns or issues that may exist among current employees. By understanding the factors contributing to resignations, we can take appropriate measures to improve employee satisfaction and retention.

Furthermore, we have implemented a management system to promote a fair working environment and employment practices. This system includes a comprehensive evaluation process for salary reviews and promotions. It assesses employees' performance, capabilities, and contributions to the company. By objectively evaluating these factors, we strive to make informed decisions that reward and recognise employees based on their merits and achievements.

Throughout the year 2023, the Group maintained a strong commitment to compliance with all relevant laws and regulations pertaining to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, as well as other benefits and welfare. As a result, there were no instances of non-compliance that could have had a significant impact on the Group's operations.

B: 社會

B1: 僱傭

我們非常重視員工的成長和福祉。為了營造一個有吸引力的工作環境並吸引最優秀的人才，我們提供有競爭力的薪酬待遇和福利，以及明確的職業發展路徑。通過提供這些福利，我們旨在建立一個既有回報又充實的工作場所，鼓勵員工在集團長期發展中取得優異表現並留任。

我們對員工發展和福利的承諾反映了我們「以人為本」的信念，認為這是成功的關鍵因素。通過不斷支持員工學習，我們的員工能夠充分發揮潛力，為集團的持續增長和繁榮做出貢獻。

為了確保集團的績效連續性並減少員工流失，我們積極進行離職面談，這些面談使我們能夠了解員工離職的原因，並解決現有員工可能存在的任何問題。通過了解導致離職的因素，可以採取適當的措施來提高員工滿意度和留任率。

此外，我們實施了一套管理體系，促進公平的工作環境和就業實踐。該體系包括對薪酬評估和晉升的全面評估流程。它評估員工的績效、能力和對公司的貢獻。通過客觀評估這些因素，我們努力做出明智的決策，根據員工的優點和成就給予獎勵和認可。

2023年，集團始終堅持遵守與薪酬和解僱、招聘和晉升、工作時間、休息時間、機會均等、多樣性、反歧視以及其他福利和福利相關的所有相關法律法規。因此，沒有發生任何可能對集團運營產生重大影響的不合規行為。

B: SOCIAL (CONTINUED)

B1: Employment (Continued)

As of 31 December 2023, the Group's breakdown of employee profile was as below:

		FY2023 2023 財政年度	FY2022 2022 財政年度
Total number of employees	員工總數	936	1,081
By Gender	按性別分類		
Male	男性	544	619
Female	女性	392	462
By Age	按年齡分類		
30 or below	30 歲或以下	147	188
31 – 50	31 – 50 歲	680	804
51 or above	51 歲或以上	109	89
By Geographic Area	按地理區域分類		
Mainland China	中國大陸	920	1,061
Hong Kong	香港	16	20
By Employment Type	按僱傭類型分類		
Management	管理層	127	141
Other staff	其他工作人員	809	940

B : 社會 (續)

B1 : 僱傭 (續)

截至 2023 年 12 月 31 日，集團員工概況如下：

The table below shows the employee turnover rate categorised by gender, age group and geographical region:

下表顯示了按性別、年齡組和地理區域分類的員工流失率：

Average monthly employee turnover rate (%)	月平均員工流動率 (%)	FY2023 2023 財政年度	FY2022 2022 財政年度
Overall	員工總數	5.3%	5.8%
By Gender	按性別分類		
Male	男性	5.1%	5.1%
Female	女性	5.6%	6.6%
By Age	按年齡分類		
30 or below	30 歲或以下	11.2%	15.5%
31–50	31–50 歲	4.6%	3.9%
51 or above	51 歲或以上	1.4%	1.7%
By Geographic Area	按地理區域分類		
Mainland China	中國大陸	5.3%	5.9%
Hong Kong	香港	2.6%	0.4%

B: SOCIAL (CONTINUED)

B2: Health and Safety

The employees' health and safety are one of the Group's top priority items, therefore, the Group implements "Management Procedures on Health and Safety" to eliminate all potential safety hazards and ensure a safe working environment to protect employees from occupational injuries.

The management procedures cover all manufacturing operations in the factories and highlight the safety requirements for the suppliers.

B : 社會(續)

B2 : 健康與安全

員工的健康與安全是集團的首要任務之一，因此，集團實施了《健康與安全管理程序》，以消除所有潛在的安全隱患，並確保安全的工作環境，保護員工免受職業傷害。

該管理程序涵蓋了工廠內所有的製造操作，並強調了對供應商的安全要求。



B: SOCIAL (CONTINUED)

B2: Health and Safety (Continued)

Apart from our internal management procedures, the Group also complies with relevant local laws and regulations, including Cap. 509 Occupational Safety and Health Ordinance in Hong Kong, the Labour Law of the PRC, the Fire Control Law of the PRC, the Law of the PRC on the Prevention and Treatment of Occupational Diseases and the Measures for the Ascertainment of Work-related Injuries. To prevent the outbreak of fire within the operation areas, the security guards have to patrol the building site daily, such as dormitory, factories, garages, lavatories and kitchen. They will also ensure all equipped fire extinguishers are functioning properly. The human resources department will guide the fire safety committee to carry out one to two fire drill practices annually.

Health & Safety Indicators 健康與安全指標	Unit 單位	FY2023 2023 財政年度	FY2022 2022 財政年度	FY2021 2021 財政年度
Work-related fatalities 因工死亡	Case(s) 案例(件)	0	0	0
Fatality rate 死亡率	% %	0	0	0
Lost days due to work injury 因工傷損失工作日	Days 天	230.5	41.8	161.8

B3: Training and Development

The Group has established the "Management Procedures on Development and Training" to govern in-house training and work distribution. These procedures outline the requirements and performance indicators aimed at enhancing employees' occupational skills and overall quality. Additionally, the Group has strengthened its development and training systems to ensure the smooth and continuous implementation of all training programs.

The human resources department plays a key role in providing instructions for job duties in each position and formulating an annual training development plan. This plan serves as a roadmap for identifying the training needs of employees and designing appropriate training initiatives to address those needs. The Group believes the vocational training practices will allow us to nurture a better, sustainable working environment and learning atmosphere to the employees.

B : 社會 (續)

B2 : 健康與安全 (續)

除了內部管理程序外，本集團亦嚴格遵守當地相關法律法規，包括香港法例第509章《職業安全及健康條例》、《中華人民共和國勞動法》、《中華人民共和國消防法》、《中華人民共和國職業病防治法》及《工傷認定辦法》。為了防止工作區域內發生火災，保安每天都會在周圍進行例行檢查，如宿舍、廠房、車庫、廁所和廚房。工作人員會確保所有滅火器正常運行。人力資源部門將協助消防安全委員會每年進行一到兩次消防演習。

B3 : 培訓與發展

集團制定了「培訓發展管理手冊」，以規範內部培訓和工作分配。該手冊明確列出了要求和績效指標，以提高僱員的職業技能和素質。本手冊加快了集團的發展和培訓系統的建設，確保所有計劃都順利和持續地進行。

人力資源部在為各職位提供工作職責指導和制定年度培訓發展計畫方面扮演著關鍵角色，他們會根據員工的培訓需求，並設計適當的培訓方案。集團相信，職業培訓實踐將使我們能夠培養更好、可持續的工作環境和學習氛圍，造福員工。

B: SOCIAL (CONTINUED)

B3: Training and Development (Continued)

To the new employees
為新入職僱員

- Comprehensive pre-job trainings and orientation programmes are provided to the new employees to introduce the company's background, culture, regulations and safety requirements.
- 為新員工提供全面的入職培訓和新員工導向計劃，介紹公司的背景、文化、規章制度和安全要求。
- New employees are also subject to on-job trainings offered by their reporting departments.
- 新僱員也需要接受相應部門提供的在職培訓。

To newly promoted employees
為新晉升的員工

- The Group invites external institutions to organise training courses to the employees regularly.
- 集團定期邀請外部機構為員工組織培訓課程。
- Human resources department will revise the annual training programmes in accordance with the reviews and feedbacks of each department.
- 人力資源部門將根據各部門的評審和意見修訂年度培訓計劃。

B : 社會 (續)

B3 : 培訓與發展 (續)



Conducting occupational injury prevention training.

進行預防工傷培訓。

B: SOCIAL (CONTINUED)

B3: Training and Development (Continued)

B : 社會 (續)

B3 : 培訓與發展 (續)



Conducting anti-fraud training.
開展反詐騙培訓。



Conducting occupational safety training.
開展職業安全培訓。

B: SOCIAL (CONTINUED)

B3: Training and Development (Continued)

B: 社會 (續)

B3: 培訓與發展 (續)



Conducting medical emergency knowledge training.
進行醫療急救知識培訓。



Conducting comprehensive fire drill.
開展綜合消防演練。

B: SOCIAL (CONTINUED)

B3: Training and Development (Continued)

During the Reporting Period, the Group provided trainings to 7,369 participants. Total training hours were 16,699 hours (2022: 9,318 hours). Average training hours per employees were 17.82 hours (2022: 8.62 hours).

Categories	類別	FY2023 2023 財政年度		FY2022 2022 財政年度	
		Percentage of Employee Trained (%) 受訓員工比例 (%)	Average Training Hours per Employee (hours) 每位員工平均培訓時間 (小時)	Percentage of Employee Trained (%) 受訓員工比例 (%)	Average Training Hours per Employee (hours) 每位員工平均培訓時間 (小時)
By Gender	按性別分類				
Male	男性	51%	16.5	55%	7.2
Female	女性	49%	19.7	45%	10.5
By Employment Type	按僱傭類型分類				
Other staff	其他工作人員	88%	19.1	91%	8.6
Top management	管理層	12%	9.9	9%	8.9

B4: Labour Standards

Prevention of Child Labour and Forced Labour

The Group is fully committed to upholding labor-related laws and regulations and has established the "Management Procedures on the Prohibition of Child Labor" to ensure compliance. In accordance with these procedures, the Human Resources Department strictly prohibits the hiring of child labor, which refers to individuals under the age of 16.

During the recruitment process, the Group conducts identification checks, particularly for junior workers aged between 16 and 17, to ensure their eligibility for employment. If any instance of child labor is identified, employees are instructed to report it directly to the Human Resources Department and senior management for immediate verification. The Group takes immediate action to address the situation and promptly reports it to the local Labor Department.

B : 社會 (續)

B3 : 培訓與發展 (續)

報告期間內，本集團共培訓學員 7,369 人次。總培訓時數為 16,699 小時 (2022 年：9,318 小時)。平均每位員工的培訓時數為 17.82 小時 (2022 年：8.62 小時)。

B4 : 勞工標準

防止童工和強迫勞動

集團堅決遵守勞工相關法律法規，並制定了「禁止使用童工手冊」以確保合規，根據這些程序，人力資源部嚴禁僱傭 16 歲以下的童工。

在招聘過程中，集團進行身份核查，特別是對 16 至 17 歲的初級員工，以確保他們具備就業資格。如果發現任何童工情況，員工可以直接向人力資源部和高級管理層報告，以立即進行核實。集團會立即採取行動解決問題，並及時向當地勞工部門報告。

B: SOCIAL (CONTINUED)

B4: Labour Standards (Continued)

Prevention of Child Labour and Forced Labour (Continued)

The working hours of the employees are set as 8 hours per day and five working days per week. Upon the approval from the human resources department, the employees can be arranged to work overtime with a maximum of 3 hours per day and shall not exceed a total working hour of 60 hours per week. The Group also states the off-work periods of the employees and provides them paid leaves as remuneration benefits and welfare. Trainings are also provided to all employees, details please refer to the "Development and Training" section above.

The Group is deeply committed to protecting human rights, prohibiting forced labor, and fostering a workplace characterised by respect and fairness for all employees. During the Reporting Period, we have not been made aware of any instances of non-compliance with the relevant rules and regulations regarding the prevention of child labor or forced labor.

We strictly abide by all labour-related laws and regulations of Hong Kong and the PRC, including Cap. 57 Employment Ordinance, Cap. 485 Mandatory Provident Fund Schemes Ordinance, Cap. 509 Occupational Safety and Health Ordinance, Cap. 608 Minimum Wage Ordinance in Hong Kong, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Provisions on the Prohibition of Using Child Labor and the Law of the PRC on the Protection of Minors.

Inclusion and Diversity

In order to promote diversity in our workplace, the Group's "Management Procedures on Anti-Discrimination" endorsed by the human resources department provides a clear structure on a fair employment practice during recruitment. The policy clearly states that any discrimination on race, gender, religion, national origin, physical or mental disability, age, sexual orientation and gender identity are strictly prohibited during the employment process. The procedure also clearly sets out the standard operation procedures when discrimination practices are detected in workplace. Trainings are provided to eliminate any discrimination practices among employees. If any discrimination or harassment reports are received, the Group will establish a working group to investigate into the incident. The Group is honored to receive the SA8000:2014 Social Accountability Certification that recognises our socially acceptable practices in the workplace. The Group tries their best to provide a better working environment to the employees.

B: 社會 (續)

B4: 勞工標準 (續)

防止童工和強迫勞動 (續)

僱員的工作時間為每天8小時，每週5個工作日。僱員需要經人力資源部的批准才可以加班，每天最多加班工作3小時，每週總工作時間不得超過60小時。本集團亦確保僱員在非工作期間，向他們提供有薪假期作為員工福利。本集團還向所有僱員提供培訓，詳情請參閱上文「發展和培訓」一節。

本集團致力保護人權，禁止強制勞動及為僱員創造一個尊重及公平的工作環境。在報告期間，本集團並不知悉任何違反與童工或強迫用工相關法律及法規的情況。

本集團嚴格遵守香港和中國所有與勞工相關的法律法規，包括香港法例第57章《僱傭條例》、香港法例第485章《強制性公積金計劃條例》、香港法例第509章《職業安全及健康條例》、香港法例第608章《最低工資條例》、《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《禁止使用童工規定》、《中華人民共和國未成年保護法》。

包容與多樣性

為促進多元文化的工作場所，本集團的人力資源部門在招聘過程中實施公平就業的「反歧視管理程序」。該政策明確規定，在就業過程中嚴格禁止對種族、性別、宗教、國籍、身體或精神狀況、年齡、性取向和性別認同作出任何不平等對待。該程序亦清楚列明，在工作場所發現到任何歧視行為時的標準處理程序。本集團亦提供培訓以防止僱員的任何歧視行為。如果收到任何歧視或騷擾匯報，本集團將成立工作小組，直接調查此事件。本集團亦取得SA8000:2014社會責任認證，該認證承認我們在工作場所做法被社會認可。本集團將盡力為僱員提供更好的工作環境。

B: SOCIAL (CONTINUED)

B4: Labour Standards (Continued)

Holistic Wellbeing

The scope of the Group's management approach to occupational health and safety is expanding to incorporate broader aspects of wellbeing. Besides providing free housing and meal to the employees in Huizhou, the group also adopts a wholesome perspective of employees' social, emotional and mental health. On this front, the Group has organised company events and recreational activities for employees and their families.

B : 社會 (續)

B4 : 勞工標準 (續)

全面健康福祉

集團對職業健康與安全的管理方法範圍涵蓋更廣泛的員工福利。除了為惠州員工提供免費住房和餐飲外，集團還全面關注員工的社交、情感和心理健康。在這方面，集團為員工及其家人組織了公司活動和娛樂活動。



Organising the 3rd Annual Basketball Friendship Tournament for all employees.
舉辦第三屆全體員工籃球友誼賽。

B: SOCIAL (CONTINUED)

B4: Labour Standards (Continued)

Holistic Wellbeing (Continued)

B : 社會 (續)

B4 : 勞工標準 (續)

全面健康福祉 (續)



Organising a 2023 New Year celebration event for employees.
為員工舉辦 2023 年新年慶祝活動。



Organising a "Trash Run" activity for all employees.
組織全體員工進行檢跑活動。

B: SOCIAL (CONTINUED)

B5: Supply Chain Management

Building enduring collaborative partnerships with diverse suppliers is fundamental to our achievements. Through close cooperation with our suppliers, we actively monitor the quality of their goods and services, as well as their overall performance, thereby ensuring the reliability of our supply chain. We strive to foster a supply chain that aligns with our shared vision of sustainable development. By establishing these long-term relationships, we enhance our ability to deliver exceptional products and services while promoting responsible business practices throughout our supply chain.

Group policies have clearly outlined the procurement standards and procedures, as well as the assessment of supplier performance. Suppliers should conduct business ethically, and refrain from providing or accepting bribes and other improper benefits. At the tendering stage, suppliers are selected and rated based on a set of criteria, including product price and quality, delivery time, and payment terms. A background check (including permits, licenses, and certificates of suppliers) is conducted to ensure compliance with all relevant laws and regulations. If non-conformities are identified, suppliers must rectify them immediately. Supplier performance will be evaluated based on the marking scheme outlined in the Management Procedures on Supply Chain, those who violates laws and regulations, fails to meet tender requirements, or commits misconduct, may have their contract terminated or penalised.

Green Procurement

The Group adopts the sustainable and responsible selection criteria to promote environmentally preferable products. The procedure grades all suppliers by relevant rating systems: outstanding suppliers are rating from 90 to 100 and suppliers with rating from 65 to 89 are classified as pass, while the rest are considered failed, during the year, 32 suppliers passed our assessment through on-site audit. The purchasing department is responsible for managing all production and nonproduction services suppliers. The ISO department is responsible for the assessment of suppliers. Apart from these, the Group will visit the suppliers regularly to ensure that the suppliers comply with the environment, health, and safety standards.

B: 社會 (續)

B5: 供應鏈管理

與多元化供應商建立持久的合作夥伴關係是我們成功的基礎。通過與供應商的密切合作，我們積極監控其產品和服務的質量，以及整體表現，從而確保供應鏈的可靠性。我們努力打造符合我們永續發展共同願景的供應鏈。通過建立這些長期關係，我們增強了提供優質產品和服務的能力，同時促進了整個供應鏈中負責任的商業實踐。

集團政策明確規定了採購標準和程序，以及供應商表現評估。供應商應道德地開展業務，不得提供或接受賄賂和其他不當利益。在招標階段，我們根據一系列標準進行選擇和評級，包括產品價格和品質、交付時間和付款條件。我們進行背景調查（包括供應商的許可證、牌照和證書），以確保遵守所有相關法律法規。如果發現不合格情況，供應商必須立即修正。倘供應商於合約期內違反法律法規、未達招標要求或有不當行為的，可能會被終止合約或遭到罰款。

綠色採購

本集團亦採用可持續及負責任的甄選標準來促使多用環保產品。該程序按相關評級制度對所有供應商進行評級：優秀供應商的評級為90至100，評級為65至89的供應商被歸類為合格，其餘供應商被視為不合格。本年度，共32個供應商通過我們的現場審核評估。採購部門將負責所有生產和非生產服務供應商的管理，ISO體系部負責評估供應商的表現。除此之外，本集團會定期拜訪供應商以確保他們遵守環境、健康及安全的標準。

B: SOCIAL (CONTINUED)

B5: Supply Chain Management (Continued)

Green Procurement (Continued)

During the engagement process, the Group will assess all potential suppliers based on their certification of management systems, company profile, manufacturing procedures, status of production and inspection equipment, environmental control and the applicable operation or production license of certain hazardous chemicals. Besides, the Group will select the suppliers who have attained the certification of ISO9001:2015 or other related documents. All samples and products have undergone applicable quality test on-site. Inspection is carried out bi-annually for suppliers rated as outstanding; while annual inspection is carried out for suppliers rated as pass.

The table below shows our number of suppliers by geographical region during the Year:

Location of Suppliers	供應商所在地	No. of major Suppliers 主要供應商數量
Mainland China	中國大陸	353
Hong Kong	香港	21
Others	其他	11

B6: Product Responsibility

Quality Assurance

The Group places great importance on adhering to national laws and regulations concerning product safety. We are committed to providing products of the highest quality, and to achieve this, we conduct regular inspections and checks to ensure compliance.

In addition, we prioritise responsible advertising and labeling practices to minimise any potential customer dissatisfaction. We believe in transparent and accurate information exchange, ensuring that our customers have the necessary details to make informed decisions about our products. To further enhance product quality and safety, we have implemented the "Procedures on Information Exchange." This procedure designates the Operations Department as responsible for overseeing product quality and safety, ensuring that rigorous standards are followed throughout the production and distribution processes.

By following these measures, we aim to instill trust and confidence in our customers by consistently delivering products that meet or exceed their expectations in terms of quality, safety, and reliability.

B: 社會 (續)

B5: 供應鏈管理 (續)

綠色採購 (續)

在委聘過程中，本集團將根據其對管理系統、公司簡介、製造過程、生產和檢驗設備狀況、環境控制和適用經營或生產若干有害化學物品的許可證等認證來評估所有潛在供應商。此外，本集團會選擇已獲得ISO9001:2015認證或其他相關文件的供應商，本集團會對所有樣品和產品進行現場品質檢測。對於被評為優秀的供應商，每兩年進行一次檢查，而對於被評為合格的供應商，則每年進行一次檢查。

下表顯示了本年度我們按地理區域分類的供應商數目：

B6: 產品責任

質量保證

集團非常重視遵守有關產品安全的國家法律法規。我們致力於提供最高質量的產品，並為此進行定期檢查和驗證以確保合規性。

此外，我們優先考慮負責任的廣告和標籤實踐，盡量減少客戶的不滿。我們相信透明和準確的資訊交流，確保我們的客戶獲得必要的細節，以便對我們的產品做出明智的決策。本集團制定了「訊息交流程序」，以確保營運部門對產品品質和安全負責，確保在整個生產和分銷過程中遵循嚴格的標準。

通過遵循這些措施，我們旨在通過持續交付符合或超出客戶對質量、安全性和可靠性的期望的產品，樹立客戶的信任和信心。

B: SOCIAL (CONTINUED)

B6: Product Responsibility (Continued)

Protect data privacy

To protect consumer data privacy and other confidential documents, the Group strictly follows Cap. 528 Copyright Ordinance, Cap. 486 Personal Data (Privacy) Ordinance in Hong Kong, the Law of the PRC on the Protection of Customer Rights and Interests and has established clear instructions on how to prevent leakage of confidential documents and effective management of documents. The "Management of Confidential Documents" classifies all documents into three broad categories: A, B or C grade, based on the extent of sensitivity of the documents. The ISO department is responsible for the classification, management and distribution of documents. During the Reporting Period, the Group did not have any personal data breach or leakage case.

Intellectual Properties Rights

The Group acknowledges the importance of intellectual property rights. The Group will not plagiarise the design of other organisations. The employees are required to maintain confidentiality of the Group's technology and trade secrets, considering all such properties belong to assets of the Group. During the Reporting Period, the Group was not aware of any complaints or non-compliance with relevant laws and regulations in to the intellectual property right.

Complaints Handling Procedures

The Group recognises the significance of customer feedback and values the opinions of our customers. To better understand their needs and exceed their expectations, we have established various communication channels to collect their feedback. These channels include telephone, email, and regular interactions with customers. The responsibility of handling customer feedback and complaints lies with our dedicated quality control department. They are equipped to address and resolve any concerns raised by customers, ensuring that their feedback is taken seriously, and appropriate actions are taken.

The Group is committed to improve customer satisfaction and maintain a long-term relationship with them. When there is any dissatisfying product quality found, the quality control department will carry out follow up action on a timely basis. Proper measures will also be adopted to prevent the issue from happening again. During the Reporting Period, there was no material claim or complaint brought against the Group by our customers. Meanwhile, the Group had not experienced any material litigation, return on sales, recalls, or repairs from our customers during the Reporting Period.

B : 社會 (續)

B6 : 產品責任 (續)

數據隱私保護

為保護消費者資料隱私和其他機密文件，本集團嚴格遵守香港法例第528章《版權條例》、香港法例第486章《個人資料(私隱)條例》、《中華人民共和國消費者權益保護法》，並對防止機密文件洩露及文件的有效管理制定了明確的指引。基於所述文件的敏感程度，「機密文件管理」將所有文件分為三大類：A、B或C級。ISO體系部負責將文件分類、管理和分發。在報告期間內，本集團沒有發生任何有關個人資料洩外洩或者違反相關法律的事件。

知識產權

本集團認識到知識產權的重要性。本集團不會抄襲其他機構的設計。員工須對本集團技術及商業秘密保密，因所有財產都屬本集團資產。在報告期間，本集團並不知悉任何涉及知識產權的相關法律及法規的投訴或不合規情況。

投訴處理程序

集團認識到客戶反饋的重要性，並重視客戶的意見。為了更好地了解客戶的需求並超越他們的期望，我們建立了各種溝通管道來收集他們的反饋意見。這些管道包括電話、電子郵件以及與客戶的定期互動。品管部負責處理客戶的意見或投訴，確保認真對待客戶的反饋，並採取適當的措施，避免該類事件再次發生。

本集團致力提高客戶的滿意度及與他們維持長遠的關係。當發現任何產品質量不滿的情況，品管部會立即跟進。亦會採取適當的措施以防止同樣問題再度發生。在報告期間，本集團並沒有收到客戶任何重大的索償或投訴。同時，在報告期間本集團並沒有任何重大訴訟、銷售退貨、召回或客戶維修。

B: SOCIAL (CONTINUED)

B7: Anti-Corruption

The Group embraces responsible business practices, and we expect high moral standards and integrity from the employees and business partners. The Group strictly complies with relevant laws and regulations, including Cap. 201 Prevention of Bribery Ordinance, Cap. 615 Anti-Money Laundering and Counter-Terrorist Financing Ordinance in Hong Kong, the Criminal Law of the PRC and its Judicial interpretation, the Criminal Procedure Law and its Judicial interpretation, the Interpretation on Several Issues Concerning the Applicable Laws to Handling Criminal Cases of Embezzlement and Bribery, and the Anti-Money Laundering Law of the PRC. In addition, the Group's "Management Procedures on Anti-Bribery" applies to all entities among the Group to regulate all business activities.

Anti-corruption Training

The Group places a strong emphasis on responsible and ethical conduct from its employees. We strive to prevent any actions that could jeopardise the Group's interests and reputation, we regularly remind our employees to comply with the code of practices. To foster a culture of integrity and combat corruption, we provide anti-corruption training 13 times a year to both directors and employees, totaling 118 hours in total. This training aims to raise awareness about ethical practices and equip individuals with the knowledge and skills to identify and prevent corrupt activities.

By promoting a strong ethical framework and providing necessary training, the Group actively encourages employees to uphold the highest standards of professionalism, honesty, and integrity. These efforts safeguard the Group's interests, reputation, and long-term success.

B: 社會 (續)

B7: 反貪污

集團秉承負責任的商業實踐，我們對員工和商業夥伴的道德標準和誠信要求很高。本集團嚴格遵守相關法律法規，包括香港法例第201章《防止賄賂條例》、香港法例第615章《打擊洗錢及恐怖分子資金籌集條例》、《中華人民共和國刑法》及其司法解釋、《刑事訴訟法》及其司法解釋、關於辦理貪污賄賂刑事案件適用法律若干問題的解釋和《中華人民共和國反洗錢法》。此外，本集團的「反賄賂管理程序」適用於公司內的所有人士，以規範所有業務活動。

反貪污培訓

集團非常重視員工的負責任和道德行為。我們努力防止任何可能危及集團利益和聲譽的行為。為防止員工作出任何可能威脅到本集團的利益和聲譽的惡意行為，我們會定期提醒員工遵守行為準則。為了培養誠信文化和打擊貪污行為，我們每年提供13次反貪污培訓，面向董事和員工，總計118小時。這些培訓旨在提高對道德實踐的意識，並使個人具備識別和防止貪污活動的知識和技能。

通過推進強有力的道德框架並提供必要的培訓，集團積極鼓勵員工堅持最高的職業道德、誠實和廉潔標準。這些努力保護了集團的利益、聲譽和長期成功。

B: SOCIAL (CONTINUED)

B7: Anti-Corruption (Continued)

Whistleblowing Policy

Any forms of bribery, extortion, fraud, money-laundering and embezzlement are strictly forbidden, employees are allowed to report on any suspicious misbehavior of unethical businesses to the senior management directly. The Group has implemented its whistleblowing policy, which shall be reviewed periodically by the audit committee (the “**Audit Committee**”) and approved by the Board, with proper mechanisms in place for fair and independent investigation of these matters, as well as for appropriate follow-up action. All whistle-blowing procedures are conducted in a confidential manner and the Group will ensure all measures are undertaken to protect the privacy and identity of the whistleblower. The Group accepts zero tolerance to any dishonesty and unethical business behaviors. If any violation is found, the Group will report to the government authorities in accordance with the law and the involved employee will be penalised immediately.

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

B8: Community Involvement

The Group firmly believes in the interdependence of corporations and communities. As such, we are dedicated to supporting community development through various forms of social participation. We actively strive to foster a positive corporate culture by establishing a voluntary team that coordinates community services focused on social and environmental protection.

B : 社會 (續)

B7 : 反貪污 (續)

舉報政策

本集團嚴禁任何形式的賄賂、勒索、欺詐、洗錢和貪污。員工可以直接向高級管理層報告任何可疑的不道德行為。本集團已實施舉報政策，該政策應由審核委員會（「**審核委員會**」）定期審查並由董事會批准，並設有適當的機制以公平和獨立地調查這些事件，並採取適當跟進行動。所有舉報過程將嚴格保密，本集團將確保採取一切措施保護舉報人的隱私和身份。本集團對任何不誠實及不道德的商業行為均予以零容忍，若有發現任何違規行為，本集團將依法向政府機關報告，並立即對所涉及的員工進行處罰。

在報告期內，沒有針對集團或其員工提起涉及貪污行為的法律案件。

B8 : 社區參與

集團堅信企業與社區之間存在相互依存關係。因此，我們致力於通過各種形式的社會參與來支持社區發展，積極努力培育積極的企業文化，成立了一個自願團隊，協調著以社會和環境保護為重點的社區服務。

B: SOCIAL (CONTINUED)

B8: Community Involvement (Continued)

During the Reporting Period, the Group made donations totaling approximately HK\$ 540,000 to various charitable organisations. Some of the specific organisations that received these donations include:

Special donation to the “Education Assistance and Teaching Support” program of Zhongkai High-tech Zone Charity Federation.

仲愷高新區慈善總會「助學助教」專項捐款

Date: September 11, 2023

Organisation: Zhongkai High-tech Zone Charity Federation

Location: Zhongkai High-tech Zone Huizhou No.1 Middle School Dongjiang Campus

Content: Special donation for educational assistance and teaching support.

Donation: RMB 100,000

日期：11/9/2023

機構：仲愷高新區慈善總會

地址：仲愷高新區惠州一中東江學校

內容：助學助教專項捐贈

捐贈：人民幣 100,000 元

Gansu Jishishan County Earthquake Relief

甘肅積石山縣地震賑災

Date: December 18, 2023

Organisation: Gansu Red Cross Society

Location: Gansu Red Cross Society

Content: Donation for Earthquake Relief in Jishishan County, Gansu Province.

Donation: RMB 100,000

日期：18/12/2023

機構：甘肅省紅十字會

地址：甘肅省紅十字會

內容：甘肅積石山縣地震賑災款

捐贈：人民幣 100,000 元

B : 社會 (續)

B8 : 社區參與 (續)

在報告期內，集團向各個慈善組織捐款共計約 540,000 港元。其中，部分受捐贈的具體組織包括：

B: SOCIAL (CONTINUED)

B8: Community Involvement (Continued)

In addition, our participation in charity events has garnered us numerous rewards and recognition:

Donation Certificate

Date: April 1, 2023

Issuing Organisation: Red Cross Society of Anlong County, Qiannan Prefecture, Guizhou Province

Content: 100,000 Medical Masks Donated

捐贈證書

日期: 2023-04-01

頒發機構: 貴州省黔西南安龍縣紅十字會

內容: 10萬個醫用口罩

“Top 10 Charity Stars - Acts of Kindness and Good Deeds” Trophy

Date: December 25, 2023

Issuing Organisation: Huizhou Zhongkai High-tech Zone Charity Federation

Content: Awarded the “Top 10 Charity Stars” honor in 2023 and received a trophy.

「十佳慈善之星善心善行」獎座

日期: 2023-12-25

頒發機構: 惠州仲愷高新區慈善總會

內容: 2023年度被授予「十佳慈善之星」榮譽稱號並獲獎座

By actively engaging with local communities, the Group can build trust, enhance our reputation, and foster long-term sustainability. Community involvement in ESG initiatives contributes to the broader goal of creating a positive and inclusive society while aligning with the values and expectations of all stakeholders of the Group. In the future, the Group will continue to devote more resources to contribute the community.

B: 社會 (續)

B8: 社區參與 (續)

此外，我們參與慈善活動也贏得了許多獎勵和認可：

頒發機構: 貴州省黔西南安龍縣紅十字會

內容: 100,000 Medical Masks Donated

日期: 2023-04-01

頒發機構: 貴州省黔西南安龍縣紅十字會

內容: 10萬個醫用口罩

Date: December 25, 2023

頒發機構: 惠州仲愷高新區慈善總會

內容: Awarded the “Top 10 Charity Stars” honor in 2023 and received a trophy.

日期: 2023-12-25

頒發機構: 惠州仲愷高新區慈善總會

內容: 2023年度被授予「十佳慈善之星」榮譽稱號並獲獎座

通過積極參與當地社區，集團能夠建立同社區之間的信任、增強集團聲譽，並促進長期可持續發展。在環境、社會及管治倡議中參與社區活動有助於實現創造積極和包容的社會的更廣泛目標，同時與集團的所有利益相關者的價值觀和期望保持一致。在未來，本集團將繼續投放更多資源回饋社會。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. CHAN Tsan Lam, aged 63, is the founder of the Group. Mr. Chan is an executive Director, Chairman and Chief Executive Officer of the Company. He is primarily responsible for formulating corporate strategies, overseeing the overall management of business and operation of the Group. Mr. Chan is also a director of all of the Company's subsidiaries. Mr. Chan has over 30 years of experience in marketing, strategic planning and business management in the manufacturing industry. From 1991 until Mr. Chan founded Sun Leader Mould Industrial Limited ("Sun Leader HK") in September 2000, Mr. Chan worked as a sole proprietor specializing in mould design and manufacturing. Mr. Chan is the father of Ms. Chan Yin Yan, an executive Director of the Company, and Mr. Chan Tsz Wai, a senior management member of the Company. He is one of the controlling shareholders of the Company. Mr. Chan is also the director of the holding company of the Company, namely, Oceanic Green Group Limited ("Oceanic Green"), New Strength Ventures Limited ("New Strength"), Gold Alliance Ventures Limited ("Gold Alliance") and Treasure Line Holdings Limited ("Treasure Line").

Ms. POON Po Han Lisa, aged 61, is an executive Director, Chief Financial Officer and Company Secretary of the Group. Ms. Poon is primarily responsible for financial planning and management and overseeing the accounting department of the Group. Ms. Poon has over 20 years of experience in financial management, accounting and taxation working in professional and commercial accounting sectors. Ms. Poon holds a Bachelor of Science degree in accounting from The University of Hull in the United Kingdom, and a Master's degree in Corporate Governance from The Hong Kong Polytechnic University in Hong Kong. Ms. Poon is a fellow member of the Association of Chartered Certified Accountants, an associate of The Hong Kong Chartered Governance Institute and an associate of The Chartered Governance Institute. Ms. Poon joined the Group in May 2008 and was appointed as Chief Financial Officer and Company Secretary in April 2017 and executive Director in May 2019.

Ms. CHAN Yin Yan, aged 34, is an executive Director and the Chief Operating Officer. Ms. Chan is primarily responsible for overseeing the overall management of business and operation of the Group and responsible for the marketing of the Group. Ms. Chan joined the Group in June 2013 and has been responsible for managing part of the business and developing the Group's customer base and is the key personnel in developing the Group's e-cigarette business. Ms. Chan holds a Bachelor's degree in Commerce from Curtin University of Technology in Australia. Ms. Chan is the daughter of Mr. Chan, an executive Director, Chairman and Chief Executive Officer of the Company, and the elder sister of Mr. Chan Tsz Wai, a senior management member of the Company.

執行董事

陳燦林先生，63歲，為本集團的創始人。陳先生擔任本公司的執行董事、主席及首席執行官。彼主要負責制定企業策略、監督本集團的整體業務管理及營運。陳先生亦為本公司的所有附屬公司的一名董事。陳先生於製造業的營銷、策略規劃及業務管理等方面擁有逾30年的經驗。自1991年至陳先生於2000年9月成立新利達模具實業有限公司(「新利達(香港)」)，陳先生擔任獨資經營者，專門從事模具設計及製造。陳先生為本公司執行董事陳燕欣女士及本公司高級管理層成員陳梓煒先生的父親，並為本公司的控股股東之一。陳先生亦為本公司的控股公司(即海翠集團有限公司(「海翠」)、新力創投有限公司(「新力」)、金協創投有限公司(「金協」)及Treasure Line Holdings Limited(「Treasure Line」))的董事。

潘寶嫻女士，61歲，為本集團執行董事、首席財務官及公司秘書。潘女士主要負責財務規劃及管理以及監督本集團會計部。潘女士在專業及商業會計界從事財務管理、會計和稅務方面擁有逾20年經驗。潘女士持有英國赫爾大學會計專業理學學士學位及香港的香港理工大學企業管治碩士學位。潘女士為特許公認會計師公會資深會員，並獲准為香港公司治理公會會員以及英國特許公司治理公會會員。潘女士於2008年5月加入本集團，並分別於2017年4月及2019年5月獲委任為首席財務官兼公司秘書以及執行董事。

陳燕欣女士，34歲，擔任執行董事及首席營運官。陳女士主要負責監督本集團的整體業務管理及營運並負責本集團營銷。陳女士於2013年6月加入本集團，一直負責管理我們的部分業務及拓展本集團的客戶基礎且為開發本集團電子煙業務的關鍵人員。陳女士持有澳大利亞科廷科技大學商科學士學位。陳女士為本公司執行董事、主席及首席執行官陳先生的女兒及本公司高級管理層成員陳梓煒先生的姐姐。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. NG Chi Wai, aged 45, is an independent non-executive Director. He has over 20 years of experience in auditing, accounting and corporate management. He has worked at the audit department of two international accounting firms and he has held senior management positions in different listed companies. He is currently a practicing director of CN CPA Limited. Mr. Ng holds a bachelor of art degree in accounting and finance from Leeds Metropolitan University, the United Kingdom. He is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. Mr. Ng has joined our Group since May 2019.

Mr. HUNG Chun Leung, aged 57, is an independent non-executive Director. Mr. Hung joined Messrs. Terry Yeung & Lai, Solicitors as a consultant solicitor in July 1997 and has become a partner of Messrs. Terry Yeung & Lai, Solicitors since February 2016. Mr. Hung has over 28 years of experience in handling legal matters in the areas of conveyancing, mortgage finance transactions, commercial contracts, acquisition of shares, matrimonial cases, civil litigation and estate agents disciplinary inquiry hearings. Mr. Hung has joined our Group since February 2018. Mr. Hung obtained his bachelor of laws degree with honours and Postgraduate Certificate in Law from The University of Hong Kong. Mr. Hung was admitted as a solicitor of the Supreme Court of Hong Kong in October 1993 and has been a member of the Law Society of Hong Kong since then.

Mr. CHAN Bing Kai, aged 77, is an independent non-executive Director. Mr. Chan has over 50 years of experience in the industry of manufacturing electronic products. Mr. Chan is the co-founder of a company that designs and manufactures a comprehensive line of audio and LED products, including CD, DVD, iPod docking or accessories and other high-fidelity multimedia for LED OEM customers. Mr. Chan has joined our Group since February 2018.

SENIOR MANAGEMENT

Mr. YUEH Yung Chan, aged 51, is the vice general manager of the Group's engineering department and he is primarily responsible for overseeing the operation of the Group's production plant. Prior to joining the Group in February 2015, Mr. Yueh has over 20 years of experience in project engineering. Mr. Yueh obtained his Bachelor of Engineering degree in manufacturing engineering, Postgraduate Diploma in Mechanical Engineering from The Hong Kong Polytechnic University and Master of Science degree in Mechanical Engineering from The Hong Kong Polytechnic University.

Mr. CHAN Tsz Wai, aged 29, joined the Group in October 2016, is the vice president of marketing. Mr. Chan is primarily responsible for the development and marketing of new products of the Group. Mr. Chan obtained his Bachelor of Arts degree in Business & Management from The University of Lincoln in the United Kingdom. Mr. Chan is the son of Mr. Chan Tsan Lam, an executive Director, Chairman and Chief Executive Officer of the Company and the younger brother of Ms. Chan Yin Yan, an executive Director of the Company.

獨立非執行董事

吳志偉先生，45歲，擔任獨立非執行董事。彼於審計、會計及企業管理方面擁有逾20年經驗。彼曾在兩間國際會計師事務所的審計部門工作，並曾在不同的上市公司擔任高級管理職位。彼目前為清河會計師事務所有限公司之執業董事。吳先生持有英國利茲城市大學會計及財務文學士學位。彼為特許公認會計師公會資深會員及香港會計師公會會員。吳先生自2019年5月起加入本集團。

洪俊良先生，57歲，擔任獨立非執行董事。洪先生於1997年7月加入楊寶林、黎雅明律師行，任顧問律師，並已自2016年2月起成為楊寶林、黎雅明律師行的合夥人之一。洪先生在處理產權轉讓、抵押融資交易、商業合約、股份收購、婚姻訴訟、民事訴訟及不動產代理紀律調查聆訊等法律事宜方面擁有逾28年經驗。洪先生自2018年2月起加入本集團。洪先生獲得香港大學法學學士(榮譽)學位及香港法學專業證書。洪先生於1993年10月獲准為香港高等法院律師且自此為香港律師會的成員。

陳秉階先生，77歲，擔任獨立非執行董事。陳先生於電子產品製造行業擁有逾50年經驗。陳先生為一家為LED貼牌生產客戶設計和製造全套音頻和LED產品，包括CD、DVD、iPod擴展塢或配件等高保真多媒體的公司之共同創始人。陳先生自2018年2月起加入本集團。

高級管理層

葉永燦先生，51歲，為本集團工程部副總經理，彼主要負責監管本集團生產廠房的營運。於2015年2月加入本集團前，葉先生於項目工程方面擁有逾20年的經驗。葉先生獲得香港理工大學製造工程專業的工程學學士學位、機械工程學的研究生文憑以及香港理工大學機械工程學碩士學位。

陳梓煒先生，29歲，於2016年10月加入本集團，擔任市場推廣副總裁。陳先生主要負責本集團新產品的發展及市場推廣。陳先生獲得英國林肯大學商業管理文學士學位。陳先生為本公司執行董事、主席及首席執行官陳燦林先生的兒子以及本公司執行董事陳燕欣女士的弟弟。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE MEASURES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to ensure that the Company’s business activities and decision making processes are regulated in a proper and prudent manner.

During the Year, the Company has applied the principles and code provisions of the CG Code contained in Appendix C1 of the Listing Rules (as in effect from time to time) as the basis of the Company’s corporate governance practices, which will be further illustrated in this corporate governance report for shareholders’ evaluation. The Company has complied with all the applicable code provisions of the CG Code, save and except for the code provision C.2.1. Details of the deviation from the code provision C.2.1 are explained in the section “Chairman and Chief Executive Officer” of this corporate governance report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company’s securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Year. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the Year.

THE BOARD

Board Composition

The Board currently comprises of 6 members, consisting of 3 executive Directors and 3 independent non-executive Directors.

Executive directors

Mr. Chan Tsan Lam (*Chairman*)
Ms. Poon Po Han Lisa
Ms. Chan Yin Yan

企業管治措施

本公司承諾奉行高標準的企業管治，以保障股東利益並提升企業價值及問責制度。董事會已採納聯交所證券上市規則(「**上市規則**」)附錄C1所載企業管治守則(「**企業管治守則**」)的原則及守則條文，以確保以適當及審慎的方式管制本公司的業務活動及決策流程。

於本年度，本公司已應用上市規則附錄C1所載企業管治守則之原則及守則條文(不時生效)作為本公司企業管治常規基準，有關條文將進一步載入企業管治報告供股東評估。本公司已遵守企業管治守則全部適用守則條文，惟守則條文第C.2.1條除外。有關偏離守則條文第C.2.1條之詳情載於本企業管治報告「主席兼首席執行官」章節。

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C3所載上市發行人董事進行證券交易之標準守則(「**標準守則**」)作為董事及本公司高級管理層買賣本公司證券的操守守則，原因是有關董事及高級管理層因其職位或僱傭關係而可能持有關於本公司證券的內幕消息。

在作出特定查詢後，全體董事均已確認彼等於本年度已遵守標準守則。此外，本公司並不知悉本公司高級管理層於本年度存在違反標準守則的情況。

董事會

董事會組成

董事會目前由6名成員組成，其中包括3名執行董事及3名獨立非執行董事。

執行董事

陳燦林先生(主席)
潘寶嫻女士
陳燕欣女士

THE BOARD (CONTINUED)

Independent non-executive directors

Mr. Ng Chi Wai
Mr. Hung Chun Leung
Mr. Chan Bing Kai

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

The biographical details of the directors of the Company are set out under "Directors and Senior Management" section in this annual report. Save as Ms. Chan Yin Yan is the daughter of Mr. Chan Tsan Lam, none of the members of the Board is related to one another.

Chairman and Chief Executive Officer

Mr. Chan Tsan Lam ("Mr. Chan") is the chairman of the Board and chief executive officer of the Company. Although this deviates from the practice under code provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Chan has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its shareholders as a whole to continue to have Mr. Chan as chairman of the Board so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action be taken should the need arise.

Save as disclosed above, during the year ended 31 December 2023, the Company has complied with the CG Code.

Independent Non-Executive Directors

Throughout the Year, the Board has at all times met the requirements of the Rules 3.10 and 3.10A of the Listing Rules of having three independent non-executive Directors (representing at least one third of the Board) with at least one of them possessing appropriate professional qualifications, or accounting or related financial management expertise.

董事會 (續)

獨立非執行董事

吳志偉先生
洪俊良先生
陳秉階先生

董事名單(按類別排列)亦不時根據上市規則披露於本公司發出的所有企業通訊中。根據上市規則，獨立非執行董事會於所有企業通訊中明確識別。

本公司董事履歷資料載列於本年度報告「董事及高級管理層」章節。除陳燕欣女士為陳燦林先生之女兒，董事會成員間概無關係。

主席兼首席執行官

陳燦林先生(「陳先生」)為本公司董事會主席兼首席執行官。儘管此情況與企業管治守則C.2.1條守則條文所規定的該兩項職務不應由同一人士兼任相違背，但是，由於陳先生於本公司的企業經營及管理方面擁有豐富的經驗，故董事會認為繼續由陳先生擔任董事會主席符合本公司及全體股東的最佳利益，而彼於領導董事會方面的經驗及能力將能夠令本公司在長期的發展中受益。從企業管治的角度看，董事會的決策是通過共同表決的方式作出，故主席無法控制董事會的決策。董事會認為，現行安排仍能保持董事會與管理層之間權力的平衡。董事會應不時檢討該結構，以確保可在有需要時採取恰當的措施。

除上文所披露者外，截至2023年12月31日止年度，本公司已遵守企業管治守則。

獨立非執行董事

於本年度，董事會一直符合上市規則第3.10及3.10A條有關委任三名獨立非執行董事(佔董事會人數至少三分之一)及其中至少一名擁有適當專業資格或會計或相關財務管理專長之規定。

THE BOARD (CONTINUED)

Independent Non-Executive Directors (Continued)

The independent non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board and they are invited to serve on the board committees of the Company. Through active participation at board meeting, taking the lead in managing issues involving potential conflict of interests, all independent non-executive Directors have made various contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders.

The Company has received written confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in Rule 3.13 of the Listing Rules.

Appointment and re-election of directors and non-executive Directors

All Directors of the Company are appointed for a specific term, subject to renewal upon expiry of the existing term. Each executive Director is engaged on a service agreement for a term of three years. The appointment may be terminated by either party by not less than three months' written notice. Each of the independent non-executive Directors of the Company is appointed for a term of three years, which appointment may be terminated by either party by not less than one month's written notice.

The procedure and process of appointment, re-election and removal of Directors are laid down in the Company's Articles of Association (the "Articles"). The Nomination Committee is responsible for reviewing board composition, monitoring the appointment of directors and assessing the independent non-executive Directors.

According to the Articles, one-third of the Directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every director shall be subject to retirement at an annual general meeting at least once every three years. In addition, any new Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting after appointment, and any new director appointed by the Board as an addition to the Board shall hold office until the next following annual general meeting of the Company. The retiring Directors are eligible for re-election by the shareholders at the respective general meetings.

董事會 (續)

獨立非執行董事 (續)

獨立非執行董事為董事會帶來廣泛業務及財務專業才能、經驗及獨立判斷，彼等獲邀於本公司董事委員會任職。透過積極參與董事會會議，於管理涉及潛在利益衝突之事宜方面帶頭，所有獨立非執行董事為有效指導本公司作出不同貢獻並給予充分之制衡作用，以保障本集團及股東之利益。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出之書面確認。本公司認為根據上市規則第3.13條所載之獨立性指引，全體獨立非執行董事均為獨立人士。

董事及非執行董事的委任和重選

本公司所有董事均有固定任期，須於現有任期屆滿後重續。各執行董事訂有為期三年之服務協議。任何一方均可發出不少於三個月之書面通知終止委任。本公司各獨立非執行董事的任期為三年，任何一方均可發出不少於一個月之書面通知終止委任。

董事之委任、重選及罷免程序及步驟載列於本公司之組織章程細則(「細則」)內。提名委員會負責檢討董事會的組成、監督董事之委任以及對獨立非執行董事進行評估。

根據細則，在每屆股東週年大會上，當時三分之一董事(或若其人數並非三之倍數，則須為最接近但不少於三分之一的人數)將輪流告退，惟各董事須至少每三年於股東週年大會上告退一次。此外，任何獲董事會委任填補董事會臨時空缺之新董事任期僅至其獲委任後首次股東大會為止，及任何獲董事會委任為董事會新增成員之新董事任期至本公司下屆股東週年大會為止。退任董事符合資格於各股東大會上由股東重選連任。

THE BOARD (CONTINUED)

Appointment and re-election of directors and non-executive Directors (Continued)

At the forthcoming annual general meeting of the Company (the "AGM"), Ms. Chan Yin Yan and Mr. Chan Bing Kai will retire at the AGM pursuant to the Articles provisions stated in the foregoing paragraph. All the above retiring Directors, being eligible, will offer themselves for re-election at the AGM. The Board and the Nomination Committee recommended their re-appointment. The Company's circular, sent together with this annual report, contains detailed information of the above retiring Directors as required by the Listing Rules.

Duties performed by the Board and management

The Board is responsible for the overall development of the Group, approving and monitoring the overall development strategy of the Group, assessing, monitoring and controlling the operation and financial performance, ensuring that the Directors perform their proper duties and act in the best interests of the Group and hold discussions on various important and proper businesses of the Company in a timely manner. All Directors are entitled to raise and include any matters that should be submitted to the Board for discussion in the agenda of the board meeting. When the Board delegates different aspects of its management and administrative functions to the senior management, it has given clear directions in relation to the scope of powers of the senior management, in particular, with respect to the circumstances, the senior management maintains regular communications and report of progress to the Board. The management shall provide members of the Board and specialised committees under the Board with appropriate and sufficient information in a timely manner so as to update them with the latest developments of the Group and to better facilitate the discharge of their duties. The management team is accountable to the Board, executing the strategies and plans formulated by the Board, and making decisions in relation to the day-to-day operation of the Group. The management reports monthly to the Board on the operation and financial performance of the Group.

The Board is also responsible for determining the Company's corporate governance policies which include:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct applicable to the directors and employees; and
- (e) to review the compliance with the CG Code and disclosures in the corporate governance report.

董事會 (續)

董事及非執行董事的委任和重選 (續)

於本公司應屆股東週年大會(「股東週年大會」)上，陳燕欣女士及陳秉階先生將根據上段所述之細則條文於股東週年大會上退任。所有上述退任董事符合資格並願意於股東週年大會上膺選連任。董事會及提名委員會推薦重新委任。連同本年報寄發之本公司通函載有上市規則規定之上述退任董事之詳細資料。

由董事會和管理層行使的職權

董事會負責本集團整體發展，批准及監察本集團的整體發展戰略，評估、監察及控制營運及財務表現，確保董事履行應有職責，以符合本集團最佳利益的方式行事，並就各項重要及適當的本公司業務進行適時的討論。所有董事均有權提出任何必須提交董事會商討的事項以列入董事會議程。當董事會將其不同管理及行政職能轉授高級管理層時，董事會已就高級管理層的權力範圍給予清晰指引，尤其高級管理層在此情況下保持定期溝通並向董事會報告進展情況。管理層向董事會及其專門委員會成員適時提供恰當及充足資料，讓其知悉本集團的最新發展以協助其履行職務。管理層團隊對董事會負責，執行由董事會制定的戰略及計劃，並作出本集團日常的營運決策。管理層負責每月向董事會報告本集團的營運及財務表現。

董事會亦負責釐定本公司的企業管治政策，包括：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監控董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監控符合法律及監管規定之本公司政策及常規；
- (d) 制定、檢討及監控適用於董事及僱員之操守守則；及
- (e) 檢討遵守企業管治守則之情況及企業管治報告之披露。

THE BOARD (CONTINUED)

Training, induction and continuing development of Directors

Prior to the Listing, all Directors have been given relevant guideline materials and attended a training regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest in the Group. Such induction materials and briefings will also be provided to newly appointed Directors shortly upon their appointment as Directors. Continuing briefings and professional development to Directors will be arranged whenever necessary. The Company will continue to arrange and fund the training in accordance with code provision C.1.4 of the CG Code.

All directors have provided to the Company a record of the training they received during the Year. Participation of continuous training of the Directors and the nature of training are set out below:

董事會 (續)

董事的培訓、就任及持續發展

上市前，全體董事均已獲提供相關指引資料，並參加培訓，內容涵蓋作為董事之職責及責任、適用於董事之相關法例及規例及本集團權益披露責任。新任董事獲委任為董事後，亦會於短期內獲發該等就職資料及簡報。如有需要，本公司將為董事安排持續簡報及專業發展。本公司將根據企業管治守則之守則條文第C.1.4條持續提供培訓及為培訓提供資金。

全體董事已向本公司提供彼等於本年度接受培訓的記錄。董事參與持續培訓的情況及培訓性質載列如下：

Reading journals, publications and/or other materials and participating seminars on various topics

(Note 1)

閱讀關於各項主題的期刊、出版資料及／或其他材料及參與研討會
(附註 1)

Executive Directors

Mr. Chan Tsan Lam (*Chairman*)
Ms. Poon Po Han Lisa
Ms. Chan Yin Yan

執行董事

陳燦林先生(主席)
潘寶嫻女士
陳燕欣女士

✓
✓
✓

Independent Non-executive Directors

Mr. Ng Chi Wai
Mr. Hung Chun Leung
Mr. Chan Bing Kai

獨立非執行董事

吳志偉先生
洪俊良先生
陳秉階先生

✓
✓
✓

Note 1: Topics include without limitation the Company's business and corporate governance matters.

附註1： 主題包括但不限於本公司業務及企業管治事宜。

THE BOARD (CONTINUED)

Board Meeting

During the Year, four board meetings were held and the attendance records of individual Directors are set out below:

		Attendance/ Number of Board Meetings 出席／董事會 會議次數	Annual General Meeting held on 30 May 2023 於2023年 5月30日 舉行的股東 週年大會
Executive Directors		執行董事	
Mr. Chan Tsan Lam (<i>Chairman</i>)	陳燦林先生(主席)	4/4	1/1
Ms. Poon Po Han Lisa	潘寶嫻女士	4/4	1/1
Ms. Chan Yin Yan	陳燕欣女士	4/4	1/1
Independent Non-Executive Directors		獨立非執行董事	
Mr. Ng Chi Wai	吳志偉先生	4/4	1/1
Mr. Hung Chun Leung	洪俊良先生	4/4	1/1
Mr. Chan Bing Kai	陳秉階先生	4/4	1/1

Board committees

Nomination committee

The Company established a nomination committee (the “**Nomination Committee**”) on 8 February 2018 with written terms of reference in compliance with code provision B.3 of the CG Code.

The duties of the Nomination Committee include, without limitation, (a) to review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy; (b) to determine the policy for the nomination of directors, identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship; (c) to assess the independence of the independent non-executive directors; and (d) to make recommendations to the Board on the appointment or re- appointment of directors and succession planning for directors, in particular the chairman and the chief executive, taking into the Company’s corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future.

董事會(續)

董事會會議

於本年度，已舉行四次董事會會議，各董事出席記錄載列如下：

		Attendance/ Number of Board Meetings 出席／董事會 會議次數	Annual General Meeting held on 30 May 2023 於2023年 5月30日 舉行的股東 週年大會
Executive Directors		執行董事	
Mr. Chan Tsan Lam (<i>Chairman</i>)	陳燦林先生(主席)	4/4	1/1
Ms. Poon Po Han Lisa	潘寶嫻女士	4/4	1/1
Ms. Chan Yin Yan	陳燕欣女士	4/4	1/1
Independent Non-Executive Directors		獨立非執行董事	
Mr. Ng Chi Wai	吳志偉先生	4/4	1/1
Mr. Hung Chun Leung	洪俊良先生	4/4	1/1
Mr. Chan Bing Kai	陳秉階先生	4/4	1/1

董事委員會

提名委員會

本公司於2018年2月8日成立提名委員會(「**提名委員會**」)，並根據企業管治守則之守則條文第B.3條制訂書面職權範圍。

提名委員會的職責包括(但不限於)(a)至少每年檢討董事會的架構、人數、組成及成員多元化(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期)，並就任何為配合本公司的企業策略而擬對董事會作出的變動提出建議；(b)訂定提名董事的政策，物色具備合適資格可擔任董事會成員的人士，挑選被提名人士出任董事；(c)評核獨立非執行董事的獨立性；及(d)因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及首席執行官)繼任計劃向董事會提出建議。

THE BOARD (CONTINUED)

Board committees (Continued)

Nomination committee (Continued)

The Nomination Committee consists of one executive Director Mr. Chan Tsan Lam; and two independent non-executive Directors, namely Mr. Hung Chun Leung and Mr. Ng Chi Wai. Mr. Chan Tsan Lam is the chairman of the Nomination Committee.

During the Year, the Nomination Committee met once to review the structure, size and composition of the Board, assess the independence of the independent non-executive Directors and other related matters of the Company.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

Implementation

The Nomination Committee will review annually the structure, size and composition of the Board and, where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.

In reviewing and assessing the Board composition and the nomination of directors (as applicable), board diversity has to be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and length of services.

The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

董事會(續)

董事委員會(續)

提名委員會(續)

提名委員會由一名執行董事陳燦林先生及兩名獨立非執行董事洪俊良先生及吳志偉先生組成。陳燦林先生為提名委員會的主席。

於本年度，提名委員會已舉行一次會議以檢討董事會的架構、人數及組成、評核獨立非執行董事的獨立性及本公司的其他相關事宜。

董事會成員多元化政策

董事會已採納一套董事會成員多元化政策(「**董事會成員多元化政策**」)，訂明達致本公司可持續均衡發展及提高本公司表現質素的方針。

實施

提名委員會將每年檢討董事會的架構、規模及組成，並在適當時向董事會作出有關任何變更的推薦意見，以配合本公司的企業策略。

在審閱及評估董事會構成及董事提名(如適用)時，須從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識、行業、地區經驗及服務年限。

本公司亦將考慮有關其本身商業模式及不時的特殊需求等因素。最終決定乃基於經挑選候選人將帶給董事會的裨益及貢獻。

THE BOARD (CONTINUED)

Board committees (Continued)

Nomination committee (Continued)

Nomination Policy

A "Nomination Policy" for Directors was formally adopted and this incorporated the nomination criteria and principles for Directors that are set out in the Nomination Committee's terms of reference. The Nomination Policy applies to the directors of the Company and where applicable, senior management prepared for Board positions under the succession planning of the Company.

The Nomination Policy aims to (i) set out the criteria and process in the nomination and appointment of directors of the Company; (ii) ensure that the Board of the Company has a balance of skills, experience and diversity of perspectives appropriate to the Company; and (iii) ensure the Board continuity and appropriate leadership at Board level.

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- Any measurable objectives adopted for achieving diversity on the Board;
- Requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

董事會 (續)

董事委員會 (續)

提名委員會 (續)

提名政策

有關董事「提名政策」經正式採納，包括提名委員會職權範圍所載的董事提名準則及原則。提名政策適用於本公司董事，並在適當情況下適用於根據本公司的繼任計劃準備出任董事會職位的高級管理人員。

提名政策旨在 (i) 載列本公司提名及委任董事的準則及程序；(ii) 確保本公司的董事會成員具備切合本公司業務所需的技能、經驗及多元觀點；及 (iii) 確保董事會的持續性及維持其領導角色。

在評估及挑選候選人擔任董事時，應當考慮下列準則：

- 品格與誠信；
- 資格，包括專業資格、技能、知識及與本公司業務及企業策略相關的經驗，以及董事會成員多元化政策所提及的多元化因素；
- 為達致董事會成員多元化而採納的任何可計量目標；
- 上市規則有關董事會需包括獨立董事的規定，以及參照上市規則所載的獨立指引候選人是否被視為獨立；
- 候選人在資歷、技能、經驗、獨立性及性別多元化方面可為董事會帶來的任何潛在貢獻；
- 是否願意及是否能夠投放足夠時間履行其身為本公司董事會成員及／或擔任董事委員會的委員的職責；及
- 其他適用於本公司業務及其繼任計劃，及董事會及／或提名委員會可在有需要時不時就提名董事及繼任計劃採納及／或修訂的有關因素。

THE BOARD (CONTINUED)

Board committees (Continued)

Nomination committee (Continued)

Nomination process

Appointment of new directors

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

Re-election of directors at general meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

董事會 (續)

董事委員會 (續)

提名委員會 (續)

提名程序

委任新董事

- (i) 提名委員會及／或董事會可從各種渠道挑選候選人擔任董事，包括但不限於內部提升、調任、其他管理層成員及外部招聘代理推薦。
- (ii) 提名委員會及／或董事會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該候選人，以釐定該候選人是否合資格擔任董事。
- (iii) 如過程涉及一個或多個合意的候選人，提名委員會及／或董事會應根據本公司的需要及每位候選人的證明審查(如適用)排列其優先次序。
- (iv) 提名委員會隨後應就委任合適候選人擔任董事向董事會提出推薦意見(如適用)。
- (v) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以釐定該候選人是否合資格擔任董事。

倘適合，提名委員會及／或董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上述準則。

THE BOARD (CONTINUED)

Board committees (Continued)

Nomination committee (Continued)

Nomination process (Continued)

Re-election of directors at general meeting (Continued)

- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Details of attendance of members at meeting of the Nomination Committee held during the Year are set out as follows:

		Attendance/ Number of Meetings 出席／會議次數
Mr. Chan Tsan Lam (<i>Chairman</i>)	陳燦林先生(主席)	1/1
Mr. Hung Chun Leung	洪俊良先生	1/1
Mr. Ng Chi Wai	吳志偉先生	1/1

Audit committee

The Company established the Audit Committee on 8 February 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3 of the CG Code.

The duties of the Audit committee include, without limitation, (a) to review and supervise the financial reporting and financial controls; (b) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal; (c) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and (d) to discuss the risk management and internal control system, including the whistleblowing policies and systems for employees and those who deal with the Group to raise concerns with the Audit Committee about possible improprieties in any matter related to the Group, with management to ensure that management has performed its duty to have effective systems.

董事會 (續)

董事委員會 (續)

提名委員會 (續)

提名程序 (續)

於股東大會上重選董事 (續)

- (iii) 提名委員會及／或董事會應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或相關適用法律及法規披露候選人的有關資料。

提名委員會成員於本年度出席提名委員會會議的詳情如下：

審核委員會

本公司於2018年2月8日成立審核委員會，並根據上市規則第3.21條及企業管治守則之守則條文第D.3條制訂書面職權範圍。

審核委員會的職責包括(但不限於)(a)審閱及監督財務報告及財務控制；(b)主要負責就委任、重新委任及解聘外聘核數師向董事會提出建議及批准外聘核數師的酬金及委聘條款，以及處理任何有關辭任或解聘的問題；(c)檢討及監察外聘核數師的獨立性及客觀性以及根據適用的標準實施的核數程序的有效性；及(d)與管理層討論風險管理及內部監控系統，包括舉報政策及系統，讓僱員及其他與本集團有往來者可向審核委員會提出有關本集團任何事宜的可能不當行為，確保管理層已履行職責建立有效的系統。

CORPORATE GOVERNANCE REPORT 企業管治報告

THE BOARD (CONTINUED)

Board committees (Continued)

Audit committee (Continued)

The Audit committee consists of Mr. Ng Chi Wai, Mr. Hung Chun Leung and Mr. Chan Bing Kai, all of whom are independent non-executive Directors. Mr. Ng Chi Wai is the chairman of the audit committee.

During the Year, the Audit committee met four times to review the half yearly financial statements made up to 30 June 2023 and annual financial statements made up to 31 December 2023 of the Company and the effectiveness of the Company's financial controls, internal control and risk management systems.

Details of attendance of members at meetings of the Audit committee held during the Year are set out as follows:

		Attendance/ Number of Meetings 出席／會議次數
Mr. Ng Chi Wai (<i>Chairman</i>)	吳志偉先生(主席)	4/4
Mr. Hung Chun Leung	洪俊良先生	4/4
Mr. Chan Bing Kai	陳秉階先生	4/4

Remuneration committee

The Company established a remuneration committee (the "Remuneration Committee") on 8 February 2018 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the CG Code as set out in Appendix C1 to the Listing Rules.

The duties of the Remuneration committee, under the principle that no Director should be involved in deciding his own remuneration, include, without limitation, (a) to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, pursuant to E.1.2(c) of the CG Code as set out in Appendix C1 to the Listing Rules; (c) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (d) to assess performance of executive directors; (e) to approve the terms of executive directors' service contracts; and (f) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

董事會(續)

董事委員會(續)

審核委員會(續)

審核委員會由吳志偉先生、洪俊良先生及陳秉階先生組成，彼等均為獨立非執行董事。吳志偉先生為審核委員會主席。

於本年度，審核委員會已舉行四次會議以審閱本公司截至2023年6月30日的半年度財務報表及截至2023年12月31日的年度財務報表及本公司財務控制、內部監控及風險管理系統的成效。

審核委員會成員於本年度出席審核委員會會議的詳情如下：

薪酬委員會

本公司於2018年2月8日成立薪酬委員會(「薪酬委員會」)，並根據上市規則第3.25條及上市規則附錄C1所載企業管治守則第E.1段制訂書面職權範圍。

按照董事不應參與釐定本身薪酬之原則，薪酬委員會的職責包括但不限於(a)就全體董事及高級管理層的整體薪酬政策及架構及制定薪酬政策建立正式且具透明度的程序向董事會提供建議；(b)根據上市規則附錄C1所載企業管治守則第E.1.2(c)條，就個別執行董事及高級管理層的薪酬待遇向董事會提供建議；(c)參考董事會之企業目標及宗旨，審閱及批准管理層之薪酬建議；(d)評估執行董事的表現；(e)批准執行董事服務合約的條款；及(f)審閱及／或批准上市規則第17章項下股份計劃相關事宜。

THE BOARD (CONTINUED)

Board committees (Continued)

Remuneration committee (Continued)

The Remuneration committee consists of two independent non-executive Directors, namely Mr. Chan Bing Kai and Mr. Ng Chi Wai; and one executive Director Mr. Chan Tsan Lam. Mr. Chan Bing Kai is the chairman of the remuneration committee.

During the Year, the Remuneration committee met two times to review the remuneration policy for all directors and senior management. Details of attendance of members at meeting of the remuneration committee held during the Year are set out as follows:

		Attendance/ Number of Meetings 出席／會議次數
Mr. Chan Bing Kai (<i>Chairman</i>)	陳秉階先生(主席)	2/2
Mr. Chan Tsan Lam	陳燦林先生	2/2
Mr. Ng Chi Wai	吳志偉先生	2/2

DIVERSITY OF THE BOARD

Among the six Directors of the Group, two of them are female, accounting for 33.3% of the Board.

Gender diversity of the Board:

		As of 31 December 2023 截至2023年 12月31日 Percentage of total number of Directors (%) 佔董事總人數 百分比(%)
Female	女性	33.3%
Male	男性	66.7%
Total	總計	100%

董事會 (續)

董事委員會 (續)

薪酬委員會 (續)

薪酬委員會由兩名獨立非執行董事陳秉階先生及吳志偉先生及一名執行董事陳燦林先生組成。陳秉階先生為薪酬委員會的主席。

於本年度，薪酬委員會已舉行兩次會議以審閱全體董事及高級管理層之薪酬政策。薪酬委員會成員於本年度出席薪酬委員會會議的詳情如下：

董事會多元化

本集團六名董事中，兩名為女性，佔董事會的33.3%。

董事會性別多元化：

DIVERSITY OF THE BOARD (CONTINUED)

The Board targets to maintain at least 25% of the directors being women. As of 31 December 2023, the Board comprises 2 female members, the Board considers its diversity of gender is appropriate. The Nomination Policy can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

The Group remains committed to meritocracy in the Board, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated. Where necessary, the Board will work with external agency to identify and approach suitable candidates that would enhance its composition and diversity, with a view to expanding the competencies, experience and perspectives of the Board as a whole.

GENDER DIVERSITY OF THE WORKFORCE

Gender diversity of all employees (including senior management) of the Group:

		As of 31 December 2023 截至 2023 年 12 月 31 日 Percentage of total number of employees (%) (approximate) 估僱員總人數 百分比 (%) (概約值)
Female	女性	42%
Male	男性	58%
Total	總計	100%

As of 31 December 2023, the female representation of the Group was around 42%, which is above the Board's aspirational target of a minimum of 40% female representation. The Board considers that gender diversity is currently achieved and is committed to maintain gender diversity in respect of the workforce level through continuous review of the gender ratio and recommend measures to allow more females to participate in various levels of employment of the Group.

We strive to adopt a stringent recruitment process that allows us to engage and develop staff. Our selection criteria include required academic qualifications, personality, experience and skills. In addition, we perform background checks and use interviews to determine an applicant's suitability prior to making recruitment decisions.

董事會多元化(續)

董事會目標為保持至少 25% 的女性董事。截至 2023 年 12 月 31 日，董事會包括 2 名女性成員，董事會認為其性別多元化乃屬合適。提名政策可確保董事會將有潛在繼任者，從而延續董事會現有性別多元化。

本集團將繼續致力凝聚董事會內之人才，建立一個多元及包容文化，在此文化下，董事相信彼等意見得到聆聽、彼等所關切的事務得到垂注，並可於一個絕不容忍於任何事宜存在偏見、歧視及騷擾之環境下工作。必要時，董事會將與外部機構合作，識別及接洽適當的候選人，以加強其組成及多元化，旨在擴大整個董事會的能力、經驗及觀點。

勞動力性別多元化

本集團全體僱員(包括高級管理層)的性別多元化：

截至 2023 年 12 月 31 日，本集團女性佔比約 42%，高於董事會最低 40% 女性佔比之理想目標。董事會認為目前已達成性別多元化，並致力於透過持續檢討性別比例在勞動力水平上維持性別多元化，並提出建議措施，以讓更多女性參與本集團不同層面的工作。

我們致力採納嚴格的招聘程序，務求聘請和培養人員。我們的遴選標準包括所需學歷、個性、經驗及技能。此外，我們作出招聘決策前，先會調查應徵者的背景，並透過訪談確定申請人是否適合。

GENDER DIVERSITY OF THE WORKFORCE (CONTINUED)

Our Directors confirmed that the Group was in full compliance with the Employment Ordinance of Hong Kong during the Year. In particular, the Group's policy relating to compensation and dismissal of its employees adheres to the relevant provisions in the Employment Ordinance.

The Group advocates a fair and open workplace and ensure that employees are protected from all forms of discrimination against gender, age, race, nationality, marital status, religion, etc. In 2024, the Group will continue to sustain its inclusive culture where everyone has the opportunity to grow and achieve their career objectives in the Group.

COMPANY SECRETARY

The company secretary of the Company is Ms. Poon Po Han Lisa, who fulfils the qualification requirements laid down in the Listing Rules. Biographical details of Ms. Poon are set out under "Directors and Senior Management" section in this annual report. The company secretary undertook no less than 15 hours of relevant professional training during the Year.

EXTERNAL AUDITORS AND REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the Company's financial statements for the year ended 31 December 2023 is set out in the Independent Auditor's Report on pages 77 to 86 of this annual report.

The fees paid/payable to Mazars CPA Limited, the Company's auditors, in respect of audit services and non-audit services for the year ended 31 December 2023 are analysed below:

勞動力性別多元化(續)

董事確認，本集團於本年度嚴格遵守香港《僱傭條例》。具體而言，本集團有關賠償及解僱僱員的政策緊貼《僱傭條例》的相關條文。

本集團提倡公平開放的工作環境，確保員工不受性別、年齡、種族、國籍、婚姻狀況、宗教等各種形式的歧視。2024年，本集團將繼續保持包容性文化，讓每個人都有機會於本集團內成長並實現自己的職業目標。

公司秘書

本公司之公司秘書為潘寶嫻女士，彼符合上市規則所載之資歷規定。潘女士之履歷詳情載於本年報「董事及高級管理層」一節。公司秘書於本年度參加了不少於15小時的相關專業培訓。

外聘核數師及酬金

本公司的外聘核數師就彼等對本公司截至2023年12月31日止年度的財務報表的呈報責任的聲明載於本年度報告第77頁至86頁的獨立核數師報告內。

截至2023年12月31日止年度，已付／應付本公司核數師中審眾環(香港)會計師事務所有限公司的核數及非核數服務費用分析如下：

Types of services provided by the external auditors	外聘核數師提供的服務種類	Fees paid/ payable 已付／應付費用 HK\$'000 千港元
Audit services fee for the year ended 31 December 2023	截至2023年12月31日止年度的 核數服務費用	1,320

* The auditor's remuneration disclosed in Note 7 to the consolidated financial statements included HK\$246,000, which was paid/payable to the statutory auditors of the PRC subsidiaries of the Company (not Mazars CPA Limited).

* 已付／應付本公司中國附屬公司法定核數師(非中審眾環(香港)會計師事務所有限公司)之核數師酬金246,000港元包含於綜合財務報表附註7內披露。

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENT

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements for each financial year, which give a true and fair view of the financial position of the Group and of the results and cash flows of the Group for that year and in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 December 2023, the Directors have selected appropriate accounting policies and applied them consistently, made judgements and estimates that are reasonable, and have prepared disclosure of the financial position of the Group with reasonable accuracy at any time.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control and risk management systems in order to safeguard the Group's assets and shareholders' interests, and review and monitor the effectiveness of the Group's internal control and risk management systems on a regular basis so as to ensure that the internal control and risk management systems in place are adequate. The purpose is to provide reasonable, but not absolute, assurance against material misstatements, errors, losses or fraud, and to manage rather than eliminate risks of failure in achieving the Group's business objectives.

Upon the Board's annual review, the Board considered the adequacy of resources, staff qualifications and experience, training programme and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting. The Board identified and evaluated the internal control systems in respect of the Group's financial, operational and compliance control. The Board will review annually the nature and extend of significant risks, and the Group's ability to responds to changes in its business and the external environment. Unless authorized by the Board, the Group shall not disseminate inside information relating to the Group to any external parties.

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. The Group will review annually the need for an internal audit function. During the year ended 31 December 2023, the Board, through its Audit Committee carries out reviews on the effectiveness of the internal control and risk management systems. The Board will review annually on the effectiveness of the internal control and risk management systems. The Audit Committee had reported during the Audit Committee meetings the key findings identified by the Company's external auditor in respect of the Group's internal controls and risk management and discussed findings and actions or measures taken in addressing those findings. The Company considers the internal control and risk management system is effective and adequate during the year under review. No material issues on the Group's internal control and risk management system have been identified during the year ended 31 December 2023 which required significant rectification works.

董事就財務報表須承擔的責任

董事知悉彼等編製每個財政年度真實而公平地反映本集團財務狀況及本集團於該年度的業績及現金流量的綜合財務報表，以及遵守相關法例及上市規則披露規定的責任。於編製截至2023年12月31日止年度的財務報表時，董事已選取適當的會計政策並加以貫徹應用、作出合理的判斷及估計以及隨時編製具有合理準確度的本集團財務狀況的披露資料。

董事並不知悉有關任何可能導致本公司的持續經營能力存在重大疑問的事件或狀況的任何重大不明朗因素。

內部監控

董事會負責維持健全及有效的內部監控及風險管理系統，以保障本集團的資產及股東權益，並定期檢討及監察本集團內部監控及風險管理系統的成效，以確保採用充分的內部監控及風險管理系統。目的在於合理(而非絕對地)保證並無重大失實陳述、錯誤、損失或欺詐，以及管理而非抵銷未能達致本集團業務目標之風險。

在董事會年度審查中，董事會認為，於會計、內部審核及財務報告職能方面以及與本集團的環境、社會及管治表現及報告有關的資源、員工資格及經驗、培訓課程以及預算充足。董事會就本集團的財務、營運及合規控制確定及評估內部監控系統。董事會將每年審查重大風險的性質和範圍，以及本集團應對其業務及外部環境變化的能力。除非董事會授權，否則本集團不得向任何外部人士公佈與本集團相關的內幕消息。

由於本集團規模及為成本效益考慮，本集團並無內部審核職能。本集團將每年檢討內部審核職能的需求。截至2023年12月31日止年度，董事會透過其審核委員會檢討內部監控及風險管理系統的成效。董事會將每年檢討內部監控及風險管理系統的成效。審核委員會已於審核委員會會議上報告本公司外聘核數師所識別有關本集團內部監控及風險管理的主要調查結果，並討論該等調查結果及為正視該等調查結果而採取的行動或措施。本公司認為，內部監控及風險管理系統於回顧年內屬有效及充分。截至2023年12月31日止年度，並未發現本集團內部監控及風險管理系統存在需要重大修正的嚴重問題。

SHAREHOLDER RIGHTS

Procedures for shareholders to convene an extraordinary general meeting

Pursuant to Article 58 of the Articles, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company 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 an extraordinary 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 (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for shareholders to put forward proposals at shareholders' meeting

If a shareholder wishes to put forward proposals at a shareholders' meeting, the shareholder, who has satisfied the shareholding requirements set out in the above paragraph headed "Procedures for shareholders to convene an extraordinary general meeting", may follow the same procedures by sending a written requisition to the Board or the company secretary at the principal place of business of the Company in Hong Kong. The shareholder should state his/her proposals in the written requisition and submit the written requisition as early as practicable to enable the company secretary to make necessary arrangement.

Procedures for directing shareholder's enquiries to the Board

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board. Contact details are as follows:

Address: Workshop Unit 6, 13th Floor, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Hong Kong

Email: info@hktcgroup.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto.

股東權利

由股東召開股東特別大會的程序

根據細則第58條，董事會可於其認為合適時間召開股東特別大會。於遞呈要求日期持有不少於本公司繳足股本(附有於本公司股東大會表決的權利)十分之一的任何一位或多位股東，於任何時候均有權透過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，以處理有關要求中指明的任何業務；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而招致的所有合理開支須由本公司向遞呈要求人士償付。

股東於股東大會上提出議案的程序

倘股東擬於股東大會上提出議案，在滿足上段「由股東召開股東特別大會的程序」所載持股條件的情況下，該股東可以依照相同程序向董事會或公司秘書於本公司香港主要營業地點的地址發出書面要求。該股東須在書面要求中列明其議案及盡早呈交該書面要求以便公司秘書作出必要安排。

向董事會提交股東查詢的程序

股東可向本公司發送書面請求，以向董事會提出任何查詢或建議。聯絡資料如下：

地址：香港觀塘開源道55號開聯工業中心B座13樓6室

電子郵件：info@hktcgroup.com

為免生疑，股東須於上述地址存置及發出正式簽署之書面要求、通知或聲明或查詢(視情況而定)之正本，並提供其全名、聯絡詳情及身份，以便本公司回覆。

INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Groups' business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company adopted a shareholders' communication policy (the "Shareholders' Communication Policy"), which sets out the channels for shareholders to communicate their views on matters affecting the Company and for the Company to solicit and understand the views of shareholders and other stakeholders. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through AGM and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate) will be available to meet shareholders and answer their enquiries.

The general meetings of the Company provide a platform for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or in their absence, other members of the respective committees, and, where applicable, the chairman of the independent board committee are available to answer questions at the shareholders' meeting.

To promote effective communication, the Company maintains a website at www.hktcgroup.com where up-to-date information and updates on the Company's business operations and development, financial information and other information are available to public access.

The Board will review the Shareholders' Communication Policy at least annually to ensure its effectiveness. Having reviewed the different channels of communication with shareholders, the Board is satisfied that the Shareholders' Communication Policy has been properly implemented during the Year and is effective.

CONSTITUTIONAL DOCUMENTS

On 30 May 2022, the Company adopted the amended and restated Articles of Association to conform to the core standards for shareholder protections set out in the updated Appendix 3 to the Listing Rules, and to incorporate certain housekeeping amendments. An up-to-date version of the Articles is available on the websites of the Stock Exchange and the Company respectively.

投資者關係

本公司認為與股東有效的溝通對增進投資者關係，及投資者對本集團之業務表現及策略的了解至關重要。本公司亦明白保持公司資料透明度及適時披露公司資料之重要性，以讓股東和投資者作出最佳投資決定。

本公司採納股東通訊政策(「股東通訊政策」)，當中載列股東傳遞有關影響本公司事宜之意見渠道，並讓本公司得以查詢及了解股東及其他持份者之意見。本公司盡力保持與股東之間的持續溝通，尤其是透過股東週年大會及其他股東大會。董事或其授權代表(如適用)將出席應屆股東週年大會與股東會面及解答疑問。

本公司的股東大會提供一個讓董事會和股東進行溝通的平台。董事會主席及提名委員會、薪酬委員會及審核委員會之主席(或缺席時則為各委員會的其他成員)以及(如適用)獨立董事委員會主席會於股東大會上回應問題。

為促進有效溝通，本公司設有網站 www.hktcgroup.com，提供本公司的最新資料以及有關本公司業務營運及發展資料的更新資料、財務資料和其他資料供公眾人士查閱。

董事會每年最少一次檢討股東通訊政策，以確保其成效。經檢討與股東溝通之不同渠道後，董事會信納股東通訊政策於本年度已獲適當實施且為有效。

章程文件

於2022年5月30日，本公司採納經修訂及重述的組織章程細則，以符合更新後的上市規則附錄三所載之股東保障核心標準，並納入若干內部管理修訂。細則的最新版本可分別於聯交所及本公司網站查閱。

DIRECTORS' REPORT

董事會報告

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Principal activities of the subsidiaries are set out in Note 13 to the consolidated financial statements.

A review of the business of the Group during the year, a discussion on the Group's future business development and an analysis of the Group's performance during the year using key financial performance indicators are provided in the "Chairman's Statement" on pages 4 to 5 and the "Management Discussion and Analysis" on pages 6 to 11 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2023, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

We recognise that employees, customers and suppliers are keys to our sustainable development. We are committed to establishing a close and caring relationship with our employees, providing high quality products and services to our customers and maintaining cooperation with our suppliers.

We provide a fair and safe workplace, promote diversity, and provide competitive remuneration packages and career development opportunities for our employees based on their performance and experience. The Group also provides regular training and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group include market and financial risks.

Market Risks

The fluctuation of prices of raw materials exposes us to risks. While we monitor the price of raw materials and adjust our price quotations accordingly, we may not be able to directly pass on any increase in the price of raw materials to our customers in time or at all, which may have a material adverse effect on our business, financial condition and results of operations.

董事會欣然提呈本集團截至2023年12月31日止年度的年度報告及經審核綜合財務報表。

主營業務及業務回顧

本公司的主營業務為投資控股。附屬公司的主營業務載於綜合財務報表附註13。

本集團通過使用本年度報告第4頁至5頁「主席致辭」及第6頁至11頁「管理層討論及分析」所提供之主要財務表現指標於年內審閱本集團業務、就本集團未來業務發展進行討論及分析本集團於年內的表現。

遵守相關法律法規

截至2023年12月31日止年度，本集團並未獲悉任何對本集團之業務及經營有重大影響之重大不遵守相關法律法規之事宜。

與客戶、供應商及僱員之關係

我們認為僱員、客戶及供應商對我們的持續發展至關重要。我們致力於與僱員建立親密友好關係，為客戶提供優質產品及服務並與供應商保持合作。

我們提供公平安全的工作場所，推動多樣性並根據僱員之表現及經驗為彼等提供具有競爭力之薪酬待遇及事業發展機遇。本集團亦為僱員提供定期培訓及發展資源以令彼等能夠了解市場及行業的最新發展並同時提高彼等在履行職責過程中的表現及自我實現。

主要風險及不明朗因素

本集團面臨的主要風險及不明朗因素包括市場及財務風險。

市場風險

我們面臨原材料價格波動的風險。儘管我們監管原材料價格並藉此調整我們的報價，但我們可能無法直接將原材料價格的任何增長及時轉嫁予我們的客戶或根本無法轉嫁，這可能會對我們的業務、財務狀況及經營業績造成重大不利影響。

DIRECTORS' REPORT

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Financial Risks

The financial risk management objectives and policies of the Group are shown in Note 33 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure our compliance with the prevailing environmental protection laws and regulations.

During the year, the Group did not have any violation of relevant environmental regulations and rules which gives rise to significant impact to the Group's development, performance and businesses.

The environmental, social and governance report are provided in the "Environmental, Social and Governance report" on pages 12 to 47 of this annual report.

CONSOLIDATED FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2023 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 87 to 187 of this annual report.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK1.5 cents per share for the year ended 31 December 2023 to the shareholders whose names appear on the register of members of the Company at the close of business on 18 June 2024. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting. The final dividend, if approved, is expected to be paid on 28 June 2024.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on 30 May 2024, the register of members of the Company will be closed from 27 May 2024 to 30 May 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 24 May 2024.

主要風險及不明朗因素 (續)

財務風險

本集團的財務風險管理目標及政策載於綜合財務報表附註33。

環境政策及表現

本集團知悉保護環境的重要性，並已採納嚴格的環保措施以確保我們遵守現行的環保法律及法規。

年內，本集團並無違反對本集團發展、表現及業務產生重大影響的相關環保法例及規則。

環境、社會及企業管治報告於本年報第12頁至47頁的「環境、社會及企業管治報告」內提供。

綜合財務報表

本集團截至2023年12月31日止年度的業績以及本集團於該日的財務狀況載於本年報第87頁至187頁的綜合財務報表內。

末期股息

董事會建議向於2024年6月18日營業時間結束時名列本公司股東名冊的股東派付截至2023年12月31日止年度的末期股息每股1.5港仙。建議末期股息須待股東於應屆股東週年大會上批准後方可作實。如獲批准，預期末期股息將於2024年6月28日派付。

暫停辦理股份過戶登記手續

為釐定出席將於2024年5月30日舉行的股東週年大會及於會上投票的權利，本公司將於2024年5月27日至2024年5月30日(包含首尾兩天)暫停辦理股份過戶登記手續，期間概不會受理任何股份過戶登記。為符合資格出席股東週年大會及於會上投票，本公司的未登記持有人須確保所有股份過戶文件連同相關股票不遲於2024年5月24日下午四點三十分送達本公司香港股份過戶登記分處卓佳證券登記有限公司(地址為香港夏慤道16號遠東金融中心17樓)辦理登記手續。

CLOSURE OF REGISTER OF MEMBERS (CONTINUED)

The register of members of the Company will be closed from 14 June 2024 to 18 June 2024 (both days inclusive) for the purpose of determining the identity of members who are entitled to the final dividend for the year ended 31 December 2023, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 13 June 2024.

FIVE YEARS FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the past five financial years are set out on page 188 of this annual report. The summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in the Group's property, plant and equipment during the year are set out in Note 14 to the consolidated financial statements.

BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2023 are set out in Note 22 to the consolidated financial statements.

SHARE CAPITAL

Details of the movement in the Company's share capital during the Year are set out in Note 26 to the consolidated financial statements.

DIVIDEND POLICY

On 28 December 2018, the Board approved and adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements, future business growth and its shareholding value.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

暫停辦理股份過戶登記手續(續)

為確定有權獲派截至2023年12月31日止年度末期股息的股東身份，本公司將於2024年6月14日至2024年6月18日(包含首尾兩天)暫停辦理股份過戶登記手續，期間本公司概不會受理任何股份過戶登記。為符合資格獲派末期股息，所有過戶文件連同相關股票須不遲於2024年6月13日下午四點三十分送達本公司於香港的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港夏慤道16號遠東金融中心17樓)辦理登記手續。

五年財務概述

本集團過往五個財政年度的業績、資產及負債的概述載於本年報第188頁。該概述並不構成經審核財務報表的一部分。

物業、廠房及設備

本集團的物業、廠房及設備於年內變動的詳情載於綜合財務報表附註14。

銀行借款

本集團於2023年12月31日的銀行借款詳情載於綜合財務報表附註22。

股本

本公司的股本於本年度變動的詳情載於綜合財務報表附註26。

股息政策

於2018年12月28日，董事會批准及採納一項股息政策，該政策為在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其營運資金需求、未來業務增長以及其股權價值。

優先權

細則或開曼群島法例並無有關優先權的規定，要求本公司須按比例向本公司的現有股東發售新股份。

購買、出售或贖回本公司上市證券

本公司及其任何附屬公司於本年度並無購買、出售或贖回本公司的任何上市證券。

DIRECTORS' REPORT

董事會報告

RESERVES

Details of the movement in reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on page 91 and Note 37(a) to the consolidated financial statements.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors

Mr. Chan Tsan Lam (*Chairman*)

Ms. Poon Po Han Lisa

Ms. Chan Yin Yan

Independent Non-Executive Directors

Mr. Ng Chi Wai

Mr. Hung Chun Leung

Mr. Chan Bing Kai

Pursuant to Article 84 of the Company's Articles, Ms. Chan Yin Yan and Mr. Chan Bing Kai will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

FIVE HIGHEST PAID INDIVIDUALS

Details of the five highest paid individuals in the Group are set out in Note 9 to the consolidated financial statements.

DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors entered into a services agreement with the Company for a term of three years, which may be terminated by either party giving not less than three months' notice in writing.

The Company has issued a letter of appointment to each of the independent non-executive Directors for a term of three years, unless terminated by either party giving to the other not less than one month's notice in writing.

No director proposed for re-election at the forthcoming annual general meeting has a service agreement which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Related Party Transactions" in this report and Note 31 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

儲備

本集團及本公司的儲備於本年度變動的詳情載於第91頁的綜合權益變動表及綜合財務報表附註37(a)。

董事

於本年度及至本報告日期的董事為：

執行董事

陳燦林先生(*主席*)

潘寶嫻女士

陳燕欣女士

獨立非執行董事

吳志偉先生

洪俊良先生

陳秉階先生

根據本公司細則第84條，陳燕欣女士及陳秉階先生將於股東週年大會上退任，且符合資格並願意於股東週年大會上膺選連任。

五名最高薪酬人士

本集團五名最高薪酬人士的詳情載於綜合財務報表附註9。

董事服務協議

各執行董事已與本公司訂立服務協議，為期三年，相關協議可由任何一方發出不少於三個月的書面通知予以終止。

本公司已向各獨立非執行董事發出委任函，為期三年，除非任何一方發出不少於一個月的書面通知予以終止則另當別論。

概無擬於應屆股東週年大會上重選的董事訂立不可由本集團於一年內免付賠償(法定賠償除外)而予以終止的服務協議。

董事於合約中擁有的重大權益

除本報告「關聯方交易」一節及綜合財務報表附註31所披露者外，於本年度，概無董事直接或間接於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立的對本集團業務而言屬重大的任何交易、安排或合約中擁有重大權益。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURE

At no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire by means of acquisition of shares, or debt securities, including debentures, of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At the end of the Year, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinances (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules were as follows:

Long position in issued ordinary shares of the Company

Name of Director 董事姓名	Capacity 身份	Number of ordinary shares of the Company 本公司 普通股數目	Number of underlying ordinary shares of the Company 本公司相關 普通股數目 (Note 2) (附註2)	Total interests 總權益	Approximate percentage of shareholding 股權概約 百分比
Mr. Chan Tsan Lam 陳燦林先生	Interest in controlled corporation (Note 1) 受控制法團權益(附註1)	373,395,000	–	404,879,000	65.3%
	Beneficial interest 實益權益	30,864,000	620,000		
Chan Yin Yan 陳燕欣	Beneficial interest 實益權益	–	6,200,000	6,200,000	1%
Poon Po Han Lisa 潘寶嫻	Beneficial interest 實益權益	–	6,200,000	6,200,000	1%
Hung Chun Leung 洪俊良	Beneficial interest 實益權益	–	500,000	500,000	0.08%
Chan Bing Kai 陳秉階	Beneficial interest 實益權益	–	500,000	500,000	0.08%

Note 1: These shares are held by Oceanic Green, New Strength, Gold Alliance and Treasure Line, all of which are wholly owned by Mr. Chan Tsan Lam. By virtue of the SFO, Mr. Chan Tsan Lam is deemed to be interested in the shares held by Oceanic Green, New Strength, Gold Alliance and Treasure Line.

董事收購股份或債券的權利

於本年度任何時間，本公司或任何其附屬公司概無訂立任何安排致令本公司董事可藉收購本公司或任何其他法人團體的股份或債務證券(包括債券)而獲益。

董事於股份、相關股份及債權證的權益

於本年度末，本公司董事及主要行政人員於本公司及其相聯法團(定義見《證券及期貨條例》(「證券及期貨條例」)第XV部)股份、相關股份及債權證中擁有以下根據證券及期貨條例第352條記錄於該條所指的登記冊內的權益或淡倉，或根據上市規則附錄C3所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所的權益及淡倉：

於本公司已發行普通股的好倉

附註1：該等股份乃由海翠、新力、金協及Treasure Line持有，該等公司均由陳燦林先生全資擁有。根據證券及期貨條例，陳燦林先生被視為於海翠、新力、金協及Treasure Line持有的股份中擁有權益。

DIRECTORS' REPORT 董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Long position in issued ordinary shares of the Company (Continued)

Note 2: These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the Option Scheme (as defined herein below).

Save as disclosed above, at the end of the Year, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES

At the end of the Year, the following persons (other than the Directors and chief executive of the Company) had interests in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in issued ordinary shares of the Company

Name of shareholder(s)	Capacity	Number of ordinary shares of the Company held	Number of underlying ordinary shares of the Company held ⁽³⁾	Total	Approximate percentage of shareholding
股東名稱／姓名	身份	所持本公司普通股數目	所持本公司相關普通股數目 ⁽³⁾	總計	股權概約百分比
Oceanic Green ⁽¹⁾	Beneficial Owner	127,100,000 shares	–	127,100,000 shares	20.5%
海翠 ⁽¹⁾	實益擁有人	127,100,000股股份	–	127,100,000股股份	20.5%
New Strength ⁽¹⁾	Beneficial Owner	127,100,000 shares	–	127,100,000 shares	20.5%
新力 ⁽¹⁾	實益擁有人	127,100,000股股份	–	127,100,000股股份	20.5%
Gold Alliance ⁽¹⁾	Beneficial Owner	94,395,000 shares	–	94,395,000 shares	15.2%
金協 ⁽¹⁾	實益擁有人	94,395,000股股份	–	94,395,000股股份	15.2%
Treasure Line ⁽¹⁾	Beneficial Owner	24,800,000 shares	–	24,800,000 shares	4.0%
Treasure Line ⁽¹⁾	實益擁有人	24,800,000股股份	–	24,800,000股股份	4.0%
Ms. Fung Suk Yee May ⁽²⁾	Interest of Spouse	404,879,000 shares	–	404,879,000 shares	65.3%
馮淑儀女士 ⁽²⁾	配偶權益	404,879,000股股份	–	404,879,000股股份	65.3%

董事於股份、相關股份及債權證的權益(續)

於本公司已發行普通股的好倉(續)

附註2：該等股份乃指本公司於根據購股權計劃(定義見下文)授出之購股權獲行使時將予發行及配發之股份。

除上文所披露者外，於本年度末，概無本公司董事或主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有根據證券及期貨條例第352條記錄於該條所指的登記冊內的權益或淡倉，或須根據標準守則知會本公司及聯交所的權益或淡倉。

主要股東於股份及相關股份的權益

於本年度末，以下人士(本公司董事及主要行政人員除外)於本公司股份及相關股份中擁有根據證券及期貨條例第336條本公司記錄於該條所指的登記冊內的權益：

於本公司已發行普通股的好倉

SUBSTANTIAL SHAREHOLDERS INTERESTS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Long position in issued ordinary shares of the Company (Continued)

Notes:

- (1) Each of Oceanic Green, New Strength, Gold Alliance and Treasure Line is wholly-owned by Mr. Chan, who is therefore deemed to be interested in all the Shares held by each of Oceanic Green, New Strength, Gold Alliance, and Treasure Line.
- (2) Ms. Fung Suk Yee May is the spouse of Mr. Chan. Therefore, she is deemed to be interested in the Shares in which Mr. Chan is interested for the purpose of the SFO.
- (3) These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the Option Scheme (as defined herein below).

Save as disclosed above, at the end of the Year, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

On 28 May 2019, the Company adopted a share option scheme (the "Option Scheme") for the purpose of providing reward to selected participants for their contribution to the Group. Eligible participants of the Option Scheme include, without limitation, employees, executive directors, non-executive directors, shareholders, advisers and consultants.

主要股東於股份及相關股份的權益(續)

於本公司已發行普通股的好倉(續)

附註：

- (1) 海翠、新力、金協及 Treasure Line 均由陳先生全資擁有，因此陳先生被視為於海翠、新力、金協及 Treasure Line 各自所持有的所有股份中擁有權益。
- (2) 馮淑儀女士為陳先生的配偶。因此，根據證券及期貨條例，其被視為於陳先生擁有權益的股份中擁有權益。
- (3) 該等股份乃指本公司於根據購股權計劃(定義見下文)授出之購股權獲行使時將予發行及配發之股份。

除上文所披露者外，於本年度末，董事並不知悉有任何其他人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第 XV 部第 2 及 3 分部的條文須披露予本公司的權益或淡倉，或直接或間接在附有權利可在所有情況下在本集團任何成員公司的股東大會上進行投票的任何類別股本面值 5% 或以上擁有權益，或有任何其他主要股東擁有根據證券及期貨條例第 336 條本公司記錄於該條所指的登記冊內的權益或淡倉。

購股權計劃

於 2019 年 5 月 28 日，本公司採納一項購股權計劃(「購股權計劃」)，旨在獎勵對本集團作出貢獻的經選定參與者。購股權計劃的合資格參與者包括(但不限於)僱員、執行董事、非執行董事、股東、顧問及諮詢者。

SHARE OPTION SCHEME (CONTINUED)

For the year ended 31 December 2023, the Company has the following share options granted to the eligible participants under the Option Scheme:

購股權計劃(續)

截至2023年12月31日止年度，本公司已根據購股權計劃向合資格參與者授出以下購股權：

Grantees 承授人	Date of grant 授出日期	Exercise price 行使價 (HK\$) (港元)	Options outstanding as at 1 January 2023 於2023年 1月1日 尚未行使 的購股權	Options forfeited during the year 年內沒收 的購股權	Options outstanding as at 31 December 2023 於2023年 12月31日 尚未行使 的購股權	Exercisable as at 31 December 2023 於2023年 12月31日 可予行使
Directors, chief executives and substantial shareholders						
董事、主要行政人員 及主要股東						
Chan Tsan Lam 陳燦林	13 May 2020 2020年5月13日	0.355	620,000	—	620,000	620,000
Chan Yin Yan 陳燕欣	13 May 2020 2020年5月13日	0.355	6,200,000	—	6,200,000	6,200,000
Poon Po Han Lisa 潘寶嫻	13 May 2020 2020年5月13日	0.355	6,200,000	—	6,200,000	6,200,000
Hung Chun Leung 洪俊良	13 May 2020 2020年5月13日	0.355	500,000	—	500,000	500,000
Chan Bing Kai 陳秉階	13 May 2020 2020年5月13日	0.355	500,000	—	500,000	500,000
Employees and senior management 僱員及高級管理層	13 May 2020 2020年5月13日	0.355	17,850,000	(1,100,000)	16,750,000	16,750,000
Service providers⁽¹⁾ 服務供應商⁽¹⁾	13 May 2020 2020年5月13日	0.355	3,920,000	(1,920,000)	2,000,000	2,000,000
			35,790,000	(3,020,000)	32,770,000	32,770,000

Note 1: The terms of the share options granted and the rationale for making the grants to service providers were disclosed in the circulars dated 25 April 2019 and 10 May 2019, which were approved at the annual general meeting on 28 May 2019, relating to the Adoption of the Share Option Scheme.

附註1：關於授予購股權計劃予服務供應商的條款及理由已在2019年4月25日及2019年5月10日的通函中披露，該等通函於2019年5月28日之股東週年大會上獲得批准，涉及購股權計劃的採納。

The maximum number of shares which may be allotted and issued under the Option Scheme and/or any other share option scheme of the Company is 62,000,000 Shares, representing 10% of the issued shares of the Company as at the date of adoption of the Option Scheme and 10% of the issued shares of the Company as at the date of this report.

根據購股權計劃及／或本公司任何其他購股權計劃，可配發及發行的股份數目上限為62,000,000股，佔本公司於採納購股權計劃當日已發行股份的10%及本公司於本報告日期已發行股份的10%。

None of the options granted to any employee participants would result in the shares issued and to be issued in respect of all options granted to such person (excluding any options lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant to represent in aggregate over 1% of the shares in issue.

概無授予任何僱員參與者的購股權將導致於截至授出日期(包括該日)的12個月期間就所有授予該人士的購股權(不包括根據計劃條款失效的任何購股權)已發行及將發行的股份合計超過已發行股份的1%。

None of the options granted to any service provider would result in the shares issued and to be issued in respect of all options granted to such person (excluding any options lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant to represent in aggregate over 0.1% of the shares in issue.

概無授予任何服務供應商的購股權將導致於截至授出日期(包括該日)的12個月期間就所有授予該人士的購股權(不包括根據計劃條款失效的任何購股權)已發行及將發行的股份合計超過已發行股份的0.1%。

As at 31 December 2023, the total number of shares which may fall to be issued upon exercise of the share options granted and remained outstanding under the Option Scheme was 32,770,000, representing approximately 5.29% of the issued shares of the Company. The number of options available for grant under the Scheme Mandate Limit (i.e. the total number of Shares which may be issued in respect of all options to be granted under the Option Scheme) as of 1 January 2023 and 31 December 2023 are 26,210,000 and 29,230,000 respectively, representing approximately 4.23% and 4.71% of the issued shares of the Company, respectively.

There is no sublimit on the total number of shares that may be issued in respect of options to be granted to service providers under the existing Option Scheme.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

The Company has received annual confirmations from the controlling shareholders, Mr. Chan Tsan Lam, Oceanic Green, New Strength, Gold Alliance, and Treasure Line and, in respect of their compliance with the non-competition undertaking provided in favour of the Company. The independent non-executive Directors have reviewed the said undertaking and are of the view that Mr. Chan Tsan Lam, Oceanic Green, New Strength, Gold Alliance and Treasure Line have complied with the non-competition undertaking since the Listing Date up to the date of this report.

RELATED PARTY TRANSACTIONS

Related party transactions entered into by the Group for the year ended 31 December 2023 are disclosed in Note 31 to the consolidated financial statements. These transactions had either been discontinued before the Company was listed on the Stock Exchange or constitute fully-exempted continuing connected transactions under the Listing Rules as at the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's revenue and purchases attributable to the major customers and suppliers respectively during the Year is as follows:

		Percentage of the Group's total 佔本集團以下總額的百分比	
		Revenue 收益	Purchases 採購額
The largest customer	最大客戶	21%	N/A 不適用
The five largest customers in aggregate	五大客戶合計	69%	N/A 不適用
The largest supplier	最大供應商	N/A 不適用	26%
The five largest suppliers in aggregate	五大供應商合計	N/A 不適用	55%

於2023年12月31日，於根據購股權計劃授出及發行在外的購股權獲行使後可能將予發行的股份總數為32,770,000股，佔本公司已發行股份約5.29%。截至2023年1月1日及2023年12月31日，根據計劃授權限額可供授出的購股權數目(即根據購股權計劃授出的所有購股權而可能發行的股份總數)分別為26,210,000股及29,230,000股，分別佔本公司已發行股份約4.23%及4.71%。

根據現有購股權計劃將授予服務供應商的購股權而可能發行的股份總數並無限制。

控股股東的不競爭承諾

本公司已接獲控股股東陳燦林先生、海翠、新力、金協及Treasure Line有關彼等遵守以本公司的利益提供的不競爭承諾的年度確認函。獨立非執行董事已審核上述承諾，且認為陳燦林先生、海翠、新力、金協及Treasure Line自上市日期起及直至本報告日期止始終遵守不競爭承諾。

關聯方交易

本集團截至2023年12月31日止年度訂立的關聯方交易披露於綜合財務報表附註31。於本報告日期，該等交易已於本公司於聯交所上市前終止或根據上市規則構成全面豁免持續關連交易。

主要客戶及供應商

於本年度，有關主要客戶及供應商各自佔本集團收益及採購額的資料如下：

DIRECTORS' REPORT

董事會報告

Save as disclosed above and so far as the Board are aware, neither the Directors, their associates nor any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any beneficial interest in these major customers and suppliers.

CHARITABLE DONATIONS

Charitable donations made by the Group during the Year amounted to approximately HK\$540,000.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

PERMITTED INDEMNITY PROVISION

The articles of association of the Company provides that every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur by the execution of his/her duty, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. The Company has arranged appropriate directors liability insurance in respect of legal action against the Directors.

TAX RELIEF

The Directors are not aware of any relief from taxation available to the shareholders by reason of their holding of the shares of the Company.

PROFESSIONAL TAX ADVICE

If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

AUDITOR

A resolution to re-appoint the retiring auditors, Messrs. Mazars CPA Limited, is to be proposed at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

Chan Tsan Lam
Chairman

Hong Kong, 28 March 2024

除上文所披露者外且據董事會所知，董事、彼等的聯繫人士或據董事所知擁有本公司5%以上股本的任何本公司股東概無於該等主要客戶及供應商中擁有任何實益權益。

慈善捐款

本集團在本年度的慈善捐款總額約為540,000港元。

公眾持股量

根據本公司所得公開資料及據董事所知，於本年度報告日期，本公司已發行股份維持上市規則規定的充足公眾持股量。

獲准許彌償條文

本公司章程概要指出各董事有權就履行其職務時所蒙受或產生之所有訴訟、費用、收費、損失、損害及開支自本公司之資產及溢利中獲得賠償及獲確保免就此受任何損害，惟賠償不得擴展至與任何上述人員可能出現的任何欺詐或不誠實行為有關的事件。本公司已就董事的法律行為安排適當的董事責任保險。

稅項減免

由於董事持有本公司股份，彼等並不知悉可向股東提供稅項減免。

專業稅務意見

倘本公司股東不確定購買、持有、出售、買賣本公司股份或行使當中任何權利的稅務影響，務請諮詢專家意見。

核數師

本公司將於應屆股東週年大會上提呈一項續聘退任核數師中審眾環(香港)會計師事務所有限公司的決議案。

代表董事會

主席
陳燦林

香港，2024年3月28日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

mazars

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To the members of
Tian Chang Group Holdings Ltd.
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tian Chang Group Holdings Ltd. (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 87 to 187, which comprise the consolidated statement of financial position at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

致
天長集團控股有限公司股東
(於開曼群島註冊成立之有限公司)

意見

我們已審核天長集團控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)載列於第87頁至187頁的綜合財務報表，包括於2023年12月31日的綜合財務狀況表、截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策資料。

我們認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實而公允地反映 貴集團於2023年12月31日的財務狀況及截至該日止年度的財務表現及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計。我們在該等準則下承擔的責任已在本報告「*核數師就審計綜合財務報表承擔的責任*」一節中作進一步闡述。我們根據香港會計師公會的專業會計師道德守則(「**守則**」)獨立於 貴集團，並已根據守則履行我們其他道德責任。我們認為，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current year. 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.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本年度綜合財務報表的審計最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Impairment assessment of property, plant and equipment

物業、廠房及設備的減值評估

Refer to Notes 2 and 14 to the consolidated financial statements

參閱綜合財務報表附註2及14

At 31 December 2023, the Group has property, plant and equipment of approximately HK\$612,489,000, which approximated 62.9% of the Group's total assets. During the year ended 31 December 2023, there was a significant drop of revenue in the e-cigarettes products segment, the management of the Group concluded there was an indication for impairment and conducted impairment assessment on the prepaid land leases payments, leased properties and buildings owned by the Group, to which allocation to each business segment was considered impracticable by the management of the Group, and machinery and equipment in respect of the e-cigarettes products segment.

於2023年12月31日，貴集團的物業、廠房及設備約612,489,000港元，約佔貴集團總資產的62.9%。截至2023年12月31日止年度，電子煙產品分部收益劇減，貴集團管理層認為存在減值跡象，並對貴集團擁有的預付土地租賃款、租賃物業及樓宇（貴集團管理層認為將彼等分配至各業務分部均不可行）及有關電子煙產品分部的機械及設備進行減值評估。

The recoverable amounts of the prepaid land leases payments, leased properties and buildings owned by the Group have been determined based on their fair value less costs of disposal using direct comparison method and depreciated replacement cost. The recoverable amounts of machinery and equipment in respect of the e-cigarettes products segment have been determined with reference to the value-in-use calculations using cash flow projections of e-cigarettes products segment.

貴集團擁有的預付土地租賃款、租賃物業及樓宇的可收回金額已基於彼等公允值減出售成本運用直接比較法及經折舊重置成本法釐定。有關電子煙產品分部的機械及設備的可收回金額已參考運用現金流量預測計算電子煙產品分部的使用價值釐定。

Our key audit procedures, among others, included:

我們的關鍵審計程序包括（其中包括）：

- evaluating the independent professional valuer's competence, capabilities and objectivity;
評估獨立專業估值師的資格、能力及客觀性；
- understanding the methodologies used by the independent professional valuer to estimate the recoverable amounts;
了解獨立專業估值師所採用的方法以估計可收回金額；

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p>Impairment assessment of property, plant and equipment (Continued) 物業、廠房及設備的減值評估(續)</p> <p>Refer to Notes 2 and 14 to the consolidated financial statements (Continued)</p> <p>參閱綜合財務報表附註2及14(續)</p> <p>The management of the Group engaged an independent professional valuer to provide assistance in estimating the recoverable amounts of the prepaid land leases payments, leased properties and buildings owned by the Group and machinery and equipment in respect of the e-cigarettes products segment. Based on the valuation, no impairment loss on relevant assets was recognised during the year ended 31 December 2023 because the recoverable amounts of relevant assets are higher than the carrying amounts of relevant assets at the end of the reporting period.</p> <p>貴集團的管理層已委聘獨立專業估值師就估計 貴集團擁有的預付土地租賃款、租賃物業及樓宇及有關電子煙產品分部的機械及設備的可收回金額提供協助。基於估值，截至2023年12月31日止年度，概無確認任何相關資產的減值虧損，原因為相關資產的可收回金額於報告期末高於相關資產的賬面值。</p> <p>The assessment of the recoverable amounts is inherently subjective as it involves the exercise of significant management's judgement and estimation.</p> <p>可收回金額的評估本質上具有主觀性，因為其涉及進行重大管理判斷及估計。</p> <p>We have identified the above matter as a key audit matter because of its significance of balance and the involvement of significant management's judgement and estimation in the assessment.</p> <p>我們將上述事項識別為一項關鍵審計事項，原因為結餘屬大額且涉及管理層對評估的重大判斷及估計。</p>	<p>— communicating with the management of the Group about the valuation techniques adopted by the independent professional valuer, and assessing the relevance and reasonableness of the valuation techniques used by the independent professional valuer;</p> <p>與 貴集團管理層就獨立專業估值師採用的估值法進行溝通，以及評估獨立專業估值師採用的估值法的相關性及合理性；</p> <p>— assessing the appropriateness of the resale values, adjustments and assumptions adopted by the independent professional valuer based on our knowledge of the business and industry;</p> <p>根據我們對業務及行業的了解，評估轉售價值、獨立專業估價師採用的調整及假設的適當性；</p> <p>— evaluating the reasonableness of the underlying data adopted in the valuation;</p> <p>評估估值採用的相關資料的合理性；</p> <p>— evaluating the sensitivity of impairment assessment to changes in key assumptions; and</p> <p>評估關鍵假設變動減值評估的敏感性；及</p> <p>— assessing the appropriateness of the disclosures in the consolidated financial statements.</p> <p>評估綜合財務報表所載披露的適當性。</p>

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Expected credit loss ("ECL") assessment for trade receivables

貿易應收款項的預期信貸虧損(「預期信貸虧損」)評估

Refer to Notes 2 and 18 to the consolidated financial statements

參閱綜合財務報表附註2及18

At 31 December 2023, the carrying amount of trade receivables amounted to approximately HK\$102,762,000 (after the loss allowance for ECL of approximately HK\$5,026,000), which approximated 10.5% of the Group's total assets.

於2023年12月31日，貿易應收款項的賬面值約為102,762,000港元(已計提預期信貸虧損撥備約5,026,000港元)，佔 貴集團總資產的約10.5%。

The management of the Group performed credit evaluations for the Group's customers and assessed ECL of trade receivables. The assessments on credit-impaired debtors and debtors with significant balances are separately assessed based on the individual customer's settlement record, their current repayment ability, and taking into account information specific to respective customer as well as pertaining to the economic environment in which the debtors operated. In addition, the assessment on the remaining debtors are established with a provision matrix with loss rates based on ageing of debtors, as well as the Group's historical default rates and forward-looking information. Most of these assessments involved significant judgements of the management of the Group.

貴集團管理層對 貴集團的客戶進行信貸評估並評估貿易應收款項的預期信貸虧損。根據個別客戶的結算記錄、他們目前的還款能力分別對已發生信貸減值的債務人及具有重大結餘的債務人進行評估，亦考慮相關客戶以及債務人營運所處經濟環境的具體資料。此外，對其餘債務人的評估透過應用根據債務人賬齡以及 貴集團歷史違約比率及前瞻性資料計算的虧損率建立撥備矩陣。大部分該等評估均牽涉 貴集團管理層的重大判斷。

Our key audit procedures, among others, included:

我們的關鍵審計程序包括(其中包括)：

- obtaining an understanding of the Group's credit risk management and practices and the management's ECL assessment of trade receivables and assessing the reasonableness of the key underlying information referenced by the management of the Group;

了解 貴集團的信貸風險管理及實踐及管理層對貿易應收款項的預期信貸虧損進行的評估，並評估 貴集團管理層所參考的關鍵相關資料是否合理；

- in respect of trade receivables of which were identified by the management of the Group for individually assessment, discussing with the management of the Group about the status of significant individual debtors' specific profiles and risks, reviewing their current repayment ability and challenging the management's assumptions used to determine the ECL provision;

就 貴集團管理層識別為個別評估之貿易應收款項而言，與 貴集團管理層討論有關個別債務人重大結餘之狀況及對債務人個別狀況及風險之考慮、審閱他們目前的還款能力及質疑管理層用於釐定預期信貸虧損撥備的假設；

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p>Expected credit loss ("ECL") assessment for trade receivables (Continued) 貿易應收款項的預期信貸虧損(「預期信貸虧損」)評估(續)</p> <p>Refer to Notes 2 and 18 to the consolidated financial statements (Continued)</p> <p>參閱綜合財務報表附註2及18(續)</p> <p>We have identified the above matter as a key audit matter because of its significance of balance and the involvement of significant management's judgement in the assessment.</p> <p>我們將上述事項識別為一項關鍵審計事項，原因為結餘屬大額及該等評估牽涉管理層的重大判斷。</p>	<p>— for those trade receivables whose credit loss were assessed using provision matrix, checking and assessing whether the loss allowance for ECL was properly supported by considering the debtors' ageing analysis and settlement records, history of bad debt and available forward-looking information on a sample basis; and</p> <p>就使用撥備矩陣評估信貸虧損的該等貿易應收款項而言，按抽樣基準檢查及評估預期信貸虧損的虧損撥備是否經考慮債務人賬齡分析、結算記錄、壞賬歷史及可得前瞻性資料而妥為證明；及</p> <p>— considering the adequacy of the Group's disclosure regarding the estimation uncertainty involved in determining the ECL provision.</p> <p>考慮 貴集團於釐定預期信貸虧損撥備所涉及估計不確定性有關的披露是否充足。</p>

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項(續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Allowance for inventories

存貨撥備

Refer to Notes 2 and 17 to the consolidated financial statements

參閱綜合財務報表附註2及17

At 31 December 2023, the net carrying amount of inventories amounted to approximately HK\$78,213,000, accounting for approximately 8.0% of the total assets. There was a decrease in net realisable value of certain raw materials, work-in-progress and finished goods due to obsolescence and/or diminishing marketability as a result of changes in market condition. As a result, a write-down of inventories of approximately HK\$6,100,000 was recognised in profit or loss during the year ended 31 December 2023.

於2023年12月31日，存貨賬面淨值約為78,213,000港元，約佔總資產的8.0%。若干原材料、在製品及成品的可變現淨值減少乃由於市況變動導致市場化過時及／或衰退。因此，於截至2023年12月31日止年度，存貨撇銷約6,100,000港元已於損益確認。

The allowance for inventories was assessed on the management's review of the condition of inventories at the end of the reporting period, and allowances were made for inventories that were identified as damaged, slow-moving and obsolete or no longer recoverable. The inventory review was carried out by the management of the Group on a product-by-product basis. Allowances were made with reference to the latest market prices and current market conditions, including incremental cost directly attributable to the sale and non-incremental cost which must incur to make the sale which involves the management's usage of significant accounting estimates and judgements.

存貨撥備乃由管理層審查於報告期末的存貨狀況作出評估並就確定為受損、滯銷及過時或不可能收回的存貨作出。貴集團管理層按逐個產品基準對存貨進行審查。貴集團經參考最新市價及目前市況(包括銷售直接應佔增量成本及為作出銷售(涉及管理層使用重大會計估計及判斷)所產生的非增量成本)作出撥備。

Our key audit procedures, among others, included:

我們的關鍵審計程序包括(其中包括)：

- understanding the management's policy on identification of damaged, slow-moving and obsolete inventories and critically assessed whether appropriate allowances had been made;

了解管理層關於識別受損、滯銷及陳舊存貨的政策，並嚴格評估是否已作出適當撥備；

- observing in the stocktaking process to understand any damaged, slow-moving and obsolete inventories as identified;

於存貨盤點流程中觀察以了解任何已識別的受損、滯銷及陳舊存貨；

- evaluating the key assumptions, such as latest market prices and current market conditions including incremental cost directly attributable to the sale and non-incremental cost which must incur to make the sale on a sampling basis;

按抽樣基準評估關鍵假設，如最新市價及目前市況(包括銷售直接應佔增量成本及為作出銷售所產生的非增量成本)；

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項
<p>Allowance for inventories (Continued) 存貨撥備 (續)</p> <p>Refer to Notes 2 and 17 to the consolidated financial statements (Continued)</p> <p>參閱綜合財務報表附註2及17(續)</p> <p>We have identified the above matter as a key audit matter because of its significance of balance and the involvement of significant management's judgement and estimation in the assessment.</p> <p>我們將上述事項識別為一項關鍵審計事項，原因為結餘屬大額且該等評估涉及重大管理判斷及估計。</p>	<p>— checking the utilisation of inventories across the subsequent sales, on a sampling basis; and 按抽樣基準檢查售後存貨的使用情況；及</p> <p>— assessing the sufficiency of allowances and related disclosures on inventories made by the management of the Group. 評估 貴集團管理層所作存貨撥備及相關披露是否足夠。</p>

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in 2023 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括 貴公司2023年年報內的資料，但不包括當中的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，我們亦不對該等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計而言，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計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為該等其他資料存在重大錯誤陳述，我們需要報告該事實。在該方面，我們並無任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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.

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

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

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

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

董事及負責監管人士須就綜合財務報表承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定擬備真實而公允的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

於擬備綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營作為會計基礎，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。

該等負責監管人士履行其監督貴集團的財務報告過程的職責。

核數師就審計綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。該報告僅向閣下(作為整體)出具，除此之外本報告別無其他目的。我們概不就本報告的內容向任何其他人士負有或承擔任何責任。

合理保證是一種高水平的保證，但並不能保證根據香港審計準則進行的審計總能發現存在的重大錯誤陳述。錯誤陳述可能因欺詐或錯誤而產生，倘若該等錯誤陳述按個別或合計情況可能合理地預期會影響使用者根據該等綜合財務報表作出的經濟決定，則被視為重大錯誤陳述。

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

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

核數師就審計綜合財務報表承擔的責任 (續)

在根據香港審計準則進行審計的過程中，我們運用專業判斷及始終保持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕內部控制，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價 貴公司董事所採用會計政策的恰當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，且根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或倘若有關披露不足，則應當發表非保留意見。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容(包括披露)，以及綜合財務報表是否以中肯呈列的方式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足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 28 March 2024

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

Lam Kwok Sun

Practising Certificate number: P08281

核數師就審計綜合財務報表承擔的責任 (續)

我們已與該等負責監管人士溝通(其中包括)計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向該等負責監管人士提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

從與該等負責監管人士溝通的事項中，我們確定了哪些事項對本期綜合財務報表的審計最為重要，該等事項因而構成關鍵審計事項。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，如果合理預期在我們的報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

中審眾環(香港)會計師事務所有限公司

執業會計師

香港，2024年3月28日

出具本獨立核數師報告的審計項目董事為：

林國樂

執業證書編號：P08281

CONSOLIDATED INCOME STATEMENT

綜合收益表

Year ended 31 December 2023 截至2023年12月31日止年度

			2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Revenue	收益	4	697,514	1,143,941
Cost of goods sold	商品銷售成本		(561,600)	(883,868)
Gross profit	毛利		135,914	260,073
Other income	其他收入	5	16,082	7,923
Other losses, net	其他虧損淨額	6	(1,825)	(7,669)
Reversal of loss allowance on trade receivables	貿易應收款項虧損撥備撥回	33	570	216
Selling and distribution costs	銷售及分銷成本		(4,604)	(5,795)
Administrative and other operating expenses	行政及其他經營開支		(114,780)	(130,714)
Finance costs	財務成本	7	(5,436)	(7,208)
Profit before tax	除稅前溢利	7	25,921	116,826
Income tax expenses	所得稅開支	10	(2,464)	(10,881)
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔 年內溢利		23,457	105,945
Earnings per share attributable to equity holders of the Company (expressed in Hong Kong cents)	本公司權益持有人應佔 每股盈利(以港仙列示)			
Basic	基本	12	3.78	17.09
Diluted	攤薄	12	3.75	16.99

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2023 截至2023年12月31日止年度

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Profit for the year	年內溢利	23,457	105,945
Other comprehensive loss: <i>Item that may be reclassified subsequently to profit or loss:</i>	其他全面虧損： 日後或會重新列入損益之項目：		
Exchange differences arising on translation of foreign operations	換算境外經營產生的匯兌差額	(10,019)	(66,607)
Total comprehensive income for the year attributable to equity holders of the Company	本公司權益持有人應佔年內 全面收益總額	13,438	39,338

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2023 於 2023年 12月 31日

		Notes	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	612,489	664,999
Financial assets at fair value through profit or loss ("FVPL")	按公允值計入損益的金融資產 (「按公允值計入損益」)	15	32,626	31,633
Rental deposits	租金按金		309	393
Deferred tax assets	遞延稅項資產	25	1,829	3,999
			647,253	701,024
Current assets	流動資產			
Inventories	存貨	17	78,213	128,542
Finance lease receivables	應收融資租賃款項	16	-	1,617
Trade and other receivables	貿易及其他應收款項	18	113,301	237,368
Income tax recoverable	可退回所得稅		3,024	542
Restricted bank balances	受限制銀行結餘	19	-	7,152
Cash and cash equivalents	現金及現金等價物	19	132,590	128,368
			327,128	503,589
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	104,728	252,383
Payables for construction in progress	應付在建工程款項	21	906	9,020
Interest-bearing borrowings	計息借款	22	61,939	121,491
Deferred income	遞延收益	23	1,480	1,455
Lease liabilities	租賃負債	24	2,393	2,027
Income tax payables	應付所得稅		2,240	4,855
			173,686	391,231
Net current assets	流動資產淨額		153,442	112,358
Total assets less current liabilities	總資產減流動負債		800,695	813,382

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2023 於2023年12月31日

			2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
		Notes 附註		
Non-current liabilities	非流動負債			
Payables for construction in progress	應付在建工程款項	21	2,190	6,238
Interest-bearing borrowings	計息借款	22	–	7,322
Deferred income	遞延收益	23	8,594	10,021
Lease liabilities	租賃負債	24	1,425	1,686
Deferred tax liabilities	遞延稅項負債	25	5,722	6,389
			17,931	31,656
NET ASSETS	資產淨值		782,764	781,726
Capital and reserves	資本及儲備			
Share capital	股本	26	62,000	62,000
Reserves	儲備	27	720,764	719,726
TOTAL EQUITY	權益總額		782,764	781,726

The consolidated financial statements on pages 87 to 187 were approved and authorised for issue by the Board of Directors on 28 March 2024 and signed on its behalf by

第87頁至187頁的綜合財務報表於2024年3月28日獲董事會批准及授權刊發，並由以下董事代表簽立

CHAN Tsan Lam

陳燦林

Director

董事

CHAN Yin Yan

陳燕欣

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2023 截至2023年12月31日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔							Total 總計
		Share capital 股本 HK\$'000 千港元 (Note 26) (附註 26)	Share premium 股份溢價 HK\$'000 千港元 (Note 27(a)) (附註 27(a))	Capital reserve 資本儲備 HK\$'000 千港元 (Note 27(b)) (附註 27(b))	Statutory reserve 法定儲備 HK\$'000 千港元 (Note 27(c)) (附註 27(c))	Translation reserve 換算儲備 HK\$'000 千港元 (Note 27(d)) (附註 27(d))	Share option reserve 購股權儲備 HK\$'000 千港元 (Note 27(e)) (附註 27(e))	Accumulated profits 累計盈利 HK\$'000 千港元	
At 1 January 2022	於 2022 年 1 月 1 日	62,000	34,203	77,810	34,221	47,352	2,505	496,697	754,788
Profit for the year	年內溢利	-	-	-	-	-	-	105,945	105,945
Other comprehensive loss:	其他全面虧損：								
Exchange differences arising on translation of foreign operations	換算境外經營產生的匯兌差額	-	-	-	-	(66,607)	-	-	(66,607)
Total comprehensive (loss) income for the year	年內全面(虧損)收益總額	-	-	-	-	(66,607)	-	105,945	39,338
Transactions with owners:	與擁有人的交易：								
<i>Contributions and distributions</i>	<i>出資及分派</i>								
Appropriation of statutory reserve	提取法定儲備	-	-	-	853	-	-	(853)	-
Forfeit of share options (Note 28)	購股權沒收(附註 28)	-	-	-	-	-	(70)	70	-
Dividends (Note 11)	股息(附註 11)	-	-	-	-	-	-	(12,400)	(12,400)
		-	-	-	853	-	(70)	(13,183)	(12,400)
At 31 December 2022	於 2022 年 12 月 31 日	62,000	34,203	77,810	35,074	(19,255)	2,435	589,459	781,726
At 1 January 2023	於 2023 年 1 月 1 日	62,000	34,203	77,810	35,074	(19,255)	2,435	589,459	781,726
Profit for the year	年內溢利	-	-	-	-	-	-	23,457	23,457
Other comprehensive loss:	其他全面虧損：								
Exchange differences arising on translation of foreign operations	換算境外經營產生的匯兌差額	-	-	-	-	(10,019)	-	-	(10,019)
Total comprehensive (loss) income for the year	年內全面(虧損)收益總額	-	-	-	-	(10,019)	-	23,457	13,438
Transactions with owners:	與擁有人的交易：								
<i>Contributions and distributions</i>	<i>出資及分派</i>								
Forfeit of share options (Note 28)	購股權沒收(附註 28)	-	-	-	-	-	(234)	234	-
Dividends (Note 11)	股息(附註 11)	-	-	-	-	-	-	(12,400)	(12,400)
		-	-	-	-	-	(234)	(12,166)	(12,400)
At 31 December 2023	於 2023 年 12 月 31 日	62,000	34,203	77,810	35,074	(29,274)	2,201	600,750	782,764

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2023 截至2023年12月31日止年度

			2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動			
Cash generated from operations	經營所得現金	30	102,038	168,637
Income tax paid	已付所得稅		(5,774)	(18,831)
Net cash from operating activities	經營活動所得現金淨額		96,264	149,806
INVESTING ACTIVITIES	投資活動			
Acquisition of a subsidiary	收購一間附屬公司	29	70	–
Interest received	已收利息		2,933	928
Receipt of finance lease receivables	收取應收融資租賃款項		1,617	2,425
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		28	109
Receipt of government grants in relation to acquisitions of property, plant and equipment	收取有關收購物業、廠房及設備的政府補貼		247	209
Purchase of property, plant and equipment	購買物業、廠房及設備		(5,215)	(4,958)
Net cash used in investing activities	投資活動所用現金淨額		(320)	(1,287)
FINANCING ACTIVITIES	融資活動			
Dividends paid	已付股息	11	(12,400)	(12,400)
Inception of interest-bearing borrowings	新增計息借款	32(b)	48,675	248,481
Repayment of interest-bearing borrowings	償還計息借款	32(b)	(114,432)	(343,090)
Repayment of payables for construction in progress	償還應付在建工程款項	32(b)	(6,848)	(13,788)
Repayment of lease liabilities	償還租賃負債	32(b)	(2,549)	(11,386)
Interest paid	已付利息	32(b)	(5,231)	(6,651)
Net cash used in financing activities	融資活動所用現金淨額		(92,785)	(138,834)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		3,159	9,685
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		128,368	114,667
Effect on exchange rate changes	匯率變動的影響		1,063	4,016
Cash and cash equivalents at end of the year	年末現金及現金等價物	19	132,590	128,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

1. GENERAL INFORMATION

Tian Chang Group Holdings Ltd. (the “**Company**”, together with its subsidiaries referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2017 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 March 2018. The ultimate controlling party of the Group is Mr. Chan Tsan Lam (the “**Ultimate Controlling Party**”), who is also the chairman and executive director of the Company. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is situated at Unit 6, 13/F, Block B, Hoi Luen Industrial Centre, 55 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in manufacturing and sales of electronic cigarettes products (“e-cigarettes products”) and medical consumable products, and providing integrated plastic solutions in Hong Kong and in the People’s Republic of China (the “PRC”). The details of the subsidiaries are set out in Note 13 to the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year as set out below.

1. 一般資料

天長集團控股有限公司(「**本公司**」)·連同其附屬公司統稱為「**本集團**」)於2017年4月26日在開曼群島註冊成立為獲豁免有限責任公司·其股份於2018年3月8日在香港聯合交易所有限公司(「**聯交所**」)主板上市。本集團的最終控股方為陳燦林先生(「**最終控股方**」)·彼亦為本公司主席及執行董事。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點位於香港九龍觀塘開源道55號開聯工業中心B座13樓6室。

本公司的主營業務為投資控股。本集團主要於香港及中華人民共和國(「**中國**」)從事電子煙產品(「**電子煙產品**」)及醫療消耗品的製造及銷售以及提供一體化注塑解決方案。附屬公司詳情載於綜合財務報表附註13。

2. 主要會計政策

編製基準

本綜合財務報表已按照香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)·其包括所有適用的香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋、香港公認之會計原則及香港《公司條例》的披露規定而編製。本綜合財務報表亦遵守香港聯交所證券上市規則(「**上市規則**」)的適用披露規定。

本綜合財務報表以港元(「**港元**」)呈列·港元為本公司的功能貨幣。除另有註明外·所有金額已調整至最接近的千位數。

除採納下文所載與本集團相關且自本年度起生效的以下新訂/經修訂香港財務報告準則外·編製綜合財務報表的基準與2022年綜合財務報表所採納的會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Adoption of new/revised HKFRSs

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

Amendments to HKAS 1 香港會計準則第1號之修訂	Disclosure of Accounting Policies 會計政策披露
Amendments to HKAS 8 香港會計準則第8號之修訂	Definition of Accounting Estimates 會計估計之定義
Amendments to HKAS 12 香港會計準則第12號之修訂	Deferred Tax related to Assets and Liabilities arising from a Single Transaction 單一交易產生的資產及負債相關遞延稅項

Amendments to HKAS 1: Disclosure of Accounting Policies

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

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

Amendments to HKAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2. 主要會計政策 (續)

採納新訂／經修訂香港財務報告準則

本集團首次應用以下與本集團相關的新訂／經修訂香港財務報告準則：

香港會計準則第1號之修訂：會計政策披露

該等修訂要求公司披露其主要會計政策資料，而非其重大會計政策。

該等修訂對綜合財務報表中任何項目之計量、確認或列報概無影響。管理層已對會計政策資料的披露進行檢討並認為其與修訂內容一致。

香港會計準則第8號之修訂：會計估計之定義

該等修訂闡明公司應對會計政策變動與會計估計變動加以區分。

採納該等修訂對綜合財務報表概無任何重大影響。

香港會計準則第12號之修訂：單一交易產生的資產及負債相關遞延稅項

該等修訂縮小了香港會計準則第12號第15及24段中的確認豁免範圍，使其不適用於在確認時產生相等的應課稅及可抵扣暫時性差異的交易。

採納該等修訂對綜合財務報表概無任何重大影響。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Basis of measurement**

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for the financial assets at fair value through profit or loss ("FVPL"), which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated income statement and the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

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 is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

2. 主要會計政策 (續)**計量基準**

除下文會計政策所解釋按公允值計入損益(「按公允值計入損益」)的金融資產乃按公允值計量外，編製該等綜合財務報表所採用之計量基準為歷史成本。

綜合基準

綜合財務報表包括本公司及其所有附屬公司的財務報表。附屬公司之財務報表乃與本公司相同報告期編製的財務報表使用一致之會計政策。

所有集團內公司間的結餘、交易、與集團內公司間交易所產生的收支及損益均全數抵銷。附屬公司業績自本集團取得控制權當日起綜合入賬，直至本集團不再擁有控制權當日為止。

非控股權益於綜合收益表及綜合全面收益表內以及綜合財務狀況表的權益內與本公司擁有人分開呈列。於被收購方的非控股權益為現時所有權權益，並賦予其持有人權利於清盤時按比例分佔被收購方資產淨值，初步按公允值或按現時所有權權益應佔被收購方可識別資產淨值的已確認金額比例計量。此計量基準按個別收購事項基準作出選擇。其他類別的非控股權益初步按公允值計量，除非香港財務報告準則規定須採用其他計量基準。

分配全面收益總額

損益及其他全面收益各組成部分均歸於本公司擁有人以及非控股權益。全面收益總額歸於本公司擁有人以及非控股權益，即使此舉會導致非控股權益之餘額出現虧絀。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. In the Company's statement of financial position which is presented in Note 37 to the consolidated financial statements, investments in subsidiaries are stated at cost less impairment loss. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

2. 主要會計政策(續)

綜合基準(續)

所有權權益出現變動

倘本集團於附屬公司的所有權權益變動並無導致失去控制權，則列賬為股本交易。控股權益及非控股權益的賬面值已作出調整，以反映其於附屬公司的有關權益變動。非控股權益的經調整金額與已付或已收代價的公允值間的任何差額直接於權益中確認並歸屬於本公司擁有人。

倘本集團失去對附屬公司的控制權，出售時產生的損益按下列兩者之差額計算：(i) 於失去控制權當日已收代價的公允值與任何保留權益的公允值之總和及(ii) 於失去控制權當日附屬公司及任何非控股權益的資產(包括商譽)及負債之賬面值。先前於其他全面收益確認的有關所出售附屬公司的金額按與假設母公司直接出售相關資產或負債的同一基準確認。於前附屬公司保留的任何投資及前附屬公司結欠或應付前附屬公司的任何金額自失去控制權當日起列賬為金融資產、聯營公司、合營公司或其他(視適用情況而定)。

附屬公司

附屬公司指受本集團控制的實體。倘本集團就參與實體業務所得可變動回報承擔風險或享有權利，並能透過其於該實體之權力影響該等回報，則本集團對該實體有控制權。如有事實及情況顯示一項或多項控制權要素出現變化，則本集團會重新評估其對被投資者之控制權。於本公司財務狀況表(於綜合財務報表附註37中呈列)中，對附屬公司的投資按成本減減值虧損列賬。倘其高於可收回金額，投資的賬面值按個別基準調減至其可收回金額。附屬公司的業績由本公司按已收及應收股息列賬。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis and depreciated separately:

Right-of-use assets 使用權資產	Shorter of useful lives or over the unexpired term of lease 可使用年期較短或未到期的租賃期限
Buildings 樓宇	50 years or over the lease term, as appropriate 50年或以上的租賃期限(視情況而定)
Leasehold improvements 租賃物業裝修	20 years or over the lease term, as appropriate 20年或以上的租賃期限(視情況而定)
Furniture and fixtures 傢俬及固定裝置	5 years 5年
Machinery and equipment 機械及設備	5 -10 years 5至10年
Motor vehicles 汽車	3 years 3年
Computer 電腦	5 -10 years 5至10年

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.

Construction in progress represents buildings, leasehold improvements, furniture and fixtures and machinery and equipment under construction. It is stated at cost less any accumulated impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is available for use.

2. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及任何使資產達致其使用狀態及現存地點作預定用途所產生的直接應佔成本。維修及保養開支乃於其產生的期間內於損益中支銷。

物業、廠房及設備(在建工程除外)於下述估計可使用年期內，在考慮到其估計剩餘價值後，由其可供使用之日起以直線法計算折舊，以撇銷成本減累計減值虧損。倘物業、廠房及設備項目之各部分擁有不同的可使用年期，該項目之成本或估值會獨立按合理基準分配及計算折舊：

物業、廠房及設備項目於出售或於預期繼續使用該資產不會帶來任何日後經濟利益時予以取消確認。因取消確認資產所產生的任何收益或虧損(按其出售所得款項與其該項目賬面值的差額計算)於取消確認項目的期間計入損益中。

在建工程指在建設中的建築、租賃物業裝修、傢俬及固定裝置及機械及設備。其按成本減任何累計減值虧損列賬，並不折舊。成本包括建設過程中的直接建設成本。當工程已完成及資產可使用時，在建工程分類為物業、廠房及設備的適當類別。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Research and development cost

Research costs are expensed as incurred. Costs incurred in development activities, which involve the application of research findings to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) the Group transfers substantially all the risks and rewards of ownership of the financial asset, or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

2. 主要會計政策(續)

研發成本

研究成本於產生時支銷。倘產品或程序在技術及商業上可行，且本集團有足夠資源完成開發，則開發活動所產生之成本(涉及將研究成果應用於生產新產品或大幅改良產品及程序之計劃或設計)會資本化。撥作資本的開支包括材料成本、直接勞工成本及適當比例的經常開支。其他開發開支於產生時於損益中確認為開支。

金融工具

金融資產

確認及取消確認

金融資產乃於且僅於本集團成為工具合約條文的訂約方時按交易日基準確認。

金融資產於且僅於以下情況時取消確認：
(i) 本集團對金融資產產生的未來現金流量的合約權利屆滿時或(ii) 本集團轉移金融資產且(a) 本集團已轉移該項金融資產擁有權的絕大部分風險及回報或(b) 本集團既無轉移亦無保留該項金融資產擁有權的絕大部分風險及回報但並無保留該項金融資產的控制權時。

倘本集團保留所轉讓金融資產之擁有權之絕大部分風險及回報，則本集團繼續確認該金融資產。

倘本集團既無轉讓亦無保留擁有權之絕大部分風險及回報，並繼續控制已轉移資產，則本集團確認其持續參與的金融資產及可能須支付的相關負債款項。

金融資產(沒有重大融資成分之貿易應收款項除外)初步按公允值加(就並非按公允值計入損益的金融資產而言)直接歸屬於收購金融資產的交易成本確認。相關貿易應收款項初步按交易價格計量。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Recognition and derecognition (Continued)

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity investment measured at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period, following the change in the business model.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include rental deposits, finance lease receivables, trade and other receivables, restricted bank balances and bank balances and cash.

2. 主要會計政策(續)

金融工具(續)

金融資產(續)

確認及取消確認(續)

於初步確認時，金融資產分類為(i)按攤銷成本計量；(ii)透過按公允值計入其他全面收益計量之債務投資(「強制按公允值計入其他全面收益」)；(iii)按公允值計入其他全面收益計量之股本投資(「指定按公允值計入其他全面收益」)；或(iv)按公允值計入損益計量。

初步確認時的金融資產分類取決於本集團管理金融資產的業務模式和金融資產的合約現金流量特點。金融資產在初步確認後不會重新分類，除非本集團改變其管理金融資產之業務模式，在此情況下，所有受影響的金融資產在更改業務模式後之首個年度報告期間的第一日重新分類。

1) 按攤銷成本計量之金融資產

倘金融資產符合以下兩個條件且並非指定按公允值計入損益，該金融資產即按攤銷成本計量：

- (i) 其旨在通過持有金融資產收取合約現金流量的業務模式持有；及
- (ii) 其合約條款於特定日期可產生現金流量，而該現金流量僅為支付未償還本金之本金及利息。

按攤銷成本計量之金融資產其後使用實際利息法計量，並可出現減值。減值、取消確認或攤銷過程所產生之收益及虧損於損益確認。

本集團按攤銷成本計量之金融資產包括租金押金、應收融資租賃款項、貿易及其他應收款項、受限制銀行結餘以及銀行結餘及現金。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Recognition and derecognition (Continued)

2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, and financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVPL include the unlisted investments – key management insurance contracts.

2. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

確認及取消確認 (續)

2) 按公允值計入損益的金融資產

該等投資包括並無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，包括持作買賣的金融資產、於初步確認時指定按公允值計入損益的金融資產及香港財務報告準則第3號適用之業務合併內的或然代價安排所產生的金融資產以及另行規定將按公允值計入損益的金融資產。彼等以公允值計值，由此產生的收益及虧損於損益確認，其中不包括就金融資產所賺取的任何股息或利息。股息或利息收入與公允值收益或虧損分開呈列。

倘符合下列條件，則乃分類為持作買賣：

- (i) 收購主要為於短期內出售；
- (ii) 初步確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- (iii) 屬並非為融資擔保合約或並非為指定及有效對沖工具的衍生工具。

金融資產於初始確認時指定按公允值計入損益計量，前提為如此行事，方可消除或大幅減低計量資產或負債或按不同基準確認收益或虧損時以其他方式產生的計量或確認的不一致性。

本集團強制性按公允值計入損益計量的金融資產包括非上市投資—主要管理人員保險合約。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Financial instruments (Continued)****Financial liabilities***Recognition and derecognition*

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings, payables for construction in progress and lease liabilities. All financial liabilities, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial liabilities at FVPL include financial liabilities held for trading, financial liabilities designated upon initial recognition as at FVPL and financial liabilities that are contingent consideration of an acquirer in a business combination to which HKFRS 3 applies. They are carried at fair value, with any resultant gain and loss (including interest expenses) recognised in profit or loss, except for the portion of fair value changes of financial liabilities designated at FVPL that are attributable to the credit risk of the liabilities which is presented in other comprehensive income unless such treatment would create or enlarge an accounting mismatch in profit or loss. The amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss.

2. 主要會計政策 (續)**金融工具 (續)****金融負債***確認及取消確認*

金融負債於且僅於本集團成為工具合約條文之訂約方時確認。

金融負債於且僅於負債消除時方取消確認，即有關合約訂明之責任獲解除、註銷或屆滿時。

分類及計量

金融負債初步按公允值確認，而倘金融負債並非按公允值計入損益，則加上發行金融負債直接應佔之交易成本。

本集團的金融負債包括貿易及其他應付款項、計息借貸、應付在建工程款項及租賃負債。所有金融負債初步按公允值確認，其後採用實際利息法按攤銷成本計量，除非貼現影響並不重大，則按成本列賬。

按公允值計入損益的金融負債包括持作買賣的金融負債、於初步確認時指定為按公允值計入損益的金融負債及為收購方於香港財務報告準則第3號適用的業務合併中的或然代價的金融負債。該等金融負債按公允值列賬，而任何由此產生的盈虧(包括利息開支)於損益確認，惟指定為按公允值計入損益的金融負債的信貸風險應佔部分公允值變動除外，除非該處理會導致或擴大損益的會計錯配。於其他全面收益呈列的金額其後不得轉撥至損益。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities (Continued)

Classification and measurement (Continued)

A financial liability is classified as held for trading if it is:

- (i) incurred principally for the purpose of repurchasing it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial liabilities are designated at initial recognition as at FVPL only if:

- (i) the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases;
- (ii) they are part of a group of financial liabilities or financial assets and financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- (iii) they contain one or more embedded derivatives, in which case the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivatives do not significantly modify the cash flows or it is clear that separation of the embedded derivatives is prohibited.

Derivatives embedded in a hybrid contract with a host that is not an asset within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their economic characteristics and risks are not closely related to those of the host, and the hybrid contract is not measured at FVPL.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量(續)

金融負債如屬以下各項，則分類為持作買賣：

- (i) 主要因在近期購回而產生；
- (ii) 屬於受集中管理的已識別金融工具組合的一部分，且有跡象顯示其於初步確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合約或並非指定有效對沖工具的衍生工具。

倘符合下列條件，則金融負債於初步確認時指定按公允值計入損益：

- (i) 該分類會消除或大大減少按不同基準計量資產或負債或確認其收益或虧損所產生的計量或確認不一致；
- (ii) 屬於一組受管理的金融負債或金融資產及金融負債的一部份且根據明文規定的風險管理策略按公允值基準評估其表現；或
- (iii) 彼等包含一個或多個嵌入式衍生工具，在此情況下，整個混合合約可能被指定為按公允值計入損益的金融負債，惟嵌入式衍生工具不會顯著改變現金流量，或者明顯禁止分離嵌入式衍生工具者除外。

嵌入主合約不屬於香港財務報告準則第9號範圍內資產的混合合約中的衍生工具，當符合衍生工具定義、其經濟特徵及風險與主合約並無密切關係及混合合約並非按公允值計入損益計量時被視為獨立衍生工具。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities (Continued)

Classification and measurement (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or 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 liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expenses is recognised on an effective interest basis other than financial liabilities classified as at FVPL.

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost and lease receivables to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed before, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

2. 主要會計政策(續)

金融工具(續)

金融負債(續)

分類及計量(續)

實際利率法乃於相關期間計算金融資產或金融負債的攤銷成本及分配利息收入或利息開支的方法。實際利率乃按金融資產或金融負債的預期使用年期，或較短期間(倘合適)將估計日後現金收入或付款(包括所有支付或收取而其整體可構成實際利率、交易成本及其他溢價或折價的費用)折現至初步確認時賬面淨值的利率。

除分類為按公允值計入損益的金融負債外，利息支出乃按實際利率基準確認。

金融資產及其他項目的減值

本集團確認按攤銷成本計量的金融資產及應收租賃款項的預期信貸虧損(「預期信貸虧損」)之虧損撥備(其減值要求按照香港財務報告準則第9號適用)。除之前詳述的特殊處理方式外，於各報告日期，如金融資產的信貸風險自初步確認以來顯著增加，本集團會按等同全期預期信貸虧損的金額計量該金融資產之虧損撥備。如金融資產的信貸風險自初步確認以來無顯著增加，本集團則按等同12個月預期信貸虧損的金額計量該金融資產之虧損撥備。

預期信貸虧損之計量

預期信貸虧損乃金融工具預期年期的信貸虧損(即所有現金短欠的現值)的概率加權估計。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Measurement of ECL (Continued)

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive. For a lease receivable, the cash flows used for determining the ECL should be consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the past due information or other credit risk characteristics.

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

2. 主要會計政策 (續)

金融工具 (續)

金融資產及其他項目的減值 (續)

預期信貸虧損之計量 (續)

就金融資產而言，信貸虧損為合約項下應付某實體的合約現金流量與該實體預期收取的現金流量之間的差額。就應收租賃款項而言，釐定預期信貸虧損所用現金流量應與根據香港財務報告準則第16號計量應收租賃款項所用現金流量一致。

全期預期信貸虧損指金融工具預期年期所有可能的違約事件產生的預期信貸虧損，而12個月預期信貸虧損為全期預期信貸虧損的一部份，其預期源自可能在報告日期後12個月內發生的金融工具違約事件。

倘以集體基準計量預期信貸虧損，金融工具乃依據逾期資料或其他信貸風險特徵而組集。

虧損撥備於各報告日期重新計量以反映初步確認以來金融工具信貸風險及虧損的變動。虧損撥備得出的變動於損益確認為減值盈虧並對金融工具賬面值作相應調整，如果強制按公允值計入其他全面收益，虧損撥備於其他全面收益確認及公允值儲備(可撥轉)內累計。

違約定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為歷史經驗顯示如金融工具符合以下任何一項準則，本集團或未能收回全數未償還合約金額。

- (i) 從內部所得資料或取自外部資料顯示債務人不大可能全數向其債權人支付欠款(未考慮本集團所持任何抵押品)；或

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Financial instruments (Continued)****Impairment of financial assets and other items (Continued)***Definition of default (Continued)*

- (ii) there is a breach of financial covenants by the counterparty.

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

Assessment of significant increase in credit risk

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

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

2. 主要會計政策 (續)**金融工具 (續)****金融資產及其他項目的減值 (續)***違約定義 (續)*

- (ii) 對手方有違反財務契諾。

無論上述分析如何，本集團認為金融資產逾期超過90日已屬發生違約，除非本集團有合理及可靠資料證明較為滯後的違約準則更為適當則作別論。

信貸風險顯著上升的評估

評估金融工具的信貸風險自初步確認以來有否顯著增加時，本集團會將截至報告日期金融工具發生違約的風險，與截至初步確認日期金融工具發生違約的風險比較。作出此評估時，本集團會同時考慮合理和可靠的定量及定性資料，包括無須付出過多成本或努力後即可獲得的歷史經驗及前瞻性質料。評估時特別會考慮以下資料：

- 債務人未能於到期日支付本金或利息款項；
- 金融工具的外部及內部信貸評級有實際或預期的顯著惡化(如有)；
- 債務人的經營業績有實際或預期的顯著惡化；及
- 技術、市場、經濟或法律環境方面有實際或預期的變化而會或可能會對債務人履行其對本集團的責任有重大不利影響。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Assessment of significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

All financial assets, except for trade receivables and finance lease receivables, are determined to have low credit risk.

Simplified approach of ECL

For trade receivables and finance lease receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and had established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. 主要會計政策 (續)

金融工具 (續)

金融資產及其他項目的減值 (續)

信貸風險顯著上升的評估 (續)

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，金融工具的信貸風險自初步確認以來已顯著增加。

儘管有前述分析，如金融工具於報告日期被釐定為低信貸風險，本集團會假設金融工具的信貸風險自初步確認以來無顯著增加。

信貸風險偏低

如有下列情況，金融工具會被釐定為低信貸風險：

- (i) 其具低違約風險；
- (ii) 借貸方有實力履行其近期合約現金流量責任；及
- (iii) 較長遠的經濟或營商條件的不利變動可能(但不一定)會減低債務人履行其合約現金流量責任的能力。

所有金融資產(貿易應收款項及應收融資租賃款項除外)被釐定為低信貸風險。

預期信貸虧損的簡化方法

就貿易應收款項及應收融資租賃款項，本集團應用簡化手法來計算預期信貸虧損。本集團根據於報告日期之全期預期信貸虧損確認虧損撥備，並基於本集團過往信貸虧損經驗設立撥備矩陣，其已就債務人特定的前瞻性因素及經濟環境作出調整。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Financial instruments (Continued)****Impairment of financial assets and other items (Continued)***Credit-impaired financial asset*

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

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

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

2. 主要會計政策 (續)**金融工具 (續)****金融資產及其他項目的減值 (續)***已出現信貸減值之金融資產*

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項事件之時，該金融資產即出現信貸減值。金融資產出現信貸減值之證據包括有關下列事件之可觀察數據：

- (a) 發行人或借貸方出現重大財政困難。
- (b) 違反合約(如違約或逾期事件)。
- (c) 借貸方之貸款人基於借貸方財政困難之經濟或合約理由，而向借貸方提供貸款人在其他情況下不會考慮之寬減。
- (d) 借貸方將可能破產或進行其他財務重組。
- (e) 因財務困難導致金融資產失去活躍市場。
- (f) 以大幅折扣購買或引入一項金融資產，該折扣反映已產生信貸虧損。

撇銷

當本集團無法合理預期收回金融資產全數或部分合約現金流量時，本集團撇銷金融資產。本集團預期不會就撇銷金額收回大量金額。然而，經考慮法律意見(如適用)後，已撇銷之金融資產仍可根據本集團收回到期款項之程序實施強制執行。任何其後收回款項於損益中確認。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For classification in the consolidated statement of financial position, cash equivalents represent assets similar in nature to cash and which are not restricted as to use.

Revenue recognition

Rental income under operating leases is recognised when the assets are let out and on the straight-line basis over the lease term. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Such payments are recognised as income on the straight-line basis over the lease term. Other variable lease payments are recognised as income in the period in which the event or condition that triggers those payments occurs.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost or Mandatory FVOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

- (i) manufacturing and sales of e-cigarettes products;
- (ii) manufacturing and sales of moulds and plastic products; and
- (iii) manufacturing and sales of medical consumable products.

2. 主要會計政策 (續)

現金等價物

就綜合現金流量表而言，現金等價物指短期高流通量投資，其可隨時轉換為已知金額之現金，且須承受之價值變動風險不屬重大。就綜合財務狀況表的分類而言，現金等價物指與現金性質相似的資產，且在使用上沒有限制。

收益確認

經營租賃項下之租金收入於資產出租時及於租期內以直線法確認。取決於某一指數或比率之可變租賃付款於開始日期初步使用該指數或比率計量，並其後於該指數或比率變動時作出調整。該等付款於租期內以直線法確認為收入。其他可變租賃付款於觸發該等付款之事件或狀況出現期間確認為收入。

利息收入

來自金融資產之利息收入使用實際利率法確認。就按攤銷成本或強制性按公允值計入其他全面收益計量且並無信貸減值之金融資產而言，實際利率適用於資產之總賬面值，而就具信貸減值之金融資產而言，其適用於攤銷成本(即扣除虧損撥備之總賬面值)。

香港財務報告準則第15號來自客戶合約的收益

貨品或服務的性質

本集團提供之貨品或服務的性質如下：

- (i) 製造及銷售電子煙產品；
- (ii) 製造及銷售模具及塑膠製品；及
- (iii) 製造及銷售醫療消耗品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) 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.

2. 主要會計政策(續)

收益確認(續)

香港財務報告準則第15號來自客戶合約的收益(續)

識別履約責任

於合約開始時，本集團會評估與客戶所訂合約中承諾的貨品或服務，並識別為各承諾轉移給客戶以下兩者之一的履約責任：

- (a) 明確的貨品或服務(或一套貨品或服務)；或
- (b) 連串明確的貨品或服務，大致相同且轉移給客戶的模式相同。

如同時符合以下準則，則承諾給客戶的貨品或服務謂之明確：

- (a) 客戶自身或連同其他可隨時利用的資源受惠於貨品或服務(即貨品或服務謂之明確)；及
- (b) 本集團轉移給客戶貨品或服務的承諾可與合約中其他承諾分開識別(即轉移貨品或服務就合約文本而言謂之明確)。

收益確認的時間性

收益當(或如)本集團藉轉移所承諾貨品或服務(即資產)給客戶而達致履約責任時確認。資產當(或如)客戶取得其控制權時謂之轉移。

如符合以下其中一項準則，本集團隨時間轉移貨品或服務的控制權，故達致履約責任並隨時間確認收益：

- (a) 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；
- (b) 本集團的履約創造或提升客戶於資產被創造或提升時所控制的資產(如在建工程)；或
- (c) 本集團的履約並未創造讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition (Continued)

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sales of e-cigarettes products, moulds and plastic products and medical consumable products are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

2. 主要會計政策 (續)

收益確認 (續)

香港財務報告準則第15號來自客戶合約的收益 (續)

收益確認的時間性 (續)

如履約責任不隨時間達致，本集團於客戶取得所承諾資產的控制權時於某個時間點達致履約責任。釐定轉移何時發生時，本集團會考慮控制權概念及諸如法定業權、實質管有、付款權、資產所有權的重大風險與酬報及客戶認受等指標。

銷售電子煙產品、模具及塑膠製品以及醫療消耗品於客戶獲得所承諾資產的控制權時予以確認，這與商品交付到客戶且轉讓擁有權的時間大體一致。

交易價格：重大融資部分

倘合約包括重大融資部分(即向客戶轉讓貨品或服務為客戶或本集團帶來重大利益)，本集團於釐定交易價格時就金額時間值之影響而調整已承諾之代價金額。重大融資部分之影響與來自客戶合約之收益分開於損益中確認為利息收入或利息開支。

本集團參考合約中隱含利率(即貨品或服務之現金售價較預付或拖欠金額折讓之利率)、現行市場利率、本集團之借款利率及本集團客戶之其他相關信譽資料(視適用者而定)，於合約開始時釐定與本集團與其客戶之獨立融資交易所反映比率相稱之利率。

本集團已應用香港財務報告準則第15號第63段所載之實際權宜方法，且並無調整對融資期為一年或以內之重大融資成分之影響之考慮。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the business of manufacturing and sales of moulds and plastic products, it is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During such period, any significant financing components, if applicable, will be accounted for as the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation. Contract liabilities in relation to advances from customers are recognised under "Trade and other payables".

For the business of manufacturing of e-cigarettes products and medical consumable products, the Group's billings to its customer which are largely in line with the timing of revenue recognition and no significant contract assets or contract liabilities are recognised.

2. 主要會計政策(續)

合約資產及合約負債

倘本集團透過於客戶支付代價前或在付款到期應付前將貨品或服務轉移予客戶，合約將呈列為合約資產，不包括呈列為應收款項之任何金額。相反，倘客戶支付代價，或本集團有權無條件取得代價金額，則於本集團向客戶轉讓貨品或服務前，合約將於作出付款或付款到期應付(以較早者為準)時呈列為合約負債。應收款項為本集團無條件或在支付到期代價前所需時間流逝之取得代價權利。

單一合約或一組相關合約以合約資產淨值或合約負債淨額呈列。無關合約之合約資產及合約負債並不按淨額基準呈列。

就模具及塑膠製品製造及銷售業務而言，本集團通常在貨物交付之前向客戶收取全部或部分合約付款(即此類交易的收益確認時間)。本集團會確認合約負債直至其確認為收益。期間任何重大融資組成部分(如適用)將計入合約負債，及將作為應計費用支出除非利息開支合資格資本化。有關客戶墊款的合約負債於「貿易及其他應付款項」中確認。

就電子煙產品及醫療消耗品業務而言，本集團向其客戶收取的款項與收益確認時間基本一致，且並無確認重大合約資產或合約負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Other than those subsidiaries established in the PRC whose functional currency is Renmenbi ("RMB"), the functional currency of the Company and its other subsidiaries is HK\$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of each reporting period;
- income and expenses for each income statement are translated at average exchange rate;
- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;
- on the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;

2. 主要會計政策 (續)

外幣換算

本集團各實體之財務報表所列項目乃按實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。除該等在中國成立以人民幣(「人民幣」)為功能貨幣的附屬公司外，本公司及其他附屬公司的功能貨幣為港元。

外幣交易均按交易當日之現行匯率換算為功能貨幣。因該等交易結算及按期末匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益中確認。

所有功能貨幣有別於呈列貨幣之集團實體之業績及財務狀況(「海外業務」)均按以下方式換算為呈列貨幣：

- 於各財務狀況表呈列之資產及負債乃按各報告期末之收市匯率換算；
- 於各收益表呈列之收入及開支乃按平均匯率換算；
- 所有因以上換算產生之匯兌差額及因構成本集團於海外業務之淨投資一部分之貨幣項目產生之匯兌差額，均於權益內以獨立項目入賬；
- 出售海外業務時(包括出售本集團於海外業務的全部權益，以及涉及失去包含海外業務的附屬公司的控制權的出售事項)，與海外業務相關而於其他全面收益中確認並於權益中個別部分累計的匯兌差額累計金額，於確認出售損益時由權益重新分類至損益；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

- on the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and
- on all other partial disposals, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Inventories

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment (including the right-of-use assets) and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

2. 主要會計政策(續)

外幣換算(續)

- 出售部分本集團於設有海外業務附屬公司權益而不會導致本集團失去對該附屬公司之控制權，則於權益單獨部分確認匯兌差額之累計金額所佔比例重新歸屬於該海外業務之非控股權益部分，而不會重新分類至損益；及
- 至於所有其他部份出售，則於權益單獨部份確認之匯兌差額之累計金額所佔比例重新分類至損益。

存貨

存貨按成本及可變現淨值兩者中之較低者列賬。成本包括所有採購成本及(如適用)改裝成本，以及將存貨運至現時地點及達致現時狀況而產生之其他成本，乃按加權平均成本法計算。可變現淨值乃按日常業務過程中估計售價減估計完成成本及估計達致銷售所需成本計算。

當出售存貨時，該等存貨之賬面值於確認有關收益之期間確認為開支。將存貨撇減至可變現淨值之金額及存貨之所有虧損均於撇減或錄得虧損之期間確認為開支。撥回之任何存貨撇減金額，將列作於撥回期間確認為開支之存貨之減少金額。

其他資產減值

於各報告期末，本集團會審閱內部及外部資料來源，以評估是否有跡象顯示其物業、廠房及設備(包括使用權資產)以及本公司於附屬公司之投資可能出現減值，或之前確認的減值虧損是否已不再存在或可能減少。若出現任何有關跡象，將會根據資產的公允值減出售成本及使用價值(以較高者為準)估計資產的可收回金額。如未能估計個別資產的可收回金額，則本集團會估計能獨立產生現金流量的最小組別(例如現金產生單位)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Impairment of other assets (Continued)

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 cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as income in profit or loss immediately.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. 主要會計政策(續)

其他資產減值(續)

倘本集團估計某項資產或現金產生單位的可收回金額將低於其賬面值，則該項資產或現金產生單位的賬面值會下調至其可收回金額。減值虧損即時於損益內確認為開支。

所撥回的減值虧損以該項資產或現金產生單在以往期間並無確認減值虧損而原應釐定的賬面值為限。減值虧損撥回即時於損益中確認為收入。

借款成本

收購、建造或生產合資格資產(即需要一段頗長時間始能達致其擬定用途或出售之資產)之直接應佔借款成本，在扣除特定借款之暫時性投資收益後，均作資本化並作為該等資產成本之一部分。當資產大體上可作其擬定用途或出售時，該等借款成本將會停止資本化。所有其他借款成本均列作為發生期間之費用。

政府補貼

政府補貼於能合理確定將收到補貼，且所有附帶條件將獲遵守之情況下按其公允值確認。倘補貼與開支項目相關，則有關補貼於需要系統性地將補貼與其擬補償之成本配對之期內確認為收入。倘補貼與資產有關，則公允值計入遞延收益賬，並按相關資產之預計可使用期限按年以等額分期轉撥至損益。

租賃

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. 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.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, 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.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset.

2. 主要會計政策(續)

租賃(續)

作為承租人

本集團對短期租賃及低價值資產租賃應用確認豁免。該等租賃相關的租賃付款按直線法於租賃期內確認為開支。

本集團已選擇不從租賃組成部分中分離出非租賃組成部分，並對各個租賃組成部分及任何相關非租賃組成部分入賬作為單獨租賃組成部分。

本集團對於租賃合約內各個租賃組成部分單獨入賬作為一項租賃。本集團根據租賃組成部分的相對單獨價格將合約代價分配至各個租賃組成部分。

本集團未產生單獨組成部分之應付款項被視作分配至合約單獨可識別組成部分之總代價之一部分。

本集團於租賃開始日期確認使用權資產及租賃負債。

使用權資產乃按成本進行初始計量，其中包括：

- (a) 租賃負債的初始計量金額；
- (b) 於開始日期或之前作出的任何租賃付款，減去已收取的任何租賃優惠；
- (c) 本集團產生的任何初始直接成本；及
- (d) 本集團拆除及移除相關資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態將予產生的估計成本，除非該等成本乃因生產存貨而產生。

隨後，使用權資產以成本減去累計折舊及累計減值虧損計量，並就租賃負債的任何重新計量作出調整。於使用權資產之租期及估計可使用年期(以較短者為準)按直線法計提折舊。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessee (Continued)

The Group presents right-of-use assets in "Property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate;
- (c) amounts expected to be payable under residual value guarantees;
- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

2. 主要會計政策 (續)

租賃 (續)

作為承租人 (續)

本集團於「物業、廠房及設備」呈列使用權資產，即按將呈列相應相關資產(倘擁有)的相同項目內呈列。

租賃負債乃按於合約開始日期尚未支付之租賃付款現值進行初始計量。

計入租賃負債計量的租賃付款包括下列於租期內使用相關資產的使用權且於開始日期尚未支付之付款：

- (a) 固定付款(包括實質性固定付款)減任何應收租賃優惠；
- (b) 取決於一項指數或比率之可變租賃付款；
- (c) 根據剩餘價值擔保預期應付之款項；
- (d) 購買權的行使價(倘本集團合理確定行使該權利)；及
- (e) 終止租賃的罰款付款(倘租期反映本集團行使終止權終止租賃)。

租賃付款使用租賃的隱含利率貼現，或倘該利率無法可靠地釐定，則採用承租人之增量借款利率。

隨後，租賃負債透過增加賬面值以反映租賃負債之利息及調減賬面值以反映已付的租賃付款進行計量。

當租期出現變動而產生租賃付款變動或重新評估本集團是否將合理確定行使購買選擇權時，租賃負債使用經修訂貼現率進行重新計量。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessee (Continued)

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease 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.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.

2. 主要會計政策(續)

租賃(續)

作為承租人(續)

倘剩餘價值擔保、實質性固定租賃付款出現變動或一項指數或利率有變(浮動利率除外)而導致未來租賃付款出現變動，則使用原貼現率重新計量租賃負債。倘浮動利率有變而導致未來租賃付款出現變動，則本集團使用經修訂貼現率重新計量租賃負債。

本集團將租賃負債之重新計量金額確認為對使用權資產之調整。倘使用權資產賬面值減少至零且租賃負債計量有進一步調減，本集團將於損益中確認任何重新計量之剩餘金額。

倘出現以下情況，租賃修改則作為單獨租賃入賬：

- (a) 該修改透過增加一項或以上相關資產之使用權而擴大租賃範圍；及
- (b) 租賃代價增加之金額相當於經擴大範圍對應之獨立價格及為反映特定合約之情況而對該獨立價格進行之任何適當調整。

當租賃修改並未於租賃修改生效日期作為單獨租賃入賬，

- (a) 本集團根據上述相對獨立價格將代價分配至經修訂合約。
- (b) 本集團釐定經修訂合約之租賃期。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessee (Continued)

- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

2. 主要會計政策 (續)

租賃 (續)

作為承租人 (續)

- (c) 本集團透過於經修訂租賃期使用經修訂貼現率對經修訂租賃付款進行貼現以重新計量租賃負債。
- (d) 就縮減租賃範圍之租賃修改而言，本集團透過減少使用權資產之賬面值將租賃負債之重新計量入賬，以反映部分或全面終止該租賃及於損益中確認任何與部分或全面終止該租賃相關之收益或虧損。
- (e) 就所有其他租賃修改而言，本集團透過對使用權資產作出相應調整，將租賃負債之重新計量入賬。

作為出租人

本集團於租賃開始生效日期將其各項租賃分類為融資租賃或經營租賃。倘租賃將相關資產擁有權附帶的絕大部分風險及回報轉讓，則該租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

當本集團為中間出租人，本集團會將原租賃及分租作為兩項獨立合約入賬。倘原租賃為本集團已應用確認豁免之短期租賃，則分租分類為經營租賃，否則分租參考原租賃產生之使用權資產分類為融資或經營租賃。

本集團將租賃合約內各租賃部分作為一項租賃與合約之非租賃部分分開入賬。本集團按相對獨立價格將合約代價分配至各租賃部分。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Leases (Continued)***As lessor – finance lease*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. The Group applies the derecognition and impairment requirements in HKFRS 9 to the net investment in the finance lease.

The Group accounts for a modification to a finance lease as a separate lease if both:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease 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 modification to a finance lease that is not accounted for as a separate lease, the Group accounts for the modification as follows:

- (a) if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group:
 - (i) accounts for the lease modification as a new lease from the effective date of the modification; and
 - (ii) measures the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification.
- (b) otherwise, the Group applies the requirements of HKFRS 9.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2. 主要會計政策 (續)**租賃 (續)***作為出租人—融資租賃*

根據融資租賃應收承租人的款項按本集團在租賃中的淨投資額記錄為應收款項。金融租賃收入分配至會計期間，以反映本集團有關租賃的未償還淨投資的固定定期收益率。本集團將香港財務報告準則第9號取消確認及減值規定應用於金融租賃淨投資額。

本公司將融資租賃變更作為一項單獨租賃進行會計處理(如果兩者都是)：

- (a) 修訂透過增加一項或以上相關資產之使用權增加租賃範圍；及
- (b) 租賃代價以增加範圍單獨價格相等金額及為反映具體合約情況之任何適當單獨價格調整的幅度增加。

就並非記賬為獨立租賃之融資租賃修訂，本集團按以下方式將修訂記賬：

- (a) 倘修訂於開始日期已生效，租賃即會獲分類為經營租賃，則本集團：
 - (i) 自修訂生效日期起將租賃修訂記賬為新訂租賃；及
 - (ii) 計量相關資產之賬面值，作為緊接租賃修訂日期前對租賃之投資淨額。
- (b) 否則，本集團應用香港財務報告準則第9號之規定。

作為出租人—經營租賃

本集團將香港財務報告準則第9號取消確認及減值規定應用於經營租賃應收款項。

經營租賃之修改自該修改生效日期起入賬作為新租賃，而與原租賃相關之任何預付或應計租賃付款則作為新租賃租賃付款之一部分。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

The Group operates a defined contribution retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance ("MPF Ordinance") for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries, subject to a cap in accordance with the MPF Ordinance.

Contributions are recognised as an expense in profit or loss as employees render services during the reporting period. The Group's obligations under the MPF Scheme are limited to the fixed percentage contributions payable.

In accordance with the rules and regulations in the PRC, the employees of the Group's entities established in the PRC are required to participate in defined contribution retirement plans organised by local governments. Contributions to these plans are expensed in profit or loss as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees.

Long service payments

The Group's net obligation in respect of long service payments under the Hong Kong Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors of the Company, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a reserve within equity. The fair value is determined using the binomial model, taking into account any market conditions and non-vesting conditions.

2. 主要會計政策(續)

僱員福利

短期僱員福利

薪金、年度花紅、帶薪年假及非現金福利成本乃於僱員提供相關服務的期間累計。

定額供款計劃

本集團根據《強制性公積金計劃條例》(「強積金條例」)，為其所有合資格參加強積金計劃之僱員設立定額供款退休福利計劃(「強積金計劃」)。供款乃按僱員基本薪金之百分比計算並受限於強積金條例下之最高供款額。

供款在僱員提供服務之報告期內於損益中確認為開支，本集團於強積金計劃下之責任僅限於應付之固定百分比供款。

根據中國法例及法規，本集團於中國成立的實體的僱員須參與由地方政府安排的定額供款退休計劃。向該等計劃作出的供款於產生時於損益中支銷，而除該等每月供款外，本集團再無為其僱員支付退休福利款項的其他責任。

長期服務金

本集團根據香港僱傭條例就長期服務金的責任淨額乃僱員於本期間及過往期間就提供服務所賺取的未來福利金額。有關責任使用預測單位信貸法計算，並貼現至其現值及已扣除任何相關資產(包括該等退休計劃福利)的公允值。

以股份支付交易

以權益結算的交易

本集團的僱員(包括本公司董事)按以股份為基礎的付款交易之形式收取報酬，其中僱員以提供服務以換取股份或涉及股份的權利。該等與僱員進行的交易成本乃參照授出日期的股本工具的公允值計量。授予僱員的購股權公允值確認為員工成本，而權益內的儲備亦相應增加。公允值乃於計及任何市場條件及非歸屬條件後利用二項式模式釐定。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Share-based payment transactions (Continued)***Equity-settled transactions (Continued)*

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

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 accumulated profits.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill, or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

2. 主要會計政策 (續)**以股份支付交易 (續)***以權益結算的交易 (續)*

權益結算交易的成本連同權益的相應升幅會於達致歸屬條件期間確認，直至相關僱員享有該報酬的權利毋須再受達致任何非市場歸屬條件所限之日(「歸屬日」)為止。於歸屬期內會審閱預期最終歸屬的購股權數目。於過往期間確認對累計公允值的任何調整會於審閱年度的損益中扣除／計入，並相應調整權益內的儲備。

當購股權於歸屬日後被沒收或於屆滿日仍未獲行使時，先前在購股權儲備中確認的金額將轉入累計利潤。

與僱員以外之人士進行之以權益結算以股份為基礎的付款交易，按已收貨品或服務之公允值計量，惟倘公允值未能可靠地計量，則按已授出股本工具之公允值計量。已授出股本工具之公允值於實體取得貨品或對手方提供服務當日計量。已收貨品或服務之公允值確認為費用，惟有關貨品或服務符合資格確認為資產，則作別論。

稅項

即期所得稅支出乃根據本期間的業績計算，並就毋須課稅或不可扣減項目作出調整。計算時所使用的稅率為於各報告期末已頒行或實際上已頒行的稅率。

遞延稅項乃就資產及負債的稅基與其於綜合財務報表內所示的賬面值於各報告期末的所有暫時差額，採用負債法作出撥備。然而，初步確認商譽或一項交易(業務合併除外)中的其他資產或負債所產生的任何遞延稅項，倘其於交易時不影響會計溢利或應課稅溢利或虧損，則不會確認。

遞延稅項資產及負債乃根據於各報告期末已頒行或實際上已頒行的稅率及稅法，按收回資產或清償負債的期間預期適用的稅率計量。

倘可能有未來應課稅溢利可用作抵銷可扣減暫時差額、稅項虧損及抵免，則會確認遞延稅項資產。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax is provided on temporary differences arising on undistributed dividend, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Goodwill

Goodwill arising on an acquisition of a business is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree (if applicable) and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if applicable) and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Any resulting gain or loss arising from remeasuring the previously held equity interests in the acquiree at the acquisition-date fair value is recognised in profit or loss or other comprehensive income, as appropriate.

2. 主要會計政策 (續)

稅項 (續)

遞延稅項按未分派股息所產生之暫時差額作出撥備，惟本集團可控制暫時差額之撥回時間，以及暫時差額不大可能於可見未來撥回之情況除外。

商譽

收購業務產生之商譽按所轉撥之代價、於被收購方之任何非控股權益金額(倘適用)及於被收購方之先前所持股本權益之公允值超出所收購業務之已購入可識別資產及所承擔負債之收購當日金額之差額計量。

收購業務之商譽會確認為一項獨立資產，按成本減累計減值虧損列賬，並每年作減值測試，或於有事件發生或情況有變而顯示賬面值可能減值時進行較頻密之減值測試。就減值測試及釐定出售損益而言，商譽被分配至現金產生單位。商譽之減值虧損不予撥回。

另一方面，重新評估後所收購業務之已購入可識別資產及所承擔負債之收購當日金額超出所轉撥代價、於被收購方之任何非控股權益金額(倘適用)及收購方先前於被收購方所持權益之公允值總額之任何差額(如有)，隨即於損益中確認為一項議價購買收入。

按收購日期公允值重新計量以往於被收購方持有之股本權益產生之任何所得收益或虧損於損益或其他全面收益(如適用)確認。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

2. 主要會計政策 (續)

關聯方

關聯方為與本集團有關聯的人士或實體。

- (a) 倘一名人士符合以下條件，該名人士或其近親即為與本集團有關聯：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團控股公司的主要管理人員。
- (b) 倘一間實體符合以下條件，其即為與本集團有關聯：
 - (i) 該實體與本集團為同一集團的成員公司(即各控股公司、附屬公司及同系附屬公司彼此互有關聯)。
 - (ii) 其中一間實體為另一間實體之聯營公司或合營企業(或為另一間實體所屬集團成員公司的聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 其中一間實體為一名第三方的合營企業，而另一間實體為該第三方的聯營公司。
 - (v) 該實體為本集團或與本集團有關聯的實體就僱員福利而設的退休福利計劃。倘本集團本身為該計劃，提供資助的僱主亦為與本集團有關聯。
 - (vi) 該實體受(a)段所識別之人士控制或共同控制。
 - (vii) (a)(i)段所識別之人士對該實體有重大影響力或為該實體(或該實體控股公司)的主要管理人員。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

- (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 a holding company of the Group.

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

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

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

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 executive directors of the Company for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual 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.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The Company's executive directors and the chief executive officer, who is responsible for allocating resources and assessing performance of the operating segments, have been identified as the CODM that make strategic decisions.

2. 主要會計政策(續)

關聯方(續)

- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的控股公司提供主要管理人員服務。

一名人士的近親指可於該人士與實體進行交易時，預期可能會影響該名人士或受該名人士影響的家庭成員，包括：

- (a) 該名人士的子女及配偶或同居伴侶；
- (b) 該名人士的配偶或同居伴侶的子女；及
- (c) 該名人士或該名人士配偶或同居伴侶的受養人。

於關聯方的定義中，聯營公司包括該聯營公司的附屬公司，而合營企業包括該合營企業的附屬公司。

分部報告

綜合財務報表內所呈報的經營分部及各分部項目的金額，與定期就本集團各業務線及地域的資源分配及表現評估而向本公司執行董事提供的財務資料一致。

就財務報告而言，個別重大的經營分部不會彙集計算，惟擁有類似經濟特徵及在產品及服務性質、生產過程性質、客戶類別或種類、分銷產品或提供服務的方法以及監管環境性質方面類似的分部除外。個別不重大的經營分部倘具備大部分該等特質，亦可以彙集計算。

經營分部的呈報方式與提供予主要經營決策者(「主要經營決策者」)的內部報告一致。本公司的執行董事及首席執行官(負責分配資源及評估經營分部的表現)已被識別為作出戰略決策的主要經營決策者。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Critical accounting estimates and judgements**

Estimates and assumptions concerning the future and judgements are made by the management of the Group in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

*(i) Key sources of estimation uncertainty**Useful lives of property, plant and equipment (including right-of-use assets)*

The management of the Group determines the estimated useful lives of the Group's property, plant and equipment based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

Impairment of property, plant and equipment (including right-of-use assets)

The management of the Group determines whether the Group's property, plant and equipment are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the property, plant and equipment, which is based on the higher of fair value less costs of disposal and value in use. Where appropriate, the fair value less costs of disposal was determined by the management of the Group using the cost approach and/or direct comparison method. Fair value which is determined by using cost approach requires an estimation of new or current replacement cost of the assets from which deductions are then made to allow for physical deterioration and all forms of obsolescence and optimisation. The fair value using direct comparison method is based on available data from observable market prices of similar assets.

Deferred tax assets

The recognition of the deferred tax assets depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such a reversal takes place.

2. 主要會計政策 (續)**關鍵會計估計及判斷**

本集團管理層於編製綜合財務報表時會作出關於未來的估計及假設以及判斷。有關估計、假設及判斷會影響本集團會計政策的應用，資產、負債、收入及開支的呈報金額，以及所作出的披露。管理層會持續根據經驗及相關因素(包括在相關情況下被認為是對未來事件作出的合理預期)對有關估計、假設及判斷作出評估。於適用時，會計估計的修訂會於作出修訂的期間及未來期間(如有關修訂同時影響未來期間)確認。

*(i) 估計不確定性的主要來源**物業、廠房及設備的可使用期限(包括使用權資產)*

本集團管理層根據對性質及功能相似的有關資產的實際可使用期限的過往經驗釐定本集團的物業、廠房及設備的估計可使用期限。估計可使用期限或會因技術革新而變動，從而可能影響計入損益的有關折舊費用。

物業、廠房及設備的減值(包括使用權資產)

本集團管理層於出現減值跡象時釐定本集團的物業、廠房及設備是否出現減值。該過程需要估計物業、廠房及設備的可收回金額，此乃根據公允值減出售成本與使用價值之較高者。如適用，公允值減出售成本由本集團管理層使用成本法及/或直接比較法釐定。使用成本法釐定公允值需估計有關資產之新重置成本或現行重置成本，再從中作出扣減，以計及老化及所有形式的陳舊及優化。使用直接比較法釐定公允值乃根據自類似資產可觀察市價取得的數據。

遞延稅項資產

遞延稅項資產的確認取決於未來是否有足夠的未來溢利或應課稅暫時差額。倘所產生的實際未來溢利少於預期，或會作出重大的遞延稅項資產回撥，此回撥將在回撥發生的期間內於損益內確認。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (Continued)

(i) Key sources of estimation uncertainty (Continued)

Fair value of financial assets at FVPL

As disclosed in Note 15 to the consolidated financial statements, the financial assets at FVPL are related to the unlisted investments in key management insurance contracts and the fair values at the end of the reporting period were determined with reference to the respective surrender cash value of each insurance contract, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, reported by the bank on a regular basis.

Where the fair value of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined by reference to the surrender cash value. The inputs are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Loss allowance for ECL

The management of the Group estimates the loss allowance for trade receivables and finance lease receivables by using various inputs and assumptions including but not limited to risk of default. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the actual outcome is different from the original estimate, such difference will impact the profit or loss and the carrying amount of trade receivables. Details of the key assumption and inputs used in estimating ECL are set out in Note 33 to the consolidated financial statements. If the ECL rates of the trade receivables between 1 and 90 days past due had been 1% higher (lower) at the end of the reporting period, with other assumptions held constant, the loss allowance would have been approximately HK\$69,000 (2022: HK\$96,000) higher (lower).

2. 主要會計政策(續)

關鍵會計估計及判斷(續)

(i) 估計不確定性的主要來源(續)

按公允值計入損益的金融資產公允值

誠如綜合財務報表附註15所披露，按公允值計入損益的金融資產與主要管理人員保險合約中的非上市投資相關，且於報告期末的公允值乃參考各保險合約的相關退保現金值釐定，乃主要基於銀行定期報告的相關投資組合的表現以及保證最低退款額。

倘計入綜合財務狀況表的金融資產公允值無法自活躍市場獲得，其乃參考退保現金值釐定。輸入數據盡可能來自可觀察市場，但在不可行的情況下，於確定公允值時需要一定程度的判斷。判斷包括考慮流動資金風險、信貸風險及波動率等輸入數據。有關該等因素的假設變化可能會影響金融工具的報告公允值。

預期信貸虧損的虧損撥備

本集團管理層通過採用多種輸入數據及假設(包括但不限於違約風險)估計貿易應收款項及應收融資租賃款項的虧損撥備。於各報告期末，估計涉及基於本集團過往資料、現行市況及前瞻性估計的高度不確定因素。倘實際結果與原先的估計不符，則有關差異將影響損益及貿易應收款項的賬面值。估計預期信貸虧損時採用之關鍵假設及輸入數據詳情載於綜合財務報表附註33。倘已到期1至90日之間的貿易應收款項預期信貸虧損率於報告期末增加(減少)1%而其他假設維持不變，則虧損撥備將增加(減少)約69,000港元(2022年：96,000港元)。

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**Critical accounting estimates and judgements (Continued)***(i) Key sources of estimation uncertainty (Continued)**Allowance for inventories*

The management of the Group reviews the condition of inventories at the end of each reporting period and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable based on estimations. The management of the Group carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

Income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Significant estimates are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain where the final tax outcome of these matters may be different from the amounts that were initially recorded and such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

Discount rates for calculating lease liabilities – as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

*(ii) Critical judgements made in applying accounting policies**Property, plant and equipment used for generating rental income*

The Group has developed certain criteria in making judgements whether certain properties used for generating rental income are qualified and recognised in property, plant and equipment. Certain properties comprise a portion that is held to earn rental income, and another portion that is held for use in the operation of the Group's business. If portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. The properties are investment properties only if an insignificant portion is held for use in the production or supply of goods or services. Judgement is made in an individual property basis to determine whether the above criteria are so significant that property does not qualify as investment properties.

2. 主要會計政策 (續)**關鍵會計估計及判斷 (續)***(i) 估計不確定性的主要來源 (續)**存貨撥備*

本集團管理層於各報告期末檢討存貨情況，並按照估計就確認為過時、滯銷或不可回收的存貨作出撥備。本集團管理層就各項產品逐一進行存貨檢討，並根據最新市場價格及現行市況作出撥備。

所得稅

本集團須於香港及中國繳納所得稅。在釐定所得稅撥備時需要作出重大估計。有部分交易和計算無法確定最終定稅情況，倘該等事項的最終稅務後果與最初記錄的金額不同，此等差額將影響作出定稅期間的所得稅及遞延稅項撥備。

計算租賃負債所用貼現率 – 作為承租人

由於租賃的隱含利率不易釐定，故本集團採用承租人之增量借款利率對未來租賃付款進行貼現。於釐定租賃貼現率時，本集團參考可直接觀察之利率作為起始點，其後對該可觀察利率運用判斷及調整來釐定增量借款利率。

*(ii) 應用會計政策時作出的重大判斷**用作產生租金收入的物業、廠房及設備*

本集團在判斷用於產生租金收入的若干物業是否合資格並在物業、機器及設備中確認時制訂若干準則。若干物業包括為賺取租金收入而持有的部分，以及為經營本集團業務而持有的另一部分。倘若有關部分可以單獨出售或根據融資租賃單獨出租，本集團將相關部分單獨入賬。只有當一小部分為持有用於生產或供應商品或服務時，該物業方屬投資物業。判斷是按個別物業的基礎上進行，以確定上述準則是否非常重要，以致物業不合資格成為投資物業。

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2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Future changes in HKFRSs

At the date of authorising these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for current year, which the Group has not early adopted.

Amendments to HKAS 1
香港會計準則第1號之修訂

Amendments to HKAS 1
香港會計準則第1號之修訂

Amendments to HKFRS 16
香港財務報告準則第16號之修訂

Amendments to HKAS 7 and HKFRS 7
香港會計準則第7號及

香港財務報告準則第7號之修訂

Amendments to HKAS 21
香港會計準則第21號之修訂

Amendments to HKFRS 10 and HKAS 28

香港財務報告準則第10號及
香港會計準則第28號之修訂

Classification of Liabilities as Current or Non-current ^[1]

將負債分類為流動或非流動 ^[1]

Non-current Liabilities with Covenants ^[1]

附帶契諾的非流動負債 ^[1]

Lease Liability in a Sale and Leaseback ^[1]

售後租回的租賃負債 ^[1]

Supplier finance arrangements ^[1]

供應商融資安排 ^[1]

Lack of Exchangeability ^[2]

缺乏可交換性 ^[2]

Sale or Contribution of Assets between an Investor and its Associate or
Joint Venture ^[3]

投資者與其聯營公司或合資企業之間的資產出售或注資 ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2024

^[2] Effective for annual periods beginning on or after 1 January 2025

^[3] The effective date to be determined

The Directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the Group's consolidation financial statements.

2. 主要會計政策 (續)

香港財務報告準則的未來變動

於批准綜合財務報表當日，香港會計師公會已頒佈下列於本年度尚未生效，且本集團並無提前採用的新訂／經修訂香港財務報告準則。

^[1] 於2024年1月1日或之後開始的年度期間生效

^[2] 於2025年1月1日或之後開始的年度期間生效

^[3] 生效日期待定

董事預期於未來期間採納新訂／經修訂香港財務報告準則不會對本集團的綜合財務報表造成任何重大影響。

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the CODM, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- 1) E-cigarettes products segment: manufacturing and sales of e-cigarettes products.
- 2) Integrated plastic solutions segment: manufacturing and sales of moulds and plastic products.
- 3) Medical consumable products segment: manufacturing and sales of medical consumable products.

Segment revenue and results

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2 to the consolidated financial statements.

Segment revenue represents revenue derived from manufacturing and sales of e-cigarettes products, moulds and plastic products and medical consumable products.

Segment results represent the gross profit less selling and distribution costs, reversal of loss allowance on trade receivables, write-off of property, plant and equipment, loss on disposal of property, plant and equipment and impairment losses on property, plant and equipment incurred by each segment without allocation of other income, other losses, net, administrative and other operating expenses, finance costs and income tax expenses. This is the information reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include certain property, plant and equipment, finance lease receivables, inventories and trade receivables. Other assets are not allocated to operating segments as these assets are managed on a group basis; and

3. 分部資料

就資源分配及分部表現評估而向本公司執行董事(被識別為主要營運決策者)報告之資料,主要集中於所交付商品的類別。在設定本集團的可報告分部時,主要營運決策者並無將所識別之經營分部彙合。

具體而言,本集團的可報告及經營分部如下:

- 1) 電子煙產品分部:製造及銷售電子煙產品。
- 2) 一體化注塑解決方案分部:生產及銷售模具及塑膠製品。
- 3) 醫療消耗品分部:製造及銷售醫療消耗品。

分部收益及業績

經營分部的會計政策與綜合財務報表附註2所述的本集團會計政策相同。

分部收益指製造及銷售電子煙產品、模具及塑膠製品以及醫療消耗品所得收益。

分部業績指各分部所賺取的毛利減銷售及分銷成本、貿易應收款項虧損撥備撥回、物業、廠房及設備撇銷、出售物業、廠房及設備虧損及於物業、廠房及設備的減值虧損,而並無分配其他收入、其他虧損淨額、行政及其他經營開支、財務成本及所得稅開支。此乃就資源分配及表現評估向本集團主要營運決策者報告的資料。

就監控分部表現及分配分部間資源而言:

- 分部資產包括若干物業、廠房及設備、應收融資租賃款項、存貨及貿易應收款項。其他資產均未分配至經營分部,因該等資產按集團基準管理;及

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3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the purposes of monitoring segment performance and allocating resources between segments: (Continued)

- segment liabilities include trade payables and contract liabilities. Other liabilities are not allocated to operating segments as these liabilities are managed on a group basis.

The followings are analysis of the Group's revenue and results by reportable and operating segments:

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Medical consumable products 醫療消耗品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2023	截至2023年12月31日 止年度				
Segment revenue	分部收益	122,726	572,400	2,388	697,514
Gross profit (loss)	毛利(毛損)	15,176	122,913	(2,175)	135,914
Reversal of loss allowance on trade receivables	貿易應收款項虧 損撥備撥回	-	570	-	570
Write-off of property, plant and equipment	物業、廠房及設備撇銷	-	(191)	-	(191)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	-	(27)	-	(27)
Selling and distribution costs	銷售及分銷成本	-	(4,604)	-	(4,604)
Segment results	分部業績	15,176	118,661	(2,175)	131,662
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>				
Other income	其他收入				16,082
Other losses, net	其他虧損淨額				(1,607)
Administrative and other operating expenses	行政及其他經營開支				(114,780)
Finance costs	財務成本				(5,436)
Profit before tax	除稅前溢利				25,921
Income tax expenses	所得稅開支				(2,464)
Profit for the year	年內溢利				23,457

3. 分部資料(續)

分部收益及業績(續)

就監控分部表現及分配分部間資源而言：
(續)

- 分部負債包括貿易應付款項及合約負債。其他負債均未分配至經營分部，因該等負債按集團基準管理。

以下為本集團可報告及經營分部的收益及業績分析：

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3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

3. 分部資料(續)

分部收益及業績(續)

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Medical consumable products 醫療消耗品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2022	截至2022年12月31日止年度				
Segment revenue	分部收益	553,226	587,126	3,589	1,143,941
Gross profit	毛利	113,001	146,875	197	260,073
Reversal of loss allowance on trade receivables	貿易應收款項虧損撥備撥回	-	216	-	216
Write-off of property, plant and equipment	物業、廠房及設備撇銷	-	(574)	-	(574)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(413)	(6)	-	(419)
Selling and distribution costs	銷售及分銷成本	-	(5,774)	(21)	(5,795)
Segment results	分部業績	112,588	140,737	176	253,501
<i>Unallocated income and expenses</i>	<i>未分配收入及開支</i>				
Other income	其他收入				7,923
Other losses, net	其他虧損淨額				(6,676)
Administrative and other operating expenses	行政及其他經營開支				(130,714)
Finance costs	財務成本				(7,208)
Profit before tax	除稅前溢利				116,826
Income tax expenses	所得稅開支				(10,881)
Profit for the year	年內溢利				105,945

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3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Medical consumable products 醫療消耗品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2023/Year ended 31 December 2023	於2023年12月31日/ 截至2023年12月31日止年度					
Assets	資產					
Reportable segment assets	可報告分部資產	35,625	388,403	6,918	543,435	974,381
Liabilities	負債					
Reportable segment liabilities	可報告分部負債	11,967	53,223	-	126,427	191,617
Other information	其他資料					
Capital expenditure	資本開支	140	1,616	84	7,978	9,818
Depreciation	折舊	2,978	39,470	1,688	6,572	50,708
Write-down of inventories	存貨撇銷	626	3,193	2,281	-	6,100
Research and development expenses	研發開支	7,397	22,094	-	-	29,491

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Medical consumable products 醫療消耗品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2022/Year ended 31 December 2022	於2022年12月31日/ 截至2022年12月31日止年度					
Assets	資產					
Reportable segment assets	可報告分部資產	64,026	554,377	10,517	575,693	1,204,613
Liabilities	負債					
Reportable segment liabilities	可報告分部負債	77,619	100,178	-	245,090	422,887
Other information	其他資料					
Capital expenditure	資本開支	1,200	2,612	-	8,695	12,507
Depreciation	折舊	3,798	37,752	1,710	6,374	49,634
Write-down of inventories	存貨撇銷	940	4,141	-	-	5,081
Research and development expenses	研發開支	16,359	16,598	-	-	32,957

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3. SEGMENT INFORMATION (CONTINUED)

Geographical information

The following table sets out information about the geographical location of the Group's property, plant and equipment ("Specified non-current assets"). The geographical location of the Specified non-current assets is based on the physical location of the assets.

Specified non-current assets

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Hong Kong	香港	6,210	6,132
The PRC	中國	606,279	658,867
		612,489	664,999

Information about the Group's revenue from external customers is presented based on the location of customers.

3. 分部資料(續)

地區資料

下表載列有關本集團物業、廠房及設備(「指定非流動資產」)地理位置的資料。指定非流動資產的地理位置乃以資產的實際位置為依據。

指定非流動資產

有關本集團來自外部客戶收益的資料乃按客戶的位置呈列。

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Revenue from external customers	來自外部客戶收益		
The United States of America	美利堅合眾國	101,421	148,815
The PRC	中國	251,574	236,588
The United Kingdom	英國	21,153	26,943
Hong Kong	香港	91,033	53,260
Netherlands	荷蘭	181,093	485,787
Japan	日本	–	24,440
India	印度	40,208	65,358
Germany	德國	6,237	97,735
Others	其他	4,795	5,015
		697,514	1,143,941

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3. SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

		E-cigarettes products 電子煙產品 HK\$'000 千港元	Integrated plastic solutions 一體化注塑 解決方案 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2023	截至2023年12月31日止年度			
Customer A and its affiliated companies	客戶A及其聯屬公司	–	143,509	143,509
Customer B and its affiliated companies	客戶B及其聯屬公司	116,041	–	116,041
Customer C and its affiliated companies	客戶C及其聯屬公司	–	93,762	93,762
Customer D	客戶D	–	88,581	88,581
		116,041	325,852	441,893
Year ended 31 December 2022	截至2022年12月31日止年度			
Customer A and its affiliated companies	客戶A及其聯屬公司	–	150,542	150,542
Customer B and its affiliated companies	客戶B及其聯屬公司	543,651	1,091	544,742
Customer C and its affiliated companies	客戶C及其聯屬公司	–	143,813	143,813
Customer D	客戶D	–	Note 附註	Note 附註
		543,651	295,446	839,097

Note: Revenue from the customer is less than 10% of the total revenue of the Group for the year ended 31 December 2022.

3. 分部資料(續)

有關主要客戶的資料

相應期間的來自客戶的收益佔本集團收益總額逾10%者如下：

附註：截至2022年12月31日止年度，來自客戶收益佔本集團總收益少於10%。

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4. REVENUE

4. 收益

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15 香港財務報告準則第15號範圍內來自客戶合約的收益			
Sales of e-cigarettes products	銷售電子煙產品	122,726	553,226
Sales of moulds and plastic products	銷售模具及塑膠製品	572,400	587,126
Sales of medical consumable products	銷售醫療消耗品	2,388	3,589
		697,514	1,143,941

The revenue from contracts with customers within the scope of HKFRS 15 is recognised at a point in time.

來自香港財務報告準則第15號範圍內客戶合約的收益乃按某一時間點確認。

5. OTHER INCOME

5. 其他收入

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Bank interest income	銀行利息收入	2,727	623
Finance lease interest income	融資租賃利息收入	206	305
Government grants (Note)	政府補貼(附註)	1,761	2,509
Management service income	管理服務收入	814	145
Rental and utilities recharge income	租金及水電費退費收入	3,149	663
Sales of scrap materials	廢料銷售	999	1,908
Sundry income	雜項收入	1,418	1,770
Gain from early termination of lease (as lessor)	提前終止租約收益(作為出租人)	5,008	-
		16,082	7,923

Note: Included in the amount is the amortisation of deferred government grant of approximately HK\$1,456,000 (2022: HK\$1,498,000) in relation to the acquisition of certain property, plant and equipment. In the opinion of the management of the Group, the remaining government grants recognised directly in profit or loss have no unfulfilled condition or contingency relating to the government grants.

附註：所包括金額為與收購若干物業、廠房及設備有關的遞延政府補貼攤銷約1,456,000港元(2022年：1,498,000港元)。本集團管理層認為，餘下於損益中直接確認的政府補貼概無尚未達成條件或有關政府補貼的或然事項。

6. OTHER LOSSES, NET

6. 其他虧損淨額

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Exchange loss, net	匯兌虧損淨額	(2,560)	(7,581)
Changes in fair value of financial assets at FVPL (Note 15)	按公允值計入損益的金融資產公允值變動(附註15)	953	905
Write-off of property, plant and equipment	物業、廠房及設備撇銷	(191)	(574)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(27)	(419)
		(1,825)	(7,669)

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7. PROFIT BEFORE TAX

This is stated after charging:

7. 除稅前溢利

此已扣除下列各項列賬：

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Finance costs	財務成本		
Interest on interest-bearing borrowings	計息借款利息	5,052	6,515
Interest on payables for construction in progress	應付在建工程款項的利息	205	557
Interest on lease liabilities	租賃負債利息	179	136
		5,436	7,208
Staff costs, including directors' emoluments	員工成本 (包括董事酬金)		
Salaries, allowances and other benefits in kinds	薪金、貼津及其他實物福利	136,628	163,721
Discretionary bonus	酌情花紅	5,806	28,824
Contributions to defined contribution plans	向定額供款計劃供款	9,410	13,434
Total staff costs (charged to "cost of goods sold", "administrative and other operating expenses" and "inventories", as appropriate)	員工成本總額(計入「商品銷售成本」、「行政及其他經營開支」及「存貨」(倘適用))	151,844	205,979
Other items	其他項目		
Cost of inventories (Note)	存貨成本(附註)	561,600	883,868
Auditors' remuneration	核數師薪酬	1,566	1,531
Depreciation (charged to "cost of goods sold" and "administrative and other operating expenses", as appropriate)	折舊(計入「商品銷售成本」及「行政及其他經營開支」(倘適用))	50,708	49,634
Write-down of inventories (charged to "cost of goods sold")	存貨撇銷(計入「商品銷售成本」)	6,100	5,081
Short-term lease payments	短期租賃款項	-	526
Research and development expenses	研發開支	29,491	32,957

Note: (i) During the year ended 31 December 2023, cost of inventories sold included approximate HK\$108,707,000 (2022: HK\$149,897,000) relating to the aggregate amount of certain staff costs, depreciation of property, plant and equipment, which were included in the respective amounts as disclosed above.

(ii) For the years ended 31 December 2023 and 2022, there were no forfeited contributions in respect of contribution previously made which were available to reduce the Group's existing level of contributions to the relevant defined contribution retirement plans.

附註：(i) 截至2023年12月31日止年度，已售存貨成本中包括有關若干員工成本、物業、廠房及設備折舊的總金額約108,707,000港元(2022年：149,897,000港元)，而該等金額亦分別計入上文所披露的金額內。

(ii) 截至2023年及2022年12月31日止年度，就過往作出可用以將本集團現有供款水平降低至相關界定供款退休計劃的供款，本集團概無沒收供款記錄。

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Year ended 31 December 2023 截至2023年12月31日止年度

8. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

(a) Directors' remuneration

The aggregate amounts of remuneration received or receivable by the directors of the Company are set out below.

Year ended 31 December 2023

8. 有關董事福利

(a) 董事薪酬

本公司董事已收或應收薪酬之總金額載列如下。

截至2023年12月31日止年度

		Directors' fees	Salaries, allowances and other benefits in kinds	Discretionary bonus	Contributions to defined contribution plans	Total
		董事袍金	薪金、貼津及其他實物福利	酌情花紅	定額供款計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<i>Executive directors</i> ¹						
	<i>執行董事</i> ¹					
Chan Tsan Lam	陳燦林	-	8,093	-	18	8,111
Chan Yin Yan	陳燕欣	-	4,160	-	18	4,178
Poon Po Han Lisa	潘寶嫻	-	3,445	-	18	3,463
<i>Independent non-executive directors</i> ²						
	<i>獨立非執行董事</i> ²					
Chan Bing Kai	陳秉階	180	-	-	-	180
Hung Chun Leung	洪俊良	180	-	-	-	180
Ng Chi Wai	吳志偉	180	-	-	-	180
		540	15,698	-	54	16,292

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8. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

(CONTINUED)

(a) Directors' remuneration (Continued)

Year ended 31 December 2022

	Directors' fees	Salaries, allowances and other benefits in kinds	Discretionary bonus	Contributions to defined contribution plans	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
<i>Executive directors¹</i>					
Chan Tsan Lam 陳燦林	-	6,807	15,436	18	22,261
Chan Yin Yan 陳燕欣	-	3,380	3,293	18	6,691
Poon Po Han Lisa 潘寶嫻	-	2,860	1,853	18	4,731
<i>Independent non-executive directors²</i>					
Chan Bing Kai 陳秉階	180	-	-	-	180
Hung Chun Leung 洪俊良	180	-	-	-	180
Ng Chi Wai 吳志偉	180	-	-	-	180
	540	13,047	20,582	54	34,223

¹ The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

² The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Mr. Chan Tsan Lam is also the chief executive officer of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive officer.

During the years ended 31 December 2023 and 2022, no emoluments were paid or payable by the Group to any of the directors of the Company as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emoluments for the years ended 31 December 2023 and 2022.

The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. The Group also reimburses its directors of the Company and senior management of the Company for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group.

8. 有關董事福利(續)

(a) 董事薪酬(續)

截至2022年12月31日止年度

¹ 上文所示之執行董事酬金乃因彼等就本公司及本集團的事務管理所提供的服務。

² 上文所示之獨立非執行董事酬金乃因彼等擔任本公司董事之服務。

陳燦林先生亦為本公司首席執行官，其於上文所披露之酬金包括彼出任首席執行官之酬金。

截至2023年及2022年12月31日止年度，本集團概無向本公司任何董事支付或應付酬金，作為吸引彼等加入或加入本集團時的獎勵或離職補償。截至2023年及2022年12月31日止年度，概無董事放棄或同意放棄任何薪酬的安排。

本集團的薪酬政策為根據僱員的表現、資格及本集團的經營業績對其給付報酬。本集團亦報銷本公司董事及高級管理層為向本集團提供服務或履行其與本集團運營有關的職能而產生的必要且合理的費用。

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8. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

(CONTINUED)

(b) Directors' retirement benefits

No retirement benefits were paid to or payable by the Group to any of the directors of the Company in respect services in connection with the management of the affairs of the Company or its subsidiary undertakings during the years ended 31 December 2023 and 2022.

(c) Loans, quasi-loans and other dealings in favour of directors

There were no other loans, quasi-loans or other dealings in favour of the directors of the Company, their controlled companies or entities connected with such directors entered into or subsisted during the years ended 31 December 2023 and 2022.

(d) Directors' material interests in transactions, arrangements or contracts

Saved as disclosed in Note 31 to the consolidated financial statements, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Group was a party and in which a director of the Company, or an entity connected with the director, had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2023 and 2022.

(e) Discretionary bonus

Executive directors of the Company are entitled to bonus payment which are discretionary and determined based on the Group's performance.

9. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 December 2023 and 2022 is as follows:

		Number of individuals 人數	
		2023 2023年	2022 2022年
Director	董事	3	3
Non-director	非董事	2	2
		5	5

8. 有關董事福利(續)

(b) 董事退休福利

截至2023年及2022年12月31日止年度，本集團概無向本公司任何董事支付或應付與本公司或其附屬公司事務管理相關的服務方面的退休福利。

(c) 以董事為受益人之貸款、類貸款及其他交易

截至2023年及2022年12月31日止年度，概無以本公司董事、彼等的控股公司或與該等董事有關連的實體為受益人訂立或存續之其他貸款、類貸款或其他交易。

(d) 董事於交易、安排或合約當中的重大權益

除綜合財務報表附註31所披露者外，概無本集團為訂約方且本公司董事或與該董事有關聯的實體於當中直接或間接擁有重大權益且對本集團業務屬重大的其他交易、安排及合約於年末或截至2023年及2022年12月31日止年度的任何時間存續。

(e) 酌情花紅

本公司執行董事有權獲得酌情及根據本集團表現釐定的花紅款項。

9. 五名最高薪酬人士

截至2023年及2022年12月31日止年度，五名最高薪酬人士的分析如下：

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9. FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

Details of the remuneration of the remaining two (2022: two) highest paid individuals who are not a director of the Company are as follows:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Salaries, allowances and other benefits in kinds	薪金、貼津及其他實物福利	3,893	3,589
Discretionary bonus	酌情花紅	1,006	727
Contributions to defined contribution plans	定額供款計劃供款	70	36
		4,969	4,352

The number of the highest paid individuals, who are not the directors of the Company (and including senior management of the Company) whose emoluments fell within the following emoluments band is as follows:

		Number of individuals 人數	
		2023 2023年	2022 2022年
Nil to HK\$1,000,000	零至1,000,000港元	–	–
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	–
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	–	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	1
		2	2

During the years ended 31 December 2023 and 2022, no emoluments were paid or payable by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or agreed to waive any emoluments for the years ended 31 December 2023 and 2022.

9. 五名最高薪酬人士(續)

其餘兩名(2022年：兩名)非本公司董事之最高薪酬人士之薪酬詳情如下：

並非本公司董事且薪酬介乎以下範圍的最高薪酬人士(包括本公司高級管理層)人數如下：

截至2023年及2022年12月31日止年度，本集團概無向任何該等最高薪酬非董事人士支付或應付薪酬，作為吸引彼等加入或加入本集團時的獎勵或離職補償。截至2023年及2022年12月31日止年度，概無任何該等最高薪酬非董事人士放棄或同意放棄任何酬金的安排。

10. TAXATION

10. 稅項

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Current tax	即期稅項		
Hong Kong Profits Tax	香港利得稅		
Current year	本年度	102	4,530
Over provision in prior year	過往年度超額撥備	(657)	(55)
		(555)	4,475
PRC Enterprise Income Tax	中國企業所得稅		
Current year	本年度	1,559	10,044
Over provision in prior year	過往年度超額撥備	(258)	(1,500)
		1,301	8,544
Deferred tax (Note 25)	遞延稅項(附註25)		
Origination and reversal of temporary differences	暫時性差額產生及撥回	598	2,185
Utilisation (Benefit) of tax losses recognised	已確認稅項虧損之動用(免除)	1,120	(4,323)
		1,718	(2,138)
Total income tax expenses for the year	年內所得稅開支總額	2,464	10,881

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax under these jurisdictions.

For the years ended 31 December 2023 and 2022, the assessable profits of a Hong Kong incorporated subsidiary of the Group (as elected by the management of the Group) is subject to the two-tiered profits tax rates regime that the first HK\$2 million of assessable profits will be taxed at 8.25% (the "graduated tax rate"), and assessable profits above HK\$2 million will be taxed at 16.5% (the "standard tax rate"). The Hong Kong Profits Tax of other Group's entities which established in Hong Kong and the Cayman Islands is calculated at the standard tax rate of 16.5% of their respective estimated assessable profits for the years ended 31 December 2023 and 2022.

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax ("EIT") at a statutory rate of 25%, except for Huizhou Tian Chang Industrial Company Limited* (惠州市天長實業有限公司), which was approved to be a "New and High Technology Enterprise" since December 2022 with a valid period of 3 years. The "New and High Technology Enterprise" is subject to a preferential rate of 15% during the valid period. The State Taxation Administration of the PRC announced in March 2021 that enterprises engaging in research and development activities would be entitled to claim at maximum 200% of their research and development expenses as "Super Deduction". The directors of the Company consider the eligibility of the PRC subsidiaries and recognise the additional tax deduction for the years ended 31 December 2023 and 2022.

根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須繳納該等司法權區的任何所得稅。

截至2023年及2022年12月31日止年度，本集團於香港註冊成立的附屬公司(由本集團管理層選出)的應課稅溢利須按利得稅兩級制納稅，即首2百萬港元應課稅溢利將按8.25%(「累進稅率」)繳稅，而2百萬港元以上的應課稅溢利將按16.5%繳稅(「標準稅率」)。本集團其他於香港及開曼群島成立的實體的香港利得稅乃按截至2023年及2022年12月31日止年度其各自估計應課稅溢利的16.5%的標準稅率計算。

本集團於中國成立的實體須按25%的法定稅率繳納中國企業所得稅(「企業所得稅」)，惟惠州市天長實業有限公司自2022年12月獲批准為「高新技術企業」，有效期3年。「高新技術企業」於有效期內按15%的優惠稅率繳納。中國國家稅務總局於2021年3月宣佈，從事研發活動的企業可按其研發費用的最高200%申請「加計扣除」。本公司董事考慮中國附屬公司的資格，並確認截至2023年及2022年12月31日止年度的額外稅項扣除。

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10. TAXATION (CONTINUED)

Reconciliation of income tax expense

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Profit before tax	除稅前溢利	25,921	116,826
Income tax at applicable tax rate	按適用稅率計算的所得稅	4,123	17,103
Effect on graduated tax rate	累進稅率的影響	(79)	(165)
Non-deductible expenses	不可扣稅開支	250	316
Additional deduction allowance for research and development costs	研發成本的額外扣減津貼	(3,782)	(4,723)
Tax exempt revenue	免稅收益	(436)	(230)
Tax concession	稅收減免	(12)	(30)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	379	423
Utilisation of tax losses previously not recognised	動用未曾確認稅項虧損	-	(222)
Others	其他	5	(36)
Over provision in prior year	過往年度超額撥備	(915)	(1,555)
Write-down of deferred tax assets	遞延稅項資產撇銷	2,931	-
Income tax expenses for the year	年內所得稅開支	2,464	10,881

The applicable tax rate is the weighted average of tax rates prevailing in the territories in which the Group's entities operate.

適用稅率指本集團的實體經營所在地區現行的加權平均稅率。

11. DIVIDENDS

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Final dividend in respect of 2022 of HK2.0 cents per ordinary share (2021: HK2.0 cents)	2022年末期股息每股普通股 2.0港仙(2021年: 2.0港仙)	12,400	12,400
Not recognised final dividend - Final dividend declared after the balance sheet date of HK1.5 cents per ordinary share (2022: HK2.0 cents) (Note)	未確認的末期股息—於資產 負債表日期後宣派的末期股息 每股普通股1.5港仙 (2022年: 2.0港仙)(附註)	9,300	12,400

Note: At a meeting held on 28 March 2024, the directors of the Company recommended the payment of a final dividend of HK1.5 cents (2022: HK2.0 cents) per ordinary share totalling HK\$9,300,000 (2022: HK\$12,400,000) for the year ended 31 December 2023. The proposed dividend for the year ended 31 December 2023 will be accounted for as an appropriation of reserves in the year ending 31 December 2024 if it is approved at the forthcoming annual general meeting. The proposed final dividend has not been recognised as dividend payables in the consolidated statement of financial position at 31 December 2023.

附註: 在2024年3月28日舉行的會議上, 本公司董事建議派付截至2023年12月31日止年度的末期股息每股普通股1.5港仙(2022年: 2.0港仙), 總計9,300,000港元(2022年: 12,400,000港元)。倘於應屆股東週年大會上獲批准, 截至2023年12月31日止年度的建議股息將於截至2024年12月31日止年度以分配儲備的方式列賬。建議末期股息並未於2023年12月31日的綜合財務狀況表確認為應付股息。

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12. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the years ended 31 December 2023 and 2022:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
<i>Earnings for the purpose of calculating basic and diluted earnings per share:</i>	<i>就計算每股基本及攤薄盈利的溢利：</i>		
Profit for the year attributable to equity holders of the Company	本公司權益持有人應佔年內溢利	23,457	105,945
		'000 千股	'000 千股
<i>Number of shares:</i>	<i>股份數目：</i>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	就計算每股基本盈利的普通股加權平均數	620,000	620,000
Effect of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
– Share options of the Company	– 本公司購股權	6,184	3,459
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	就計算每股攤薄盈利的普通股加權平均數	626,184	623,459
Basic earnings per share (HK cents)	每股基本盈利(港仙)	3.78	17.09
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	3.75	16.99

Note: For the years ended 31 December 2023 and 2022, the computation of diluted earnings per share assumed the exercise of the first and second tranche of share options (Note 28) granted by the Company because the exercise price of these share options was lower than the average market price of the Company's shares.

*附註：*截至2023年及2022年12月31日止年度，由於本公司授出的第一批及第二批購股權(附註28)的行使價低於本公司股份的平均市價，故在計算每股攤薄盈利時已假設該等購股權獲行使。

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13. SUBSIDIARIES

Details of the subsidiaries at the end of the reporting period are as follows:

13. 附屬公司

於報告期末的附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Date of incorporation/ establishment 註冊成立/ 成立日期	Nominal value of issued share capital/ registered capital/ paid-up capital 已發行股本/ 註冊資本/ 繳足資本的賬面價值	Attributable equity interest held by the Company 本公司持有的應佔權益		Principal activities/ place of operation 主營業務/經營地點
				2023 2023年	2022 2022年	
<i>Directly held by the Company</i> <i>本公司直接持有</i>						
Tian Chang Investments Limited	The BVI	20 April 2017	United States Dollar ("US\$")1	100%	100%	Investment holding/ Hong Kong
Tian Chang Investments Limited	英屬處女群島	2017年4月20日	1美元(「美元」)			投資控股/香港
Sun Leader Holdings Limited	The BVI	20 April 2017	US\$1	100%	100%	Investment holding/ Hong Kong
Sun Leader Holdings Limited	英屬處女群島	2017年4月20日	1美元			投資控股/香港
<i>Indirectly held by the Company</i> <i>本公司間接持有</i>						
Tian Chang Holdings Limited	Hong Kong	16 May 2006	HK\$10,000	100%	100%	Investment holding/ Hong Kong
天長控股有限公司	香港	2006年5月16日	10,000港元			投資控股/香港
Tian Chang Industrial Limited	Hong Kong	13 June 2006	HK\$10,000	100%	100%	Sales of e-cigarettes products, medical consumable products and providing integrated plastic solutions/Hong Kong
天長實業有限公司	香港	2006年6月13日	10,000港元			銷售電子煙產品、醫療消耗品及提供一體化注塑解決方案/香港
Tian Chang Industrial (Shenzhen) Limited*	The PRC ⁽ⁱⁱⁱ⁾	26 September 2006	Registered capital: HK\$100,000,000 Paid-up capital: HK\$100,000,000	100%	100%	Manufacturing and sales of e-cigarettes products and providing integrated plastics solutions/The PRC
天長實業(深圳)有限公司	中國 ⁽ⁱⁱⁱ⁾	2006年9月26日	註冊資本： 100,000,000港元 繳足資本： 100,000,000港元			製造及銷售電子煙產品及提供一體化注塑解決方案/中國

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13. SUBSIDIARIES (CONTINUED)

13. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Date of incorporation/ establishment 註冊成立/ 成立日期	Nominal value of issued share capital/ registered capital/ paid-up capital 已發行股本/ 註冊資本/ 繳足資本的賬面價值	Attributable equity interest held by the Company 本公司持有的應佔權益		Principal activities/ place of operation 主營業務/經營地點
				2023 2023年	2022 2022年	
<i>Indirectly held by the Company</i>						
<i>(Continued)</i>						
<i>本公司間接持有(續)</i>						
Huizhou Tian Chang Industrial Company Limited*	The PRC ⁽ⁱⁱⁱ⁾	22 March 2011	Registered capital: Renminbi ("RMB") 50,000,000 Paid-up capital: RMB50,000,000 註冊資本： 人民幣50,000,000元 繳足資本： 人民幣50,000,000元	100%	100%	Manufacturing and sales of e-cigarettes products, medical consumable products and providing integrated plastic solutions/The PRC 製造及銷售電子煙產品、醫療消耗品及提供一體化注塑解決方案/中國
惠州市天長實業有限公司	中國 ⁽ⁱⁱⁱ⁾	2011年3月22日				
Sun Leader Mould Industrial Limited	Hong Kong	27 September 2000	HK\$1,000,000	100%	100%	Providing integrated plastic solutions/Hong Kong 提供一體化注塑解決方案/香港
新利達模具實業有限公司	香港	2000年9月27日	1,000,000港元			
Sun Leader Mould Industrial (Shenzhen) Limited*	The PRC ⁽ⁱⁱⁱ⁾	17 June 2011	Registered capital: HK\$56,000,000 Paid-up capital: HK\$56,000,000 註冊資本： 56,000,000港元 繳足資本： 56,000,000港元	100%	100%	Providing integrated plastic solutions/The PRC 提供一體化注塑解決方案/中國
新利達模具(深圳)有限公司	中國 ⁽ⁱⁱⁱ⁾	2011年6月17日				
Sun Leader Mould Industrial (Huizhou) Limited*	The PRC ⁽ⁱⁱⁱ⁾	27 June 2011	Registered capital: HK\$80,000,000 Paid-up capital: HK\$80,000,000 註冊資本： 80,000,000港元 繳足資本： 80,000,000港元	100%	100%	Providing integrated plastic solutions/The PRC 提供一體化注塑解決方案/中國
新利達模具實業(惠州)有限公司	中國 ⁽ⁱⁱⁱ⁾	2011年6月27日				
Tian Hong New Materials Technology Limited	Hong Kong	10 October 2019	HK\$10,000	100%	100%	Sales of medical consumable products and polyester fibre ("PET") products/Hong Kong 銷售醫療消耗品及聚酯纖維 ("PET")產品/香港
天鴻新材料科技有限公司	香港	2019年10月10日	10,000港元			

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13. SUBSIDIARIES (CONTINUED)

13. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Date of incorporation/ establishment 註冊成立/ 成立日期	Nominal value of issued share capital/ registered capital/ paid-up capital 已發行股本/ 註冊資本/ 繳足資本的賬面價值	Attributable equity interest held by the Company 本公司持有的應佔權益		Principal activities/ place of operation 主營業務/經營地點
				2023 2023年	2022 2022年	
<i>Indirectly held by the Company</i>						
<i>(Continued)</i>						
<i>本公司間接持有(續)</i>						
Tian Hao New Materials Technology Limited*	The PRC ⁽ⁱ⁾⁽ⁱⁱ⁾	4 December 2019	Registered capital: HK\$5,000,000 Paid-up capital: HK\$800,000 ^(iv)	100%	100%	Manufacturing and sales of PET products/The PRC
天濠新材料科技(惠州)有限公司	中國 ⁽ⁱ⁾⁽ⁱⁱ⁾	2019年12月4日	註冊資本： 5,000,000港元 繳足資本： 800,000港元 ^(iv)			製造及銷售PET產品/中國
Tian Yuan Electronic Technology Limited*	The PRC ⁽ⁱ⁾⁽ⁱⁱ⁾	25 October 2022	Registered capital: RMB5,000,000 Paid-up capital RMB400,000 ^(v)	100% (Note 29) (附註 29)	—	Sales of e-cigarettes products/The PRC
廣東天沅電子科技有限公司	中國 ⁽ⁱ⁾⁽ⁱⁱ⁾	2022年10月25日	註冊資本： 人民幣5,000,000元 繳足資本： 人民幣400,000元 ^(v)			銷售電子煙產品/中國

* For identification purpose only.

- (i) Being a wholly foreign owned enterprise.
- (ii) Being a wholly owned enterprise in the PRC.
- (iii) Limited liability company registered in the PRC.
- (iv) The registered capital of Tian Hao is HK\$5,000,000. At 31 December 2023 and 2022, the Group had injected HK\$800,000 capital to Tian Hao and the remaining amount shall be injected prior to 30 December 2029.
- (v) The registered capital of Tian Yuan is RMB5,000,000. At 31 December 2023, the Group had injected RMB400,000 capital to Tian Yuan and the remaining amount shall be injected prior to 24 October 2027.

* 僅供識別。

- (i) 為一家外商獨資企業。
- (ii) 為一家於中國的全資企業。
- (iii) 於中國註冊的有限責任公司。
- (iv) 天濠的註冊資本為5,000,000港元。於2023年及2022年12月31日，本集團向天濠注資800,000港元，剩餘金額將於2029年12月30日前注資。
- (v) 天沅的註冊資本為人民幣5,000,000元。於2023年12月31日，本集團向天沅注資人民幣400,000元，剩餘金額將於2027年10月24日前注資。

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

	Right-of-use assets 使用權資產 HK\$'000 千港元 (Note 24) (附註24)	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及 固定裝置 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Computer 電腦 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reconciliation of carrying amount – year ended 31 December 2022	賬面值之對賬 – 截至2022年12月31日止年度								
At 1 January 2022	90,822	234,892	95,419	16,348	161,809	1,184	4,722	159,645	764,841
Additions	4,320	-	2,276	820	1,715	2,087	1,289	-	12,507
Disposals	-	-	-	(510)	(18)	-	-	-	(528)
Termination/Write-off	(153)	-	-	(322)	(99)	-	-	-	(574)
Transfers	(38,161)	140,673	8,811	156	40,479	-	-	(151,958)	-
Depreciation	(7,423)	(6,839)	(6,425)	(3,713)	(23,367)	(901)	(966)	-	(49,634)
Exchange realignments	(5,796)	(23,530)	(7,779)	(1,562)	(14,813)	(65)	(381)	(7,687)	(61,613)
At 31 December 2022	43,609	345,196	92,302	11,217	165,706	2,305	4,664	-	664,999
Reconciliation of carrying amount – year ended 31 December 2023	賬面值之對賬 – 截至2023年12月31日止年度								
At 1 January 2023	43,609	345,196	92,302	11,217	165,706	2,305	4,664	-	664,999
Additions	2,686	-	-	2,749	1,204	3,038	141	-	9,818
Acquisition of a subsidiary	69	-	-	-	-	-	-	-	69
Disposals	-	-	-	-	(55)	-	-	-	(55)
Termination/Write-off	(74)	-	-	(3)	(113)	-	(1)	-	(191)
Depreciation	(3,665)	(7,341)	(6,628)	(3,633)	(26,709)	(1,702)	(1,030)	-	(50,708)
Exchange realignments	(722)	(5,952)	(1,529)	(268)	(2,890)	(12)	(70)	-	(11,443)
At 31 December 2023	41,903	331,903	84,145	10,062	137,143	3,629	3,704	-	612,489

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14. 物業、廠房及設備 (續)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Right-of-use assets 使用權資產 HK\$'000 千港元 (Note 24) (附註 24)	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture and fixtures 傢俬及 固定裝置 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Computer 電腦 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2022									
	於2022年12月31日								
Cost	56,060	381,386	128,227	29,994	436,560	15,616	12,235	-	1,060,078
Accumulated depreciation	(12,451)	(36,190)	(85,925)	(18,777)	(263,502)	(13,311)	(7,571)	-	(387,727)
Accumulated impairment losses	-	-	-	-	(7,352)	-	-	-	(7,352)
	43,609	345,196	92,302	11,217	165,706	2,305	4,664	-	664,999
At 31 December 2023									
	於2023年12月31日								
Cost	57,423	374,762	126,041	32,125	429,687	18,046	12,182	-	1,050,266
Accumulated depreciation	(15,520)	(42,859)	(41,896)	(22,063)	(285,320)	(14,417)	(8,478)	-	(430,553)
Accumulated impairment losses	-	-	-	-	(7,224)	-	-	-	(7,224)
	41,903	331,903	84,145	10,062	137,143	3,629	3,704	-	612,489

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) Certain right-of-use assets in respect of the prepaid land lease payments, buildings and machineries and equipment with aggregate net carrying amount of approximately HK\$374,666,000 (2022: HK\$431,125,000) were pledged as collateral to the Group's interest-bearing borrowings with aggregate net carrying amount of approximately HK\$56,165,000 (2022: HK\$109,700,000) as set out in Note 22 to the consolidated financial statements.
- (b) During the year ended 31 December 2023, the Group reported gross loss (2022: low gross profit) in its medical consumable segment due to the keen competitions in the disposable face masks market. The management of the Group identified the existence of impairment indication and conducted impairment assessment on certain machineries and equipment. The recoverable amount of these machineries and equipment, within the medical consumable products segment, are estimated individually.

The recoverable amounts of these machineries and equipment have been determined based on their fair value less costs of disposal using cost approach. Fair value which is determined by using cost approach requires an estimation of new replacement cost of the assets from which deductions are then made to allow for physical deterioration and all forms of obsolescence and optimisation. The fair value measurement is categorised into Level 3 fair value hierarchy. The recoverable amount of the relevant assets were approximate to its carrying amount and thus no further impairment loss was recognised during the year ended 31 December 2023 (2022: recoverable amount of the relevant assets were approximate to its carrying amount and thus no further impairment loss was recognised).

- (c) During the year ended 31 December 2023, the Group recorded a significant drop of revenue arising from the e-cigarettes products segment subsequent to the removal of the exclusivity term with the major e-cigarettes products customer since March 2022. The management of the Group identified the existence of impairment indication and conducted impairment assessment on the prepaid land leases payments, leased properties (recognised as right-of-use assets under property, plant and equipment) and buildings, and machinery and equipment in respect of the e-cigarettes products segment.

The recoverable amounts of the prepaid land leases payments, leased properties and buildings owned by the Group have been determined based on their fair value less costs of disposal using direct comparison method and depreciated replacement cost method. The fair value using direct comparison method is based on available data from observable market prices of similar assets. The fair value using depreciated replacement cost method requires an estimation of current replacement cost of the assets from which deductions are then made to allow for physical deterioration and all forms of obsolescence and optimisation. The fair value measurement is categorised into Level 3 fair value hierarchy. The recoverable amount of the relevant assets was higher than its carrying amount and thus no impairment loss was recognised during the year ended 31 December 2023.

The recoverable amounts of machinery and equipment in respect of the e-cigarettes products segment have been determined with reference to the value-in-use (the "VIU") calculations using cash flow projections of e-cigarettes products segment. The calculation uses cash flow projections based on financial budgets approved by the directors of the Company covering a 5-year period. Cash flow beyond the 5-year period have been extrapolated using a 2.5% long-term growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

14. 物業、廠房及設備(續)

- (a) 如綜合財務報表附註22所載，賬面淨值合共約為374,666,000港元(2022年：431,125,000港元)的有關預付土地租賃款的若干使用權資產、樓宇以及機器及設備已質押作為本集團賬面淨值合共約56,165,000港元(2022年：109,700,000港元)的計息借款抵押品。
- (b) 於截至2023年12月31日止年度，由於來自即棄口罩市場激烈的競爭導致本集團報告其醫療消耗品分部毛損(2022年：低毛損)，本集團管理層識別減值跡象的存在並對若干機器及設備進行減值評估。該等醫療消耗品分部的機器及設備的可收回金額按個別基準估計。

該等機器及設備的可收回金額已基於其公允價值減出售成本運用成本法釐定。運用成本法釐定的公允價值要求估計資產的新重置成本，並減去實際損耗及所有形式的陳舊及優化的撥備。公允價值計量歸類為第3級公允價值層級。截至2023年12月31日止年度，相關資產的可收回金額與其賬面值相若，因此並無確認進一步減值虧損(2022年：相關資產的可收回金額與其賬面值相若，因此並無確認進一步減值虧損)。

- (c) 截至2023年12月31日止年度，本集團自2022年3月起取消電子煙產品主要客戶之間的獨家權條款後於電子煙產品分部錄得收益劇減。本集團管理層認為存在減值跡象，並對預付土地租賃款、租賃物業(確認為物業、廠房及設備項下的使用權資產)及樓宇，以及有關電子煙產品分部的機械及設備進行減值評估。

本集團擁有的預付土地租賃款、租賃物業及樓宇的可收回金額已基於彼等公允價值減出售成本運用直接比較法及經折舊重置成本法釐定。使用直接比較法釐定公允價值乃根據自類似資產可觀察市價取得的數據。使用經折舊重置成本法之公允價值需估計有關資產之當前重置成本，再從中作出扣減，以計及老化及所有形式的陳舊及優化。公允價值計量分類至第三層公允價值層級。相關資產的可收回金額高於其賬面值，因此截至2023年12月31日止年度並無確認減值虧損。

有關電子煙產品分部的機械及設備的可收回金額已參考運用現金流量預測計算電子煙產品分部的使用價值(「使用價值」)釐定。計算方法乃使用根據本公司董事批准之涵蓋五年期間之財務預算編製之現金流量預測。五年期間以上的現金流量使用2.5%的長期增長率預測。該增長率乃基於相關行業增長預測且不過相關行業的平均長期增長率。

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) (Continued)

Based on the impairment review performed by the management of the Group with reference to the VIU calculation conducted by an independent professional valuer, BonVision International Appraisals Limited, the recoverable amounts of relevant assets were higher than its carrying amount at 31 December 2023. Accordingly, no impairment loss was recognised during the year ended 31 December 2023.

(d) Key assumptions used in the VIU calculation are as follows:

		2023 2023年
Budgeted average gross profit margin	預算平均毛利率	12.2%
Average growth rate	平均增長率	10.0%
Long-term growth rate	長期增長率	2.5%
Discount rate	貼現率	18.0%

The management of the Group determined the budgeted average gross profit margin and average growth rate based on past performance and the expectation of market development. The discount rate used is pre-tax and reflects specific market risks relating to the e-cigarettes products segment.

(e) Sensitivity of key assumptions

The management of the Group considered that any reasonably possible change in the key assumptions used in the VIU calculation on the machineries in respect of the e-cigarettes products segment would not cause an impairment loss at 31 December 2023.

14. 物業、廠房及設備 (續)

(c) (續)

根據本集團管理層參考獨立專業估值師宏展國際評估有限公司進行的使用價值計算作出的減值評估，於2023年12月31日，相關資產的可收回金額高於其賬面值。因此，截至2023年12月31日止年度，概無確認任何減值虧損。

(d) 計算使用價值所用關鍵假設如下：

本集團管理層根據過往表現及市場發展預期釐定預算平均毛利率及平均增長率。所用貼現率為除稅前貼現率，反映電子煙產品分部相關特定市場風險。

(e) 關鍵假設的敏感性

本集團管理層認為計算有關電子煙產品分部的機械的使用價值時所用關鍵假設的任何合理可能變動均不會導致於2023年12月31日發生減值虧損。

15. FINANCIAL ASSETS AT FVPL

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Unlisted investments - key management insurance contracts	非上市投資－主要管理層保險合約	32,626	31,633

The fair value of the key management insurance contracts is determined by reference to the respective surrender cash value of each insurance contract at the end of the reporting period, which is primarily based on the performance of the underlying investment portfolio together with the guaranteed minimum returns, ranging from 2% to 3.9% per annum (2022: ranging from 2% to 3.9% per annum) and are denominated in US\$.

15. 按公允值計入損益的金融資產

主要管理層保險合約的公允值乃參考報告期末各保險合約的相關退保現金值釐定及以美元計值，乃主要基於相關投資組合的表現以及保證最低退款額，每年介乎2%至3.9%之間(2022年：每年介乎2%至3.9%之間)。

15. FINANCIAL ASSETS AT FVPL (CONTINUED)

The movement of the key management insurance contracts is analysed as follows:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
At the beginning of the reporting period	於報告期初	31,633	30,454
Changes in fair value	公允值變動	953	905
Exchange realignments	匯兌調整	40	274
At the end of the reporting period	於報告期末	32,626	31,633

Certain key management insurance contracts are pledged as collateral for the Group's interest-bearing borrowings amounting to approximately, in aggregate, HK\$5,773,000 (2022: HK\$9,332,000) as set out in Note 22 to the consolidated financial statements.

15. 按公允值計入損益的金融資產(續)

主要管理層保險合約的變動分析如下：

如綜合財務報表附註22所載，若干主要管理層保險合約已用作質押作為本集團合共約5,773,000港元(2022年：9,332,000港元)的計息借款的抵押品。

16. FINANCE LEASE RECEIVABLES

Below is a maturity analysis of lease payment receivables and the reconciliation of undiscounted lease payment receivables to the net investments:

16. 應收融資租賃款項

以下為應收租賃付款之到期分析以及未貼現應收租賃付款與投資淨額之對賬：

		Lease payments 租賃付款		Present value of lease payments 租賃付款現值	
		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Finance lease receivables comprise:	應收融資租賃款項 包括：				
Within one year	一年內	-	1,820	-	1,617
Gross investment in the lease	租賃投資總額	-	1,820	-	1,617
Less: unearned finance income	減：未賺取財務收入	-	(203)	N/A 不適用	N/A 不適用
Present value of minimum lease payment receivables	應收最低租賃 付款現值	-	1,617	-	1,617
Analysed as:	分析為：				
Current	流動	-	1,617	-	1,617

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16. FINANCE LEASE RECEIVABLES (CONTINUED)

During the year ended 31 December 2020, the Group entered into a lease agreement with a third party whereas the Group leased out its machineries with carrying amounts of approximately HK\$7,344,000 for an initial term of three years. The interest rates implicit in the above finance lease was 4.03% and the finance lease receivables were denominated in US\$. The sum of lease payments was fixed and approximated to the carrying values of the leased assets. The lease under the agreement came to an end during the year ended 31 December 2023 and all the finance lease receivables had been settled.

During the years ended 31 December 2023 and 2022, the Group did not enter into any new finance lease agreement.

Finance lease receivables were secured over the machineries leased. The Group was not permitted to sell or repledge the collateral in the absence of default by the lessee. At the end of the lease term of these finance leases, the lessee had the option to buy the machineries at nominal consideration. By the end of the lease during the year ended 31 December 2023, the lessee had not yet exercised its right to buy the machineries.

Information about the Group's exposure to credit risk for finance lease receivables is included in Note 33 to the consolidated financial statements.

17. INVENTORIES

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Raw materials	原材料	20,903	36,994
Work-in-progress	在製品	18,063	24,095
Finished goods	成品	39,247	67,453
		78,213	128,542

During the year ended 31 December 2023, there was a provision for inventories in respect of write-down to net realisable value of certain raw materials, work-in-progress inventories and finished goods (2022: raw materials, work in progress inventories and finished goods) due to obsolescence and/or diminishing marketability as a result of changes in market condition. Therefore, a provision of approximately HK\$6,100,000 (2022: HK\$5,081,000) has been recognised in profit or loss.

16. 應收融資租賃款項(續)

截至2020年12月31日止年度，本集團與第三方訂立租賃協議，根據該協議本集團出租其賬面值約為7,344,000港元的機械，首個租期為三年。上述融資租賃的隱含利率為4.03%且應收融資租賃款項以美元列值。租賃付款總數為固定金額且與租賃資產賬面值相若。協議項下租賃於截至2023年12月31日止年度終止及全部應收融資租賃款項已結清。

截至2023年及2022年12月31日止年度，本集團並無訂立任何新的融資租賃協議。

應收融資租賃款項以租賃的機器作抵押。本集團不得在承租人並無違約的情況下出售或轉質抵押品。於該等融資租賃的租賃期結束時，承租人可選擇以象徵式代價購買機器。於截至2023年12月31日止年度租賃終止前，承租人尚未行使權利購買機器。

有關本集團所面臨應收融資租賃款項信貸風險的資料載於綜合財務報表附註33。

17. 存貨

截至2023年12月31日止年度，由於市場變化導致市場化過時及/或衰退，已就若干原材料、在製品存貨及成品(2022年：原材料、在製品存貨及成品)的存貨可變現淨值撇銷作出撥備。因此，撥備約6,100,000港元(2022年：5,081,000港元)已在損益中確認。

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18. TRADE AND OTHER RECEIVABLES

18. 貿易及其他應收款項

			2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Trade receivables	貿易應收款項			
From third parties	應收第三方	18(a)	107,788	216,137
Loss allowance for ECL	預期信貸虧損撥備	33	(5,026)	(5,626)
		18(b)	102,762	210,511
Other receivables	其他應收款項		432	274
Deposits	按金		444	3,017
Prepayment for suppliers	供應商預付款項		2,890	2,948
Prepayment for insurance	保險預付款項		–	3,522
Prepayment for utilities	水電費預付款項		2,777	2,188
Other receivables	其他應收款項		2,704	11,252
Value-added tax recoverable	可退回增值稅款		1,292	3,656
Prepaid expenses	預付開支		10,539	26,857
			113,301	237,368

18(a) Trade receivables from third parties

The Group grants credit period up to 90 days to its customers upon the issuance of invoices.

18(b) The ageing analysis of the trade receivables, net of loss allowance, by invoice date at the end of the reporting period is as follows:

18(a) 來自第三方的貿易應收款項

本集團於出具發票後向其客戶授出最高90日的信貸期。

18(b) 於報告期末，按發票日期劃分的貿易應收款項(扣除虧損撥備)的賬齡分析如下：

			2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Within 30 days	30日內		68,745	119,001
31 to 60 days	31至60日		20,266	53,494
61 to 90 days	61至90日		10,178	28,377
Over 90 days	90日以上		3,573	9,639
			102,762	210,511

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

18(b) (Continued)

The ageing analysis of the trade receivables, net of loss allowance, by due date at the end of the reporting period is as follows:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Not yet due	尚未到期	87,775	182,219
Past due:	已到期：		
Within 30 days	30日內	12,495	22,637
31 to 60 days	31至60日	2,034	2,822
61 to 90 days	61至90日	191	2,789
Over 90 days	90日以上	267	44
		14,987	28,292
		102,762	210,511

Information about the Group's exposure to credit risk and loss allowance for trade and other receivables is included in Note 33 to the consolidated financial statements.

18. 貿易及其他應收款項(續)

18(b) (續)

於報告期末，貿易應收款項(已扣除虧損撥備)按到期日之賬齡分析如下：

有關本集團所面臨信貸風險以及貿易及其他應收款項虧損撥備的資料載於綜合財務報表附註33。

19. RESTRICTED BANK BALANCES/CASH AND CASH EQUIVALENTS

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	132,590	135,520
Less: Restricted bank balances	減：受限制銀行結餘	-	(7,152)
Cash and cash equivalents	現金及現金等價物	132,590	128,368

At 31 December 2022, bank balances placed in savings account amounted to approximately RMB6,365,000 (equivalent to approximately HK\$7,152,000) were restricted, which is equivalent to the amount owed to a contractor by the Group as there was a legal dispute between the contractor and its sub-contractor for the construction of factories completed in previous years. As a result of this legal dispute, the People's Government of Huizhou City issued an injunction order to the Group to withhold the amount owed to the contractor until the dispute has been resolved. The restricted bank balances carried market interest rate at 0.3% per annum at 31 December 2022.

19. 受限制銀行結餘／現金及現金等價物

於2022年12月31日，存於儲蓄戶口的受限制銀行結餘約為人民幣6,365,000元(相當於約7,152,000港元)，相當於本集團結欠承包商之款項，乃由於承包商與其分包商之間就以往年度所建設的工廠存在法律糾紛。由於此法律糾紛，惠州市人民政府指示本集團於糾紛解決前不予支付結欠承包商的款項。於2022年12月31日，受限制銀行結餘以市場年利率0.3%計息。

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19. RESTRICTED BANK BALANCES/CASH AND CASH EQUIVALENTS (CONTINUED)

During the year ended 31 December 2023, the legal dispute was resolved. The amount was released by the order of the People's Government of Huizhou City and consequently settled to the sub-contractor.

At 31 December 2023, the Group has cash and cash equivalents denominated in RMB amounting to approximately RMB77,901,000 (2022: RMB46,933,000), which were placed with banks in the PRC. The remittance of funds out of the PRC is subject to relevant rules and regulations imposed by the PRC government.

19. 受限制銀行結餘／現金及現金等價物(續)

於截至2023年12月31日止年度，該法律糾紛已解決。該款項已根據惠州市人民政府的指示釋放並後續向分包商結清。

於2023年12月31日，本集團以人民幣計值的現金及現金等價物約人民幣77,901,000元(2022年：人民幣46,933,000元)均存放於中國的銀行。從中國匯出資金須遵守中國政府實施之相關規則和規定。

20. TRADE AND OTHER PAYABLES

	Notes 附註	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Trade payables	貿易應付款項		
To third parties	應付第三方	20(a) 55,512	159,696
Other payables	其他應付款項		
Contract liabilities	合約負債	20(b) 9,678	18,101
Salaries and bonus payables	應付薪金及花紅	17,962	45,998
Accruals and other creditors	應計費用及其他應付賬款	21,576	28,588
		49,216	92,687
		104,728	252,383

20. 貿易及其他應付款項

20(a) Trade payables

The ageing analysis of the trade payables based on invoice date at the end of the reporting period is as follows:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Within 30 days	30日內	19,723	76,394
31 to 60 days	31至60日	23,403	49,374
61 to 90 days	61至90日	7,925	21,617
Over 90 days	90日以上	4,461	12,311
		55,512	159,696

20(a) 貿易應付款項

於報告期末，按發票日期劃分的貿易應付款項的賬齡分析如下：

The normal credit term on trade payables is up to 90 days.

貿易應付款項的正常信貸期不超過90日。

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20. TRADE AND OTHER PAYABLES (CONTINUED)

20(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the years ended 31 December 2023 and 2022 are as follows:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
At the beginning of the reporting period	於報告期初	18,101	9,776
Receipts in advances	預收款項	9,678	18,101
Recognised as revenue	確認為收益	(18,101)	(9,776)
At the end of the reporting period	於報告期末	9,678	18,101

The decrease in contract liabilities at 31 December 2023 was mainly due to the decrease in the overall contract activities in the integrated plastic solutions segment.

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

20. 貿易及其他應付款項(續)

20(b) 合約負債

截至2023年及2022年12月31日止年度符合香港財務報告準則第15號的客戶合約的合約負債變動(不包括同年內增加及減少所產生的變動)如下:

於2023年12月31日合約負債減少乃主要由於一體化注塑解決方案分部的整體合約活動減少。

本集團採取切實可行的方案，未披露與原始預期期限為一年或一年以下的剩餘履約義務有關的資料。

21. PAYABLES FOR CONSTRUCTION IN PROGRESS

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Current portion	流動部分	906	9,020
Non-current portion	非流動部分	2,190	6,238
		3,096	15,258

Payables for construction in progress represent the amounts payable to the constructors in respect of the construction of the production plants located in the PRC which the amounts due are unsecured, interest-free and repayable from one to five years since its inception. The carrying amount is determined based on the present value of the total payable consideration discounted using the effective interest rate of 4.75% (2022: 4.75%) per annum. At 31 December 2023, the amount of approximately HK\$205,000 (2022: HK\$557,000) represents the imputed interest charged to profit or loss.

21. 應付在建工程款項

應付在建工程款項指就於中國建設製造廠應付施工人員的款項，到期款項乃無抵押、免息且須自開建後於一至五年內償還。賬面值乃基於按實際年利率4.75% (2022年：4.75%)折現的應付代價總額的現值釐定。於2023年12月31日，金額約205,000港元(2022年：557,000港元)為自損益扣除的應計利息。

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22. INTEREST-BEARING BORROWINGS

22. 計息借款

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Interest-bearing borrowings, secured	計息借款，有抵押	61,939	128,813
		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
The carrying amounts of the interest-bearing borrowings that do not contain a repayable on demand clause are repayable:	並無載有須按要求償還條款之計息借款賬面值須按下列時間償還：		
Within one year	一年內	222	12,011
In the second year	第二年	-	4,364
In the third to fifth year	第三至五年	-	2,958
		222	19,333
The carrying amounts of the interest-bearing borrowings that contain a repayable on demand clause (shown under current liabilities) but repayable:	載有須按要求償還條款之計息借款賬面值(於流動負債列示)須按下列時間償還：		
Within one year	一年內	51,331	96,166
In the second year	第二年	8,436	7,622
In the third to fifth year	第三至五年	1,950	5,692
		61,717	109,480
Less: Amounts due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額	(61,939)	(121,491)
Amounts shown under non-current liabilities	於非流動負債列示之金額	-	7,322

The interest-bearing borrowings from banks and a financial institution are wholly repayable within five years since its inception. At 31 December 2023, the interest-bearing borrowings carried weighted average effective interest rate of approximately 3.91% (2022: 4.19%) per annum.

At 31 December 2023, the interest-bearing borrowings are secured by:

- (i) certain buildings, machineries and equipment, and right-of-use assets in respect of the prepaid land lease payments with aggregate net carrying amount of approximately HK\$374,666,000 (2022: HK\$431,125,000), as set out in Note 14 to the consolidated financial statements;

來自銀行及金融機構的計息借款須自注資開始起計五年內全數償還。於2023年12月31日，計息借款按加權平均實際年利率約3.91% (2022年：4.19%)計息。

於2023年12月31日，計息借款乃由以下各項抵押：

- (i) 綜合財務報表附註14所載賬面值淨額合共約374,666,000港元(2022年：431,125,000港元)的若干樓宇、機器及設備及有關預付土地租賃款項的使用權資產；

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22. INTEREST-BEARING BORROWINGS (CONTINUED)

- (ii) certain key management insurance contracts with fair value of approximately HK\$32,626,000 (2022: HK\$31,633,000), as set out in Note 15 to the consolidated financial statements; and
- (iii) corporate guarantees provided by the Company (2022: corporate guarantees provided by the Company).

23. DEFERRED INCOME

At 31 December 2023, the Group recognised deferred income on government grants amounting to approximately HK\$10,074,000 (2022: HK\$11,476,000) which are used for acquisition of property, plant and equipment. These grants are to be realised to income in profit or loss over the useful lives of the related assets. Included in the deferred income on government grants, approximately HK\$8,594,000 (2022: HK\$10,021,000) represented the income that is not expected to be realised to profit or loss within 12 months subsequent to 31 December 2023 and therefore is presented under non-current liabilities.

24. LEASE LIABILITIES

22. 計息借款(續)

- (ii) 公允價值約32,626,000港元(2022年: 31,633,000港元)的若干主要管理層人員保險合約(如綜合財務報表附註15所載); 及
- (iii) 本公司提供的公司擔保(2022年: 本公司提供的公司擔保)。

23. 遞延收益

於2023年12月31日, 本集團確認政府補貼的遞延收益約為10,074,000港元(2022年: 11,476,000港元), 用於收購物業、廠房及設備。該等補貼將於相關資產的可使用年期內在損益內變現為收益。於政府補貼的遞延收益中, 約8,594,000港元(2022年: 10,021,000港元)指預期不會於2023年12月31日之後12個月內變現為損益的收入, 因此於非流動負債中呈列。

24. 租賃負債

		Prepaid land lease payments 預付土地租賃款項 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Right-of-use assets (included in the property, plant and equipment) (Note 14)	使用權資產(包括物業、廠房及設備)(附註14)				
Reconciliation of carrying amount – year ended 31 December 2022	賬面值之對賬 – 截至2022年12月31日止年度				
At 1 January 2022	於2022年1月1日	44,544	45,169	1,109	90,822
Additions	添置	–	–	4,320	4,320
Transfers	轉讓	–	(38,161)	–	(38,161)
Termination	終止	–	–	(153)	(153)
Depreciation	折舊	(1,063)	(4,833)	(1,527)	(7,423)
Exchange realignments	匯兌調整	(3,558)	(2,175)	(63)	(5,796)
At 31 December 2022	於2022年12月31日	39,923	–	3,686	43,609
Reconciliation of carrying amount – year ended 31 December 2023	賬面值之對賬 – 截至2023年12月31日止年度				
At 1 January 2023	於2023年1月1日	39,923	–	3,686	43,609
Additions	添置	–	–	2,686	2,686
Acquisition of a subsidiary	收購一間附屬公司	–	–	69	69
Termination	終止	–	–	(74)	(74)
Depreciation	折舊	(1,015)	–	(2,650)	(3,665)
Exchange realignments	匯兌調整	(687)	–	(35)	(722)
At 31 December 2023	於2023年12月31日	38,221	–	3,682	41,903

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24. LEASE LIABILITIES (CONTINUED)

24. 租賃負債(續)

		Prepaid land lease payments 預付土地 租賃款項 HK\$'000 千港元	Machinery and equipment 機械及設備 HK\$'000 千港元	Leased properties 租賃物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2022	於2022年12月31日				
Cost	成本	51,321	–	4,739	56,060
Accumulated depreciation	累計折舊	(11,398)	–	(1,053)	(12,451)
		39,923	–	3,686	43,609
At 31 December 2023	於2023年12月31日				
Cost	成本	50,430	–	6,993	57,423
Accumulated depreciation	累計折舊	(12,209)	–	(3,311)	(15,520)
		38,221	–	3,682	41,903

The Group leases various lands, machinery and equipment and properties for its daily operations with initial lease terms ranging from 2 to 50 years (2022: 2 to 50 years).

本集團就其日常營運租入若干地塊、機械及設備及物業，初始租期介乎2至50年之間(2022年：2至50年)。

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Lease payments:	租賃付款：		
Expenses relating to short-term leases	短期租賃有關開支	–	526
Total cash outflow for leases	租賃現金流出總額	2,728	12,048

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24. LEASE LIABILITIES (CONTINUED)

24. 租賃負債(續)

		Lease payments 租賃付款	
		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Amounts payable:	應付款項：		
Within one year	一年以內	2,393	2,027
More than one year but within two years	超過一年，但在兩年以內	903	1,587
More than two years but within five years	超過兩年，但在五年以內	522	99
Total lease liabilities	租賃負債總額	3,818	3,713
Less: Amount due for settlement within 12 months shown under current liabilities	減：於流動負債下列示的12個月內到期結算的款項	(2,393)	(2,027)
Amount shown under non-current liabilities	於非流動負債下列示的款項	1,425	1,686

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discount rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

由於租賃的隱含利率不易釐定，故本集團採用承租人之增量借款利率對未來租賃付款進行貼現。於釐定租賃貼現率時，本集團參考可直接觀察之利率作為起始點，其後對該可觀察利率運用判斷及調整來釐定增量借款利率。

25. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

25. 遞延稅項

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已抵銷。下表為就財務報告目的作出的遞延稅項結餘分析：

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	1,829	3,999
Deferred tax liabilities	遞延稅項負債	(5,722)	(6,389)
		(3,893)	(2,390)

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25. DEFERRED TAXATION (CONTINUED)

The movement in net deferred tax position during the years ended 31 December 2023 and 2022 is as follows:

25. 遞延稅項 (續)

截至2023年及2022年12月31日止年度，遞延稅項淨額狀況變動如下：

		Tax losses	Temporary differences on income and expenses (including depreciation) recognised	Total
		稅項虧損	已確認收入與開支的臨時差額 (包括折舊)	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2022	於2022年1月1日	4,928	(10,612)	(5,684)
Credited (Charged) to profit or loss	於損益內計入(扣除)	4,323	(2,185)	2,138
Exchange realignments	匯兌調整	(526)	1,682	1,156
At 31 December 2022	於2022年12月31日	8,725	(11,115)	(2,390)
Offsetting	抵銷	(4,726)	4,726	-
Net deferred tax assets (liabilities)	遞延稅項資產(負債)淨額	3,999	(6,389)	(2,390)
At 1 January 2023	於2023年1月1日	8,725	(11,115)	(2,390)
Charged to profit of loss	於損益內扣除	(1,120)	(598)	(1,718)
Exchange realignments	匯兌調整	(126)	341	215
At 31 December 2023	於2023年12月31日	7,479	(11,372)	(3,893)
Offsetting	抵銷	(5,650)	5,650	-
Net deferred tax assets (liabilities)	遞延稅項資產(負債)淨額	1,829	(5,722)	(3,893)

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25. DEFERRED TAXATION (CONTINUED)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$41,987,000 (2022: HK\$39,884,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of the remaining approximately HK\$6,589,000 (2022: HK\$4,484,000) due to the unpredictability of future profit streams. The tax losses reflected in above deferred tax assets arising at the end of the reporting period which can be offset against future taxable profits of the respective subsidiaries will expire as follows:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Year of expiry	到期年份		
2023	2023年	–	15,374
2024	2024年	457	465
2025	2025年	107	109
2026	2026年	48	49
2027	2027年	17,628	17,939
2028	2028年	1,039	–
		19,279	33,936
No expiry	無到期日	16,119	1,464
		35,398	35,400

Included in the unrecognised tax losses of approximately HK\$6,589,000 (2022: HK\$4,484,000), approximately HK\$6,200,000 (2022: HK\$4,484,000) was derived from Hong Kong, which has no expiry date under current tax legislation.

At 31 December 2023, the estimated withholding tax effects on the distribution of PRC subsidiaries' accumulated profits were approximately HK\$46,281,000 (2022: HK\$42,847,000) which would become payable when they are distributed. In the opinion of the directors of the Company, these accumulated profits are required for financing the continuing operations of these entities and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

25. 遞延稅項(續)

於報告期末，本集團可用於抵銷未來溢利的未使用稅項虧損約為41,987,000港元(2022年：39,884,000港元)。由於未來溢利流的不可預測性，故並無就餘下約6,589,000港元(2022年：4,484,000港元)確認遞延稅項資產。上述遞延稅項資產所反映的於報告期末產生的可被各附屬公司未來應課稅溢利抵銷的稅項虧損將於以下日期到期：

於未確認稅項虧損約6,589,000港元(2022年：4,484,000港元)中，約6,200,000港元(2022年：4,484,000港元)產生自香港且根據現時稅務規例並無屆滿日期。

於2023年12月31日，分派中國附屬公司累計溢利的估計預扣稅影響約為46,281,000港元(2022年：42,847,000港元)，於其分派時繳納。本公司董事認為，該等累計溢利須為該等實體的持續經營撥款，並於可見將來不作分派。因此，並無作出額外遞延稅項撥備。

26. SHARE CAPITAL

26. 股本

	2023 2023年		2022 2022年	
	No. of shares 股份數目 '000 千股	HK\$'000 千港元	No. of shares 股份數目 '000 千股	HK\$'000 千港元
Authorised: 法定：				
Ordinary shares of HK\$0.1 each 每股面值0.1港元的普通股				
At the beginning and end of the reporting period 於報告期初及期末	2,000,000	200,000	2,000,000	200,000
Issued and fully paid: 已發行及繳足：				
Ordinary shares of HK\$0.1 each 每股面值0.1港元的普通股				
At the beginning and end of the reporting period 於報告期初及期末	620,000	62,000	620,000	62,000

27. RESERVES

27. 儲備

27(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

27(a) 股份溢價

股份溢價指發行本公司股份籌集之所得款項淨額超逾其面值之差額。根據開曼群島法例及本公司組織章程細則，該等金額可分派予本公司股東，前提為本公司須有能力支付日常業務過程中到期應付之債務。

27(b) Capital reserve

The capital reserve represents the waiver of the amount due from the Group granted by the Ultimate Controlling Party in prior years and the aggregate amount of the nominal value of the issued/registered capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any).

27(b) 資本儲備

資本儲備指於過往年度由最終控股方授出的應收本集團款項豁免，及現時組成本集團之實體的已發行／註冊股本的賬面總值減收購相關權益的代價(如有)。

27(c) Statutory reserve

As stipulated by the relevant laws and regulations for enterprises incorporated/established in the PRC, the Group's subsidiaries in the PRC are required to maintain certain statutory reserves. The statutory reserve can be used to make up for losses, expand the existing operation and convert to additional capital.

27(c) 法定儲備

根據相關法律法規對於中國註冊成立／成立之企業的規定，本集團於中國的附屬公司須保持若干法定儲備。法定儲備可用於彌補虧損、擴大現有經營及轉化為額外股本。

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27. RESERVES (CONTINUED)

27(d) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations in consolidation.

27(e) Share option reserve

Share option reserve represents the fair value of share options granted to employees and non-employees and is dealt with the accounting policy as set out in Note 2 to the consolidated financial statements.

28. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Option Scheme**”) pursuant to a resolution passed on 28 May 2019. The major terms of the Option Scheme are summarised as follows:

- (a) The purpose of the Option Scheme is to provide an incentive for eligible participants to work with commitment towards enhancing the value of the Company and the shares for the benefit of the shareholders of the Company to retain and attract persons whose contribution are or may be beneficial to the growth and development of the Group.
- (b) The eligible participants of the Option Scheme include: (a) any executive director, or employee (whether full time or part time) of the Group or any entity in which the Group holds any equity interest (“**Invested Entity**”); (b) any non-executive director (including independent non-executive directors) of the Group or any Invested Entity; and (c) any non-employees (including but not limited to supplier, customer, consultant, adviser, contractor, business partner or service provider of the Group or any Invested Entity) in the absolute discretion of the board of directors in the determination of whom has contributed or will contribute to the Group.
- (c) The maximum number of shares which may be allotted and issued upon exercise of all outstanding share options granted and yet to be exercised under the Option Scheme and any other share option scheme of the Group shall not exceed 30% of the issued share capital of the Company from time to time.

27. 儲備(續)

27(d) 換算儲備

換算儲備包括合併時換算境外經營所產生的所有外匯差額。

27(e) 購股權儲備

購股權儲備指授予僱員及非僱員的購股權的公允值，並按綜合財務報表附註2所載的會計政策處理。

28. 購股權計劃

本公司已根據2019年5月28日通過的決議案採納購股權計劃(「**購股權計劃**」)。購股權計劃的主要條款概述如下：

- (a) 購股權計劃旨在鼓勵合資格參與者為本公司股東的利益而致力提升本公司及股份的價值，以挽留及吸引對本集團的增長及發展有利或可能有利的人士。
- (b) 購股權計劃的合資格參與者包括(a) 本集團或本集團持有任何股權的任何實體(「**所投資實體**」)的任何執行董事或僱員(不論全職或兼職)；(b) 本集團或任何所投資實體的任何非執行董事(包括獨立非執行董事)；及(c) 任何非僱員(包括但不限於本集團或任何所投資實體的供應商、客戶、諮詢人、顧問、承包商、業務夥伴或服務供應商)，而董事會可全權酌情釐定彼等曾對或將對本集團作出貢獻。
- (c) 因行使根據購股權計劃及本集團任何其他購股權計劃已授出但尚未行使的所有購股權而可配發及發行的股份數目上限不得超過本公司不時已發行股本的30%。

28. SHARE OPTION SCHEME (CONTINUED)

- (d) The total number of shares which may be allotted and issued upon exercise of all share options to be granted under the Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the total number of shares in issue as at the date of adoption of the Option Scheme.
- (e) The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any twelve-month period shall not exceed 1% of the issued share capital of the Company for the time being.
- (f) There is no minimum period required for the holding of a share option before it can be exercised.
- (g) A share option may be exercised at any time during a period to be determined by the directors, the period may commence on a day after the date upon which the offer for the grant of share options is made but shall not be later than ten years from the date of grant of the share option subject to any provisions for early termination thereof.
- (h) Upon acceptance, the eligible participant shall remit HK\$1.00 to the Company as consideration for the grant. The acceptance of a share option, if accepted, must be made within 21 days from the date of the offer of grant of the share option.
- (i) The exercise price of a share option shall not be less than the highest of:
 - (i) the closing price of the share of the Company as stated in the Stock Exchange's daily quotations on the date of the offer of the grant;
 - (ii) the average closing price of the share of the Company as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of the grant; and
 - (iii) the nominal value of the share of the Company.
- (j) The Option Scheme will expire on 27 May 2029.

28. 購股權計劃(續)

- (d) 根據購股權計劃及本集團任何其他購股權計劃授出的所有購股權獲行使時可配發及發行的股份總數，不得超過採納購股權計劃日期已發行股份總數的10%。
- (e) 每位參與者於任何十二個月期間因行使根據購股權計劃及本集團任何其他購股權計劃(包括已行使或尚未行使之購股權)而獲授之購股權而已發行及可能發行之股份總數，不得超過本公司當時已發行股本的1%。
- (f) 在行使購股權前，並無規定持有購股權的最短期限。
- (g) 購股權可在董事所決定的期間內隨時行使，而該期間可於購股權的要約授出日期後一日開始，但不得遲於購股權授出日期起計十年，但須受任何有關提早終止的條文所規限。
- (h) 合資格參與者於接受後，須向本公司匯款1.00港元作為授予的代價。如購股權獲接納，則須於要約授出購股權當日起計21天內作出。
- (i) 購股權的行使價不得低於以下數額中的最高一項：
 - (i) 本公司股份於授出要約當日在聯交所每日報價表所報的收市價；
 - (ii) 本公司股份於緊接要約授出日期前五個交易日在聯交所每日報價表所報的平均收市價；及
 - (iii) 本公司股份面值。
- (j) 購股權計劃將於2029年5月27日到期。

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28. SHARE OPTION SCHEME (CONTINUED)

On 13 May 2020, options to subscribe 37,840,000 ordinary shares were granted to several eligible participants including directors, employees and non-employees under the Option Scheme at an exercise price HK\$0.355 per share. The validity period of the share options is ten years from the date of grant (i.e. from 13 May 2020 to 12 May 2030), of which 50% of the share option was exercisable and vested on the date of grant and the remaining 50% of the share options shall be vested and exercisable from 13 May 2021 to 12 May 2030. Eligible participants are not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments.

During the year ended 31 December 2023, 3,020,000 share options were forfeited (2022: 1,250,000 share options) and no share options were granted and exercised. At 31 December 2023, the number of shares in respect of options which had been granted and remained outstanding under the Option Scheme was 32,770,000 (2022: 35,790,000).

For the year ended 31 December 2023

Categories of participants	Date of grant of share options	Exercise price of share options HK\$ 購股權 行使價 港元	Exercise period (both dates inclusive) 行使期間 (包括首尾兩日)	Number of share options 購股權數目			
				Outstanding at 1 January 2023 於2023年 1月1日 尚未行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2023 於2023年 12月31日 尚未行使	Exercisable at 31 December 2023 於2023年 12月31日 可行使
Directors	13 May 2020	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030	14,020,000	-	14,020,000	14,020,000
董事	2020年5月13日		從2020年5月13日至2030年5月12日分兩期行使				
Employees	13 May 2020	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030	17,850,000	(1,100,000)	16,750,000	16,750,000
僱員	2020年5月13日		從2020年5月13日至2030年5月12日分兩期行使				
Non-employees	13 May 2020	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030	3,920,000	(1,920,000)	2,000,000	2,000,000
非僱員	2020年5月13日		從2020年5月13日至2030年5月12日分兩期行使				
			Total 總計	35,790,000	(3,020,000)	32,770,000	32,770,000
			Weighted average exercise price (HK\$) 加權平均行使價(港元)	0.355		0.355	0.355

28. 購股權計劃(續)

於2020年5月13日，根據購股權計劃向若干合資格參與者(包括董事、僱員及非僱員)授出可認購37,840,000股普通股之購股權，行使價為每股0.355港元。購股權的有效期為由授出日期起計十年(即由2020年5月13日至2030年5月12日)，其中50%的購股權於授出日期可予行使及歸屬，而餘下50%的購股權將於2021年5月13日至2030年5月12日歸屬及可予行使。合資格參與者無須在無條件享有該等股本工具之前完成特定的服務期。

截至2023年12月31日止年度，3,020,000份購股權(2022年：1,250,000份購股權)已被沒收，且概無授出或行使購股權。於2023年12月31日，有關已授出及根據購股權計劃尚未行使的購股權的股份數目為32,770,000股(2022年：35,790,000股)。

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28. SHARE OPTION SCHEME (CONTINUED)

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28. 購股權計劃(續)

截至2022年12月31日止年度

Categories of participants	Date of grant of share options	Exercise price of share options HK\$ 購股權 行使價 港元	Exercise period (both dates inclusive) 行使期間 (包括首尾兩日)	Number of share options 購股權數目		Exercisable at 31 December 2022 於2022年 12月31日 尚未行使	Exercisable at 31 December 2022 於2022年 12月31日 可行使
				Outstanding at 1 January 2022 於2022年 1月1日 尚未行使	Forfeited during the year 年內被沒收		
Directors	13 May 2020	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030	14,020,000	-	14,020,000	14,020,000
董事	2020年5月13日		從2020年5月13日至2030年5月12日分兩期行使				
Employees	13 May 2020	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030	19,100,000	(1,250,000)	17,850,000	17,850,000
僱員	2020年5月13日		從2020年5月13日至2030年5月12日分兩期行使				
Non-employees	13 May 2020	0.355	Exercisable in two tranches from 13 May 2020 to 12 May 2030	3,920,000	-	3,920,000	3,920,000
非僱員	2020年5月13日		從2020年5月13日至2030年5月12日分兩期行使				
Total 總計				37,040,000	(1,250,000)	35,790,000	35,790,000
Weighted average exercise price (HK\$) 加權平均行使價(港元)				0.355		0.355	0.355

The fair value of the share options on the date of grant is approximately HK\$2,550,000.

於授予日期，購股權的公允值約為2,550,000港元。

The fair value of share options on the date of the grant is estimated by using the Binomial Model with the following parameters:

購股權的公允值乃利用二項式模型估計，其參數如下：

Grant date	13 May 2020
Exercise price	HK\$0.355
Risk-free rate	1.02%
Expected volatility*	36.206%
Expected dividend yield*	5.607%

授出日期	2020年5月13日
行使價	0.355 港元
無風險利率	1.02%
預期波幅*	36.206%
預期股息收益率*	5.607%

* The expected volatility is with reference to historical price volatilities of the share price of the Company and companies of similar business nature, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions would materially affect the fair value estimate.

* 預期波幅乃參考本公司及業務性質類似的公司股價的歷史波幅，並按任何因公開資料而導致未來波幅預期變動作出調整。預期股息以歷史股息為基礎。主觀輸入假設的變化將對公允值估計產生重大影響。

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29. ACQUISITION OF A SUBSIDIARY

In March 2023, Tian Chang Industrial (Shenzhen) Limited (English translation of 天長實業(深圳)有限公司 for identification purpose only), a wholly owned subsidiary of the Company, acquired 100% equity interest of Guangdong Tian Yuan Electronic Technology Limited ("Tian Yuan", English translation of 廣東天沅電子科技有限公司 for identification purpose only) from an independent party, at a cash consideration of RMB 1 (equivalent to approximately HK\$1). Tian Yuan has not commenced business. The acquisition was completed in March 2023. Upon completion of the transaction, Tian Yuan has become a wholly owned subsidiary of the Group.

The following summarises the consideration paid and the amounts of the assets acquired at the date of acquisition:

		HK\$'000 千港元
Consideration	代價	
Cash	現金	—*
Recognised amounts of identifiable assets acquired	已收購可識別資產的確認金額	
Property, plant and equipment	物業、廠房及設備	69
Other receivables	其他應收款項	19
Cash and cash equivalents	現金及現金等價物	70
Other payables	其他應付款項	(113)
Lease liabilities	租賃負債	(69)
Total identifiable net liabilities	可識別淨負債總額	(24)
Net cash inflow of acquisition of a subsidiary	收購一間附屬公司的現金流入淨額	
Net cash acquired from subsidiary	收購附屬公司，扣除所獲現金	70
Cash consideration paid	已支付現金代價	—*
Net inflow of cash and cash equivalents	現金及現金等價物流入淨額	70

* less than HK\$1,000

Tian Yuan made no significant contribution to the revenue and results of the Group for the year ended 31 December 2023 upon acquisition. The contribution of revenue and results from Tian Yuan was also insignificant if the above acquisition had been taken place at the beginning of the reporting period.

29. 收購一間附屬公司

於2023年3月，本公司全資附屬公司天長實業(深圳)有限公司從一名獨立方收購廣東天沅電子科技有限公司(「天沅」)100%股權，現金代價人民幣1元(相等於約1港元)。天沅目前尚未開始營業。該收購於2023年3月完成。於收購完成後，天沅成為本集團全資附屬公司。

下表概述於收購日期已支付代價及已收購資產金額：

* 少於1,000港元

截至2023年12月31日止年度，天沅於收購後並無對本集團收益及業績作出重大貢獻。假如上述收購於報告期初發生，天沅的收益及業績貢獻並不重大。

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30. CASH GENERATED FROM OPERATIONS

30. 經營所得現金

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Profit before tax	除稅前溢利	25,921	116,826
Depreciation of property, plant and equipment	物業、廠房及設備折舊	50,708	49,634
Amortisation of deferred government grants	遞延政府補貼攤銷	(1,456)	(1,498)
Write-down of inventories	存貨撇銷	6,100	5,081
Reversal of loss allowance on trade receivables	貿易應收款項虧損撥備撥回	(570)	(216)
Interest income	利息收入	(2,933)	(928)
Changes in fair value of financial assets at FVPL	按公允值計入損益的金融資產 公允值變動	(953)	(905)
Finance costs	財務成本	5,436	7,208
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	27	419
Write-off of property, plant and equipment	物業、廠房及設備撇銷	191	574
Exchange differences	匯兌差額	(1,905)	(3,888)
Changes in working capital:	營運資金變動：		
Inventories	存貨	42,927	23,919
Trade and other receivables	貿易及其他應收款項	121,180	(11,974)
Trade and other payables	貿易及其他應付款項	(142,635)	(15,615)
Cash generated from operations	經營所得現金	102,038	168,637

31. RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in the consolidated financial statements, during the years ended 31 December 2023 and 2022, further information of the related party transactions is set out below.

(a) Transactions with related parties

The Group has entered into lease agreements with the Ultimate Controlling Party and companies controlled by the Ultimate Controlling Party to lease property and office premises located in Hong Kong, respectively. In the opinion of the management of the Group, they are under normal commercial terms that are fair and reasonable and in the best interests of the Group.

31. 關聯方交易

除綜合財務報表其他地方所披露的交易外，截至2023年及2022年12月31日止年度，有關關聯方交易的進一步資料載列如下。

(a) 與關聯方之交易

本集團分別與最終控股方及最終控股方的控股公司訂立租賃協議，租賃位於香港的物業及辦公室物業。本集團管理層認為，該等交易乃按正常商業條款進行，且屬公平合理並符合本集團的最佳利益。

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31. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

Related parties relationship 關聯方關係	Nature of transactions 交易性質	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
The Ultimate Controlling Party 最終控股方	Lease payments 租賃付款	35	-
	Interest expenses on lease liabilities 租賃負債的利息開支	4	-
Companies controlled by the Ultimate Controlling Party 最終控股方的控股公司	Lease payments 租賃付款	1,139	842
	Interest expenses on lease liabilities 租賃負債的利息開支	39	39

(b) Balances with related parties

Related parties relationship 關聯方關係	Nature of transactions 交易性質	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
The Ultimate Controlling Party 最終控股方	Lease liabilities 租賃負債	127	-
Companies controlled by the Ultimate Controlling Party 最終控股方的控股公司	Lease liabilities 租賃負債	1,027	2,176

(c) Remuneration for key management personnel (including directors) of the Group:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Salaries, allowances and other benefits in kinds	薪金、貼津及其他實物利益	19,880	16,938
Discretionary bonus	酌情花紅	16	21,252
Contributions to defined contribution plans	定額供款計劃供款	101	101
		19,997	38,291

Further details of the directors' remuneration are set out in Note 8 to the consolidated financial statements.

董事酬金的進一步詳情載於綜合財務報表附註8。

31. RELATED PARTY TRANSACTIONS (CONTINUED)**(d) Applicability of the Listing Rules relating to connected transactions**

The related party transaction in respect of Note 31(a) above constitutes connected transactions as defined in Chapter 14A of the Listing Rules. However, the transaction is exempt from the disclosure requirement in Chapter 14A of the Listing Rules as it is below the de minimis threshold under Rule 14 A.76(1).

32. ADDITIONAL INFORMATION ON CASH FLOWS**(a) Major non-cash transactions**

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

- (i) During the year ended 31 December 2023, the Group transferred the share option reserve of approximately HK\$234,000 (2022: HK\$70,000) to accumulated profits as the forfeiture of share options.
- (ii) During the year ended 31 December 2023, the Group incurred imputed interest expenses in respect of the payables for construction in progress of approximately HK\$205,000 (2022: HK\$557,000), which were not settled and were credited to the payables for construction in progress.
- (iii) During the year ended 31 December 2023, the Group incurred additional payables of approximately HK\$1,917,000 (2022: HK\$3,229,000) to constructors for the addition of property, plant and equipment.
- (iv) During the year ended 31 December 2023, the Group has terminated leased premises with the carrying amount of right-of-use assets and lease liabilities balance of approximately HK\$74,000 (2022: HK\$153,000) and approximately HK\$76,000 (2022: HK\$158,000), respectively.
- (v) During the year ended 31 December 2022, interest-bearing borrowings of approximately HK\$4,653,000, which were drawn on factored trade receivables with recourse, have been settled through trade receivables discounted to a bank.
- (vi) During the year ended 31 December 2023, the Group entered into lease arrangements in respect of leased properties with a total capital value at the inception of leases of approximately HK\$2,686,000 (2022: HK\$4,320,000).

31. 關聯方交易(續)**(d) 上市規則適用於關連交易**

上文附註31(a)的關聯方交易構成上市規則第14A章所界定的關連交易。然而，由於該等交易低於上市規則第14A.76(1)條下的最低豁免水平範圍，故獲豁免遵守上市規則第14A章的披露規定。

32. 有關現金流量之其他資料**(a) 主要非現金交易**

除綜合財務報表其他部分披露之資料外，本集團有下列主要非現金交易：

- (i) 截至2023年12月31日止年度，本集團將購股權儲備約234,000港元(2022年：70,000港元)作為沒收的購股權轉撥至累計溢利。
- (ii) 截至2023年12月31日止年度，本集團就在建工程的應付款項產生約205,000港元(2022年：557,000港元)的應計利息開支，該等利息支出未結算及未計入在建工程的應付款項。
- (iii) 截至2023年12月31日止年度，本集團就添置物業、廠房及設備而產生額外應付建築商款項約1,917,000港元(2022年：3,229,000港元)。
- (iv) 截至2023年12月31日止年度，本集團已終止租賃物業，使用權資產及租賃負債的賬面餘額分別約為74,000港元(2022年：153,000港元)及約76,000港元(2022年：158,000港元)。
- (v) 截至2022年12月31日止年度，在保理貿易應收款項提取且具追溯權的計息借款約4,653,000港元已透過向銀行貼現的貿易應收款項清償。
- (vi) 截至2023年12月31日止年度，本集團就租賃物業訂立租賃安排，租賃期初總資本價值約2,686,000港元(2022年：4,320,000港元)。

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32. ADDITIONAL INFORMATION ON CASH FLOWS

(CONTINUED)

(a) Major non-cash transactions (Continued)

(vii) During the year ended 31 December 2023, the restricted bank balances of approximately HK\$7,171,000 were released by the order of the People's Government of Huizhou City and consequently paid to the sub-contractor for the settlement of payables for construction in progress.

(b) Reconciliation of liabilities arising from financing activities

The movements in the Group's liabilities from financing activities are as follows:

		Payables for construction in progress 應付在建工程款項 HK\$'000 千港元	Interest-bearing borrowings 計息借款 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2023 截至2023年12月31日止年度					
At the beginning of the reporting period	於報告期初	15,258	128,813	3,713	147,784
Financing cash flows	融資現金流量	(6,848)	(70,809)	(2,728)	(80,385)
Interest expenses	利息開支	-	5,052	179	5,231
Acquisition of a subsidiary	收購一間附屬公司	-	-	69	69
Additions	添置	1,917	-	2,686	4,603
Termination	終止	-	-	(76)	(76)
Remittance from restricted bank balance	匯出受限制銀行結餘	(7,171)	-	-	(7,171)
Imputed interest expenses	應計利息開支	205	-	-	205
Effect of foreign exchange rate changes	匯率變動的影響	(265)	(1,117)	(25)	(1,407)
At the end of the reporting period	於報告期末	3,096	61,939	3,818	68,853

32. 有關現金流量之其他資料(續)

(a) 主要非現金交易(續)

(vii) 截至2023年12月31日止年度，受限制銀行結餘約7,171,000港元已根據惠州市人民政府的指示釋放，隨後支付予分包商以結清在建工程應付款項。

(b) 融資活動所產生負債的對賬

本集團融資活動所產生負債的變動如下：

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32. ADDITIONAL INFORMATION ON CASH FLOWS

(CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (Continued)

32. 有關現金流量之其他資料(續)

(b) 融資活動所產生負債的對賬(續)

		Payables for construction in progress 應付在建 工程款項	Interest- bearing borrowings 計息借款	Lease liabilities 租賃負債	Total 總計
Year ended 31 December 2022 截至2022年12月31日止年度		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At the beginning of the reporting period	於報告期初	27,477	235,281	10,980	273,738
Financing cash flows	融資現金流量	(13,788)	(101,124)	(11,522)	(126,434)
Interest expenses	利息開支	-	6,515	136	6,651
Additions	添置	3,229	-	4,320	7,549
Termination	終止	-	-	(158)	(158)
Transfers	轉撥	-	(4,653)	-	(4,653)
Imputed interest expenses	應計利息開支	557	-	-	557
Effect of foreign exchange rate changes	匯率變動的影響	(2,217)	(7,206)	(43)	(9,466)
At the end of the reporting period	於報告期末	15,258	128,813	3,713	147,784

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of rental deposit, finance lease receivables, financial assets at FVPL, interest-bearing borrowings, payables for construction in progress, lease liabilities, restricted bank balances and bank balances and cash. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its business activities.

The main risks arising from the Group's financial instruments are market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposure to ensure appropriate measures are implemented in a timely and effective manner.

Price risk

The Group is exposed to price risk arising from its unlisted investments in key management insurance contracts which are classified as financial assets at FVPL. The fair value of the unlisted investments will fluctuate, subject to the returns which are at the discretion of the issuer of the investments. Such contracts have minimum guaranteed returns during the holding period. The management of the Group is of the opinion that the price risk arising from the contracts is not significant.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing borrowings of approximately HK\$20,625,000 (2022: HK\$67,009,000) with floating interest rate. The Group currently does not have a policy to hedge against the interest rate risk as the management of the Group does not expect any significant exposure from interest rate fluctuations at the end of the reporting period.

At the end of the reporting period, if interest rate is 1% (2022: 1%) higher/lower and all other variables were held constant, the Group's pre-tax results would decrease/increase by approximately HK\$206,000 (2022: HK\$670,000).

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred throughout the year and had been applied to the exposure to interest rate risk for the closing balance of the interest-bearing borrowings in existence at the end of the reporting period. The stated changes represent management's assessment of a reasonably possible change in interest rates over the year.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the reporting period.

33. 財務風險管理目標及政策

本集團的主要金融工具包括租金按金、應收融資租賃款項、按公允值計入損益的金融資產、計息借款、應付在建工程款項、租賃負債、受限制銀行結餘及銀行結餘及現金。該等金融工具的主要目的乃籌集及維持本集團營運所需資金。本集團擁有多種其他金融工具，如直接來自其業務活動的貿易及其他應收款項和貿易及其他應付款項。

本集團金融工具的主要風險乃市場風險（包括價格風險、利率風險及外幣風險）、信貸風險及流動性風險。有關如何減少該等風險的政策載列如下。本集團管理層管理及監控該等風險，確保及時有效實施適當措施。

價格風險

本集團面臨來自主要管理人員保險合約非上市投資（劃分為按公允值計入損益的金融資產）的價格風險。非上市投資的公允值會因相關投資發行人決定的回報而波動。該等合約於持有期間有最低回報保證。本集團管理層認為該等合約引起的價格風險並不重大。

利率風險

本集團面臨的利率變動市場風險主要與本集團具有浮動利率的計息借款約20,625,000港元（2022年：67,009,000港元）有關。本集團目前並無政策規避利率風險，原因是本集團管理層預期於報告期末不存在任何重大利率波動風險。

於報告期末，倘利率上升／下降1%（2022年：1%），而所有其他變量保持穩定，本集團的稅前業績將減少／增加約206,000港元（2022年：670,000港元）。

上述敏感性分析乃於假設利率變動於本年度發生及已應用於報告期末存在的計息借款期末結餘的利率風險敞口後釐定。上述變動指管理層對於本年度利率合理可能變動的評估。

本集團管理層認為，敏感性分析不代表固有利率風險，因為於報告期末的敞口並不反映報告期的敞口。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group's transactions are mainly denominated in HK\$, US\$ and RMB.

Certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities and therefore exposed to foreign currency risk. The carrying amounts of those financial assets and liabilities are analysed as follows:

		Financial assets 金融資產		Financial liabilities 金融負債	
		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
HK\$	港元	3,726	4,097	754	4,404
US\$	美元	122,850	262,679	26,854	108,631
RMB	人民幣	126	1,542	-	-

The following table indicates the approximate change in the Group's pre-tax results if exchange rates of HK\$, US\$ and RMB had changed against the functional currencies of the respective group entities by 5% (2022: 10%) and all other variables were held constant at the end of the reporting period.

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
HK\$	港元	149	(31)
US\$	美元	4,800	15,405
RMB	人民幣	6	154

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

33. 財務風險管理目標及政策(續)

外匯風險

本集團的交易主要以港元、美元及人民幣計值。

本集團的若干金融資產及金融負債以各集團實體功能貨幣以外的貨幣計值，因此面臨外幣風險。該等金融資產及負債的賬面值分析如下：

下表載列在報告期末港元、美元及人民幣兌各集團實體的功能貨幣變動5% (2022年：10%)且所有其他變量保持穩定的情況下本集團除稅前業績的概約變動。

敏感性分析乃於假設外匯匯率變動於報告期末發生及已應用於本集團當日存在的金融工具的貨幣風險敞口且所有其他變量(尤指利率)保持穩定後釐定。

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the year until the end of the next reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the reporting period.

Credit risk

The carrying amount of financial assets recognised on the consolidated financial statement, which is net of loss allowances, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to finance lease receivables, trade receivables, other receivables, deposits, restricted bank balances and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that settlement of certain trade receivables are backed by bills issued by reputable financial institutions.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management and the related impairment assessment, if applicable, is summarised below:

Trade receivables and finance lease receivables

In order to minimise the credit risk, the management of the Group determines credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only accepts bills issued or guaranteed by reputable Hong Kong or PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed or discounted bills is insignificant. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

At 31 December 2023, the Group had a concentration of credit risk as approximately 24.6% (2022: 34.8%) of the total trade receivables was due from the Group's largest trade debtor, and approximately 67.8% (2022: 82.3%) of the total trade receivables was due from the Group's five largest trade debtors.

33. 財務風險管理目標及政策(續)

外匯風險(續)

上述變動指管理層對本年度直至下個報告期末外匯匯率合理可能變動的評估。

本集團管理層認為，敏感性分析不代表固有外匯匯率風險，因為於報告期末的敞口並不反映報告期的敞口。

信貸風險

於綜合財務報表確認的金融資產賬面值(已扣除虧損撥備)指本集團所面對的信貸風險，惟並未考慮所持有任何抵押品或其他信貸增值的價值。

信貸風險指本集團的交易對方違反其合約責任而導致本集團蒙受財務虧損的風險。本集團的信貸風險主要源自應收融資租賃款項、貿易應收款項、其他應收款項、按金、受限制銀行結餘及銀行結餘。本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關信貸風險提供保障，惟清償若干貿易應收款項由具信譽之金融機構發行的票據作擔保。

本集團根據預期信貸虧損模式對金融資產及其他項目進行減值評估。有關本集團的信貸風險管理及相關減值評估(如適用)的資料概述如下：

貿易應收款項及應收融資租賃款項

為盡量減低信貸風險，本集團管理層釐定信貸限額、信貸審批及其他監管程序，藉以確保採取跟進行動以收回逾期債項。本集團僅接納由信譽良好的香港或中國銀行發行或擔保的票據，因此本集團管理層認為已背書或貼現票據所產生的信貸風險並不重大。就此而言，本集團管理層認為本集團的信貸風險已顯著降低。

於2023年12月31日，本集團的信貸風險集中，原因是約24.6%(2022年：34.8%)的貿易應收款項總額乃應收本集團最大貿易債務人的款項，且約67.8%(2022年：82.3%)的貿易應收款項總額乃應收本集團五大貿易債務人的款項。

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk** (Continued)*Trade receivables and finance lease receivables (Continued)*

Credit-impaired trade debtors and trade debtors with significant balances are assessed for ECL individually. Except for trade debtors that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on certain common credit risk characteristics by reference to the Group's ageing of outstanding balances.

The counterparty under the finance lease receivables arrangement is assessed for ECL individually.

Details of the quantitative disclosures are set out below in this note.

Bank balances and restricted bank balances

Credit risk on bank balances and restricted bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12-month ECL for 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 12-month ECL on bank balances is considered to be insignificant and therefore no loss allowance has been recognised.

Other receivables and deposits

For other receivables and deposits, the management of the Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group has provided impairment allowance based on 12-month ECL. For the years ended 31 December 2023 and 2022, the Group has assessed the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognised.

33. 財務風險管理目標及政策 (續)**信貸風險** (續)*貿易應收款項及應收融資租賃款項(續)*

信貸減值應收賬款及具有大額結餘的應收賬款已獲個別評估預期信貸虧損。除須個別評估項目減值的應收賬款外，餘下貿易應收款項經參考本集團尚未償還結餘賬齡後根據若干共有信貸風險特徵分類。

應收融資租賃款項安排項下的交易對手已獲個別評估預期信貸虧損。

計量披露詳情載於本附註下文。

銀行結餘及受限制銀行結餘

由於交易對方為聲譽良好且獲國際信貸機構授予高信貸評級的銀行，故銀行結餘及受限制銀行結餘之信貸風險有限。本集團參考外部信貸評級機構所頒布相應信貸等級的違約概率及違約虧損率程度相關資料就銀行結餘評估12個月預期信貸虧損。根據平均虧損率，銀行結餘的12個月預期信貸虧損被視為並不重大，因此並無確認虧損撥備。

其他應收款項及按金

就其他應收款項及按金而言，本集團管理層根據過往償付記錄、過往經驗以及合理且具理據支持的前瞻性定量及定性資料，對其他應收款項及按金的可收回性進行定期個別評估。本集團管理層認為自初始確認以來該等款項的信貸風險並無顯著增加且本集團已根據12個月預期信貸虧損計提減值撥備。截至2023年及2022年12月31日止年度，本集團已評估其他應收款項及按金的預期信貸虧損並不重大，因此並無確認虧損撥備。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手違約風險低，並無任何逾期款項	Lifetime ECL – not credit-impaired 整個存續期預期信貸虧損－非信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settles in full 債務人經常在到期日後償還，但通常在到期日後悉數結算	Lifetime ECL – not credit-impaired 整個存續期預期信貸虧損－非信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 信貸風險自透過內部或外部資源建立的資料初步確認以來已顯著上升	Lifetime ECL – not credit-impaired 整個存續期預期信貸虧損－非信貸減值	Lifetime ECL – not credit-impaired 整個存續期預期信貸虧損－非信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已出現信貸減值	Lifetime ECL – credit-impaired 整個存續期預期信貸虧損－信貸減值	Lifetime ECL – credit-impaired 整個存續期預期信貸虧損－信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團收回有關款項前景渺茫	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

33. 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評級評估包括以下類別：

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

The table below details the credit risk exposure of the Group's financial assets and finance lease receivables, which are subject to ECL assessment:

Financial assets at amortised cost 按攤銷成本計量的金融資產	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或整個存續期預期信貸虧損	2023 Gross carrying amount 2023年 賬面總值 HK\$'000 千港元	2022 Gross carrying amount 2022年 賬面總值 HK\$'000 千港元
Trade receivables 貿易應收款項	18	N/A 不適用	Low risk 低風險	Lifetime ECL – not credit-impaired 整個存續期預期信貸虧損 – 非信貸減值	53,676	130,417
			Watch list 觀察名單	Lifetime ECL – not credit-impaired 整個存續期預期信貸虧損 – 非信貸減值	8,511	19,603
			Watch list (Note 2) 觀察名單 (附註2)	Lifetime ECL (provision matrix) 整個存續期預期信貸虧損(撥備矩陣)	41,193	61,695
			Loss 虧損	Lifetime ECL - credit-impaired 整個存續期預期信貸虧損 – 信貸減值	4,408	4,422
					107,788	216,137
Other receivables and deposits 其他應收款項及按金	18	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月預期信貸虧損	3,962	5,872
Restricted bank balances 受限制銀行結餘	19	A+ A+	N/A 不適用	12-month ECL 12個月預期信貸虧損	-	7,152
Bank balances 銀行結餘	19	From BBB+ to A+ 由 BBB+ 至 A+	N/A 不適用	12-month ECL 12個月預期信貸虧損	132,590	128,368
Other item 其他項目						
Finance lease receivables 應收融資租賃款項	16	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (individual assessment) 整個存續期預期信貸虧損(個別評估)	-	1,617

Notes:

- For other receivables and deposits, the credit risk on the balances is low as the counter parties have good repayment history. The amount of loss allowance assessed by 12-month ECL is insignificant.
- For trade receivables and finance lease receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for credit-impaired trade debtors and trade debtors with significant balances are assessed for ECL individually, the Group assesses the loss allowance on the remaining debtors by using a provision matrix, grouped by past due analysis.

信貸風險(續)

下表詳述本集團須進行預期信貸虧損評估的金融資產及應收融資租賃款項的信貸風險：

附註：

- 就其他應收款項及按金而言，結餘的信貸風險偏低，乃因交易對手的還款歷史良好。因此，評估為12個月預期信貸虧損的虧損撥備金額並不重大。
- 就貿易應收款項及應收融資租賃款項而言，本集團已採用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備。除信貸減值應收賬款及具有大額結餘的應收賬款單獨進行預期信貸虧損評估外，本集團採用撥備矩陣(按逾期分析劃分組別)評估餘下應收賬款的虧損撥備。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Provision matrix – Debtors' ageing

For the remaining debtors, the Group assesses the impairment for large number of small customers with certain common risk characteristics that are representative of the customers' abilities to repay all amounts due in accordance with the contractual terms, which are assessed collectively using a provision matrix based primarily on the debtors' ageing profiles. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix at 31 December 2023 within lifetime ECL (not credit-impaired). As part of the Group's credit risk management, the Group applies internal credit rating for its customers.

Gross carrying amount

		2023 2023年		2022 2022年	
		Average loss rate 平均虧損率 %	Trade receivables 貿易 應收款項 HK\$ 港元	Average loss rate 平均虧損率 %	Trade receivables 貿易 應收款項 HK\$ 港元
Not past due	尚未到期	0.50%	34,267	0.60%	52,106
1 - 30 days past due	已到期1至30日	3.51%	5,164	5.30%	5,166
31 - 60 days past due	已到期31至60日	14.13%	1,720	11.00%	1,142
61 - 90 days past due	已到期61至90日	12.65%	25	14.51%	3,259
Over 90 days past due	已到期90日以上	100.00%	17	100.00%	22
			41,193		61,695

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

At 31 December 2023 and 2022, for debtors that are individually assessed, lifetime ECL rates are assessed as insignificant based on historical credit loss experience and forward-looking elements and the Group determines that no loss allowance is necessary in respect of these balances for the years ended 31 December 2023 and 2022. Credit-impaired trade debtors and trade debtors with significant balances with gross carrying amounts of approximately HK\$4,408,000 (2022: HK\$4,422,000) and approximately HK\$62,187,000 (2022: HK\$150,020,000), respectively, at 31 December 2023 were assessed individually.

33. 財務風險管理目標及政策(續)

信貸風險(續)

撥備矩陣－應收賬款賬齡

就餘下應收賬款而言，本集團評估大量具有若干共同風險特徵的小客戶的減值狀況，且該等特徵可代表該等客戶根據合約條款清償所有到期款項的能力，均使用撥備矩陣共同評估，當中主要以債務人的賬齡為依據。下表載列有關於2023年12月31日根據撥備矩陣於整個存續期預期信貸虧損(並無信貸減值)內評估的貿易應收款項的信貸風險資料。作為本集團信貸風險管理的一部分，本集團對其客戶應用內部信貸評級。

賬面總值

		2023 2023年		2022 2022年	
		Average loss rate 平均虧損率 %	Trade receivables 貿易 應收款項 HK\$ 港元	Average loss rate 平均虧損率 %	Trade receivables 貿易 應收款項 HK\$ 港元
Not past due	尚未到期	0.50%	34,267	0.60%	52,106
1 - 30 days past due	已到期1至30日	3.51%	5,164	5.30%	5,166
31 - 60 days past due	已到期31至60日	14.13%	1,720	11.00%	1,142
61 - 90 days past due	已到期61至90日	12.65%	25	14.51%	3,259
Over 90 days past due	已到期90日以上	100.00%	17	100.00%	22
			41,193		61,695

估計虧損率乃按應收賬款預期年期內的過往觀察違約率進行估計，並就無需付出過多成本或努力即可得的前瞻性資料作出調整。歸類工作由本集團管理層定期檢討，以確保更新與特定應收賬款相關的資料。

於2023年及2022年12月31日，就已個別評估的債務人而言，根據過往信貸虧損經驗及前瞻性要素，整個存續期的預期信貸虧損率評估為不重大，而本集團確定截至2023年及2022年12月31日止年度無需就該等結餘計提虧損撥備。於2023年12月31日，信貸減值貿易應收賬款及具有大額結餘的貿易應收賬款賬面總值分別約為4,408,000港元(2022年：4,422,000港元)及約62,187,000港元(2022年：150,020,000港元)已獲個別評估。

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk** (Continued)*Provision matrix – Debtors' ageing (Continued)*

During the year ended 31 December 2023, the Group reversed approximately HK\$570,000 (2022: HK\$216,000) loss allowance for trade receivables based on the provision matrix.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL (non credit- impaired) 整個存續期 預期信貸虧損 (並無信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 整個存續期 預期信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於2022年1月1日	1,537	4,729	6,266
Changes due to financial instruments recognised at 1 January 2022:	於2022年1月1日確認 金融工具引致變動：			
– Impairment losses reversed	– 已回撥減值虧損	(247)	–	(247)
New financial assets originated	新融資資產衍生	31	–	31
Exchange realignments	匯兌調整	(117)	(307)	(424)
At 31 December 2022 and 1 January 2023	於2022年12月31日及 2023年1月1日	1,204	4,422	5,626
Changes due to financial instruments recognised at 1 January 2023:	於2023年1月1日確認 金融工具引致變動：			
– Impairment losses reversed	– 已回撥減值虧損	(618)	–	(618)
New financial assets originated	新融資資產衍生	48	–	48
Exchange realignments	匯兌調整	(16)	(14)	(30)
At 31 December 2023	於2023年12月31日	618	4,408	5,026

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 2 years past due, whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due.

33. 財務風險管理目標及政策 (續)**信貸風險** (續)*撥備矩陣 – 應收賬款賬齡* (續)

截至2023年12月31日止年度，本集團根據撥備矩陣撥回貿易應收款項的虧損撥備約為570,000港元(2022年：216,000港元)。

下表展示根據簡化方法確認貿易應收款項的整個存續期預期信貸虧損的變動。

倘有資料表明債務人面臨嚴重財務困境，且收回款項前景渺茫(如債務人已處於清算或已進入破產程序，或貿易應收款項已逾期兩年以上(以較早者為準))，本集團將撇銷貿易應收款項。本集團已向該債務人採取法律行動以追到期款項。

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of payable for construction in progress, interest-bearing borrowings and lease liabilities. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity liabilities profile of the Group's financial liabilities at the end of the reporting period, based on contractual undiscounted payments, is categorized below:

	Total carrying amounts	Total contractual undiscounted cash flow	Less than 1 year or on demand	1-2 years	2-5 years
	賬面值總額	未貼現現金流量總額	1年以下或按 要求償還	1至2年	2至5年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
At 31 December 2023	於2023年12月31日				
Trade and other payables	貿易及其他應付款項	104,728	104,728	104,728	–
Lease liabilities	租賃負債	3,818	3,978	2,501	946
Interest-bearing borrowings (Note)	計息借款(附註)	61,939	61,941	61,941	–
Payables for construction in progress	應付在建工程款項	3,096	3,448	1,046	2,296
		173,581	174,095	170,216	1,052
At 31 December 2022	於2022年12月31日				
Trade and other payables	貿易及其他應付款項	252,383	252,383	252,383	–
Lease liabilities	租賃負債	3,713	3,827	2,115	1,712
Interest-bearing borrowings (Note)	計息借款(附註)	128,813	129,834	122,149	4,662
Payables for construction in progress	應付在建工程款項	15,258	15,837	9,599	3,841
		400,167	401,881	386,246	10,215

33. 財務風險管理目標及政策(續)

流動性風險

本集團的目標乃通過動用應付在建工程款項、計息借款及租賃負債維持融資持續性與靈活性之間的平衡。本集團並無特別政策管理其流動性。於報告期末，本集團基於合約未貼現付款的金融負債未貼現合約到期負債狀況分類如下：

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

Note: The amounts repayable under bank loan agreements that include a clause that gives the banks unconditional rights to call the loans at any time are classified under the category of "Less than 1 year or on demand". However, the management of the Group does not expect that the banks would exercise such rights to demand repayment and thus these borrowings, which include the related interest, would be repaid according to the below schedule as set out in the loan agreements.

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Less than 1 year or on demand	1年以下或按要求償還	53,160	112,131
1-2 years	1至2年	9,023	12,852
2-5 years	2至5年	2,290	8,986
		64,473	133,969

34. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with the fair value measurement categorized in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

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

33. 財務風險管理目標及政策(續)

流動性風險(續)

附註： 銀行貸款協議(包括一項給予銀行隨時收回貸款的無條件權利的條款)項下應償還的金額劃分為「1年以下或按要求償還」類別。然而，本集團管理層預期銀行不會行使該等權利要求還款，因此，該等借款(包括相關利息)將根據貸款協議所載下述時間表償還。

34. 公允值計量

以下乃按香港財務報告準則第13號「公允值計量」所界定之公允值三個層級呈列以公允值計量或須按重複基準於綜合財務報表披露公允值之資產及負債，而公允值計量乃基於對整體計量有重大影響之最低級別輸入數據作整體分類。輸入數據層級界定如下：

- 第一層級(最高級別)：本集團在計量日可獲得的相同資產或負債在活躍市場之報價(未經調整)；
- 第二層級：除第一層級所包括之報價以外，資產或負債的直接或間接可觀察之輸入數據；
- 第三層級(最低級別)：資產或負債之無法觀察輸入數據。

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34. FAIR VALUE MEASUREMENTS (CONTINUED)

a) Assets and liabilities measured at fair value

		2023 2023年 Level 3 第三層級 HK\$'000 千港元	2022 2022年 Level 3 第三層級 HK\$'000 千港元
Assets measured at fair value	以公允值計量的資產		
Financial assets at FVPL	按公允值計入損益的金融資產		
– Unlisted investments –	– 非上市投資		
key management insurance	– 主要管理人員保險合約		
contracts (Note 15)	(附註 15)	32,626	31,633

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

截至2023年及2022年12月31日止年度，第一層級、第二層級與第三層級公允值計量之間並無轉撥。

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Total unrealised gain recognised in profit or loss	於損益確認的未變現收益總額	953	905

The fair value of the key management insurance contracts is determined by reference to the surrender cash value, which is primarily based on the performance of the underlying investment portfolio, reported by the bank on a regular basis.

主要管理層保險合約的公允值乃參考退保現金值釐定，該現金值乃主要基於銀行定期報告的相關投資組合表現。

b) Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and liabilities are carried at amounts not materially different from their fair values at 31 December 2023 and 2022.

b) 披露公允值但不以公允值計量的資產及負債

所有其他金融資產及負債均以與於2023年及2022年12月31日的公允值並無重大差異的金額計值。

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35. COMMITMENTS

(a) Capital expenditure commitments

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Contracted but not provided net of deposits paid for construction in progress	就在建工程支付的已訂約但未撥備金額(扣除按金)	181	863

(b) Lease commitments

The Group as a lessor

Certain property was leased for a term within one year at 31 December 2022. The Group had contracted with tenant for following future minimum lease payments:

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Within one year	一年以內	-	694

36. 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 provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividend to equity owners, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022.

35. 承擔

(a) 資本開支承擔

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Contracted but not provided net of deposits paid for construction in progress	就在建工程支付的已訂約但未撥備金額(扣除按金)	181	863

(b) 租賃承擔

本集團作為出租人

於2022年12月31日，若干物業的租賃期限為一年以內。本集團已就下列未來最低租賃付款與租戶訂立合約：

		2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Within one year	一年以內	-	694

36. 資本管理

本集團的資本管理主要目標乃保護本集團持續經營及為權益擁有人提供回報的能力。本集團管理其資本架構並作出調整，包括向權益擁有人支付股息、要求權益擁有人額外注資，或出售資產以降低負債。截至2023年及2022年12月31日止年度，目標、政策或程序概無作出變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37. 本公司的財務狀況表

		Notes 附註	2023 2023年 HK\$'000 千港元	2022 2022年 HK\$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	投資附屬公司		—*	—*
Current assets	流動資產			
Due from the subsidiaries	應收附屬公司款項	37(b)	100,009	99,663
Other receivables	其他應收款項		226	225
Income tax recoverable	可退回所得稅		145	229
Bank balances	銀行結餘		466	426
			100,846	100,543
Current liabilities	流動負債			
Other payables	其他應付款項		643	519
Net current assets	流動資產淨值		100,203	100,024
NET ASSETS	資產淨值		100,203	100,024
Capital and reserves	資本及儲備			
Share capital	股本	26	62,000	62,000
Reserves	儲備	37(a)	38,203	38,024
TOTAL EQUITY	權益總額		100,203	100,024

* Amounts less than HK\$1,000

* 不足1,000港元之金額

The statement of financial position was approved and authorised for issue by the Board of Directors on 28 March 2024 and signed on its behalf by

財務狀況表於2024年3月28日獲董事會批准及授權刊發並由以下董事代表簽立

CHAN Tsan Lam
陳燦林
Director
董事

CHAN Yin Yan
陳燕欣
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

Year ended 31 December 2023 截至2023年12月31日止年度

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

37. 本公司的財務狀況表(續)

37(a) Movement of share capital and reserves

37(a) 股本及儲備的變動

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated profits 累計盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於2022年1月1日	34,203	2,505	12,909	49,617
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	807	807
Forfeit of share options (Note 28)	購股權沒收(附註28)	-	(70)	70	-
Dividends (Note 11)	股息(附註11)	-	-	(12,400)	(12,400)
At 31 December 2022	於2022年12月31日	34,203	2,435	1,386	38,024
At 1 January 2023	於2023年1月1日	34,203	2,435	1,386	38,024
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	12,579	12,579
Forfeit of share options (Note 28)	購股權沒收(附註28)	-	(234)	234	-
Dividends (Note 11)	股息(附註11)	-	-	(12,400)	(12,400)
At 31 December 2023	於2023年12月31日	34,203	2,201	1,799	38,203

37(b) Due from the subsidiaries

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

37(b) 應收附屬公司款項

應收附屬公司款項乃無抵押、免息且須按要求償還。

FIVE YEARS FINANCIAL SUMMARY

五年財務概述

A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements in this annual report, the annual report for the years ended 31 December 2022, 2021, 2020 and 2019, is set out below.

如摘錄自本年報、截至2022年、2021年、2020年及2019年12月31日止年度的年報，本集團於過去五個財政年度的業績以及資產及負債概述如下。

RESULTS

業績

		For the year ended 31 December 截至12月31日止年度				2023 2023年 HK\$'000 千港元
		2019	2020	2021	2022	
		2019年 HK\$'000 千港元	2020年 HK\$'000 千港元	2021年 HK\$'000 千港元	2022年 HK\$'000 千港元	
Revenue	收益	1,251,074	787,394	1,117,688	1,143,941	697,514
Cost of goods sold	商品銷售成本	(937,715)	(593,697)	(863,830)	(883,868)	(561,600)
Gross Profit	毛利	313,359	193,697	253,858	260,073	135,914
Other income	其他收入	4,925	7,588	7,105	7,923	16,082
Other gains and (losses), net	其他收益及(虧損)淨額	1,914	818	1,062	(7,669)	(1,825)
Impairment losses on property, plant and equipment	物業、廠房及設備的減值虧損	-	-	(7,889)	-	-
Reversal of (Provision for) loss allowance on trade receivables	貿易應收款項虧損撥備撥回(虧損撥備)	-	(1,101)	(349)	216	570
Selling and distribution costs	銷售及分銷成本	(11,374)	(8,477)	(7,424)	(5,795)	(4,604)
Administrative and other operating expenses	行政及其他經營開支	(135,404)	(96,175)	(126,290)	(130,714)	(114,780)
Finance costs	財務成本	(9,069)	(8,822)	(7,667)	(7,208)	(5,436)
Profit before tax	除稅前溢利	164,351	87,528	112,406	116,826	25,921
Income tax expenses	所得稅開支	(37,155)	(13,814)	(16,142)	(10,881)	(2,464)
Profit for the year	年內溢利	127,196	73,714	96,264	105,945	23,457
Other comprehensive (loss) income	其他全面(虧損)收益	(13,312)	34,542	29,093	(66,607)	(10,019)
Total comprehensive income	全面收益總額	113,884	108,256	125,357	39,338	13,438

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於12月31日				2023 2023年 HK\$'000 千港元
		2019	2020	2021	2022	
		2019年 HK\$'000 千港元	2020年 HK\$'000 千港元	2021年 HK\$'000 千港元	2022年 HK\$'000 千港元	
Total assets	總資產	973,529	1,163,290	1,347,035	1,204,613	974,381
Total liabilities	總負債	436,304	525,062	592,247	422,887	191,617
Total equity	權益總額	537,225	638,228	754,788	781,726	782,764



TIAN CHANG GROUP HOLDINGS LTD.
天長集團控股有限公司