

SHOUGANG CENTURY HOLDINGS LIMITED 首佳科技製造有限公司

股份代號 Stock Code : 103

2023

ANNUAL REPORT

年 報



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CORPORATE PROFILE

公司概況

Shougang Century Holdings Limited (“Shougang Century”; together with its subsidiaries, collectively the “Group”) has been listed on the Stock Exchange since April 1992. Shougang Group Co., Ltd. (a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission) and its controlled corporations, Bekaert and Li Ka Shing Foundation are the substantial shareholders of Shougang Century.

The Group is primarily involved in the following activities:

1. manufacturing and sales of steel cords for radial tyres
2. manufacturing and sales of sawing wires and hose wires

CORPORATE GOALS

- create an influential “Eastern” brand recognition in steel cord industry based on the principles of integrity, pragmatism and efficiency
- gradually become an enterprise with annual manufacturing capacity in excess of 300,000 tonnes of high-quality steel cord
- become one of the three major manufacturers of steel cord industry in China

To learn more about Shougang Century, please visit <http://www.shougangcentury.com.hk>.

首佳科技製造有限公司(「首佳科技」；及其附屬公司，統稱為「本集團」)於一九九二年四月在聯交所上市。首鋼集團有限公司(北京國有資產監督管理委員會直接監督之國有企業)與其主要受控法團、Bekaert及李嘉誠基金會為首佳科技之主要股東。

本集團主要從事下列業務：

1. 製造及銷售子午線輪胎用鋼簾線
2. 製造及銷售切割鋼絲及膠管鋼絲

公司的目標

- 本著誠信、務實、高效的原則在鋼簾線行業中打造出一個具有影響力的「東方」品牌
- 逐步發展成為一個擁有年產量300,000噸級以上的優質精品鋼簾線製造企業
- 成為中國鋼簾線行業的三大生產商之一

欲知悉首佳科技更多資訊，請瀏覽 <http://www.shougangcentury.com.hk>。

CORPORATE INFORMATION

公司資料

As at 18 March 2024 於二零二四年三月十八日

BOARD OF DIRECTORS

Executive Directors

Su Fanrong (*Chairman*)

Li Jinping (*Managing Director*)

Yang Junlin (*Deputy Managing Director*)

Zhang Dan

Non-executive Director

Adam Touhig

Independent Non-executive Directors

Lam Yiu Kin

Feng Yaoling

Ho Shuk Ying, Sabrina

AUDIT COMMITTEE

Lam Yiu Kin (*Chairman*)

Feng Yaoling

Ho Shuk Ying, Sabrina

REMUNERATION COMMITTEE

Lam Yiu Kin (*Chairman*)

Su Fanrong (*Vice Chairman*)

Feng Yaoling

Ho Shuk Ying, Sabrina

NOMINATION COMMITTEE

Su Fanrong (*Chairman*)

Feng Yaoling (*Vice Chairman*)

Lam Yiu Kin

Ho Shuk Ying, Sabrina

AUTHORISED REPRESENTATIVES

Su Fanrong

Cheung Wa Ying

COMPANY SECRETARY

Cheung Wa Ying

董事會

執行董事

蘇凡榮(*董事長*)

李金平(*董事總經理*)

楊俊林(*董事副總經理*)

張丹

非執行董事

Adam Touhig

獨立非執行董事

林耀堅

馮耀嶺

何淑瑛

審核委員會

林耀堅(*主席*)

馮耀嶺

何淑瑛

薪酬委員會

林耀堅(*主席*)

蘇凡榮(*副主席*)

馮耀嶺

何淑瑛

提名委員會

蘇凡榮(*主席*)

馮耀嶺(*副主席*)

林耀堅

何淑瑛

授權代表

蘇凡榮

張華瑛

公司秘書

張華瑛

CORPORATE INFORMATION

公司資料

As at 18 March 2024 於二零二四年三月十八日

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
China CITIC Bank
Chong Hing Bank
Industrial Bank
Industrial and Commercial Bank of China
Nanyang Commercial Bank
The Bank of East Asia

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

INTERNAL AUDITOR

Moore Advisory Services Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

Room 1215, 12/F., Honour Industrial Centre
6 Sun Yip Street, Chai Wan
Hong Kong

COMPANY'S WEBSITE

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

WEBSITE FOR PUBLISHING LISTING RULES RELATED ANNOUNCEMENTS AND OTHER DOCUMENTS

<http://www.irasia.com/listco/hk/shougangcentury/>

HKEX STOCK CODE

103

LISTING DATE

9 April 1992

主要往來銀行

中國農業銀行
中國銀行
中信銀行
創興銀行
興業銀行
中國工商銀行
南洋商業銀行
東亞銀行

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公眾利益實體核數師

內部核數師

大華國際諮詢有限公司

股份過戶登記處

卓佳登捷時有限公司
香港夏愨道16號
遠東金融中心17樓

註冊辦事處

香港柴灣新業街6號
安力工業中心12樓1215室

公司網址

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

發放有關上市規則的公告及 其他文件之網址

<http://www.irasia.com/listco/hk/shougangcentury/>

聯交所股份代號

103

上市日期

一九九二年四月九日

INFORMATION FOR INVESTORS

給投資者的資料

SHARE INFORMATION

Board lot size: 2,000 Shares

Shares outstanding as at the last trading day of 2023: 1,968,903,828 Shares

Market capitalisation as at the last trading day of 2023: HK\$476,474,726

Closing share price as at the last trading day of 2023: HK\$0.242

Basic earnings per Share for 2023:

Interim : HK1.58 cents

Final : HK3.17 cents

Dividend for 2023

Interim Dividend : Nil

Final Dividend : HK1 cent per Share

KEY DATE

Payment Date of 2023 Final Dividend: 31 July 2024

2023 Annual General Meeting: 27 June 2024

Closure of Register of Members for 2023 Annual General Meeting: 20 to 27 June 2024

Announcement of 2023 Final Results: 18 March 2024

INVESTOR RELATIONS CONTACT

Address : Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong

Telephone : (852) 2527 2218

Fax : (852) 2861 3527

E-mail address : business_link@shougangcentury.com.hk

ir@shougangcentury.com.hk

schl@shougangcentury.com.hk

Website : <http://www.shougangcentury.com.hk>

SHAREHOLDER ENQUIRIES

Any matters relating to your shareholding, e.g. transfer of Shares, change of name or address, lost share certificates and dividend warrants, should be sent in writing to:

Tricor Tengis Limited

Address : 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong

Telephone : (852) 2980 1333

Fax : (852) 2810 8185

E-mail address : is-enquiries@hk.tricorglobal.com

Website : <http://www.tricoris.com>

股份資料

買賣單位 : 2,000股

於二零二三年最後交易日之發行股數 : 1,968,903,828股

於二零二三年最後交易日之市值 : 港幣476,474,726元

於二零二三年最後交易日之收市價 : 港幣0.242元

於二零二三年每股基本盈利 :

中期 : 港幣1.58仙

末期 : 港幣3.17仙

二零二三年年度之股息

中期股息 : 無

末期股息 : 每股港幣1仙

重要日期

派發二零二三年度末期股息日期 : 二零二四年七月三十一日

二零二三年股東周年大會 : 二零二四年六月二十七日

就二零二三年股東周年大會之暫停辦理股份過戶登記日期 : 二零二四年六月二十日至

二十七日

二零二三年末期業績公告 : 二零二四年三月十八日

投資者聯絡查詢

地址 : 香港柴灣新業街6號安力工業中心12樓1215室

電話 : (852) 2527 2218

傳真 : (852) 2861 3527

電郵地址 : business_link@shougangcentury.com.hk

ir@shougangcentury.com.hk

schl@shougangcentury.com.hk

網址 : <http://www.shougangcentury.com.hk>

股東查詢

如閣下對所持股份有任何查詢，例如股份轉讓、轉名或更改地址、報失股票及股息單，請致函如下：

卓佳登捷時有限公司

地址 : 香港夏愨道16號遠東金融中心17樓

電話 : (852) 2980 1333

傳真 : (852) 2810 8185

電郵地址 : is-enquiries@hk.tricorglobal.com

網址 : <http://www.tricoris.com>

BUSINESS CONTACTS

業務查詢



Jiaying Eastern Steel Cord Co., Ltd. 嘉興東方鋼簾線有限公司

Address: 1 Dong Fang Road, Jiaying Economic Development Zone
Zhejiang Province, PRC
地址：中國浙江省嘉興市經濟開發區東方路1號
Postal code: 314003
郵編：
Telephone: (86) 573 8222 2790
電話：
Fax: (86) 573 8221 3500
傳真：
Website: <http://www.jesc.com.cn>
網址：
E-mail address: jesc@jesc.com.cn
電郵地址：



Tengzhou Eastern Steel Cord Co., Ltd. 滕州東方鋼簾線有限公司

Address: 1 Dong Fang Road, Tengzhou Economic Development Zone
Shandong Province, PRC
地址：中國山東省滕州市經濟開發區東方路1號
Postal code: 277500
郵編：
Telephone: (86) 632 525 2100
電話：
Fax: (86) 632 525 2111
傳真：
Website: <http://www.tesc.com.cn>
網址：
E-mail address: tesc@tesc.com.cn
電郵地址：



Shougang Century (Shanghai) Management Co., Ltd. ^ 首珈(上海)管理有限公司

Address: Room 2505, Tower 1, SOHO Tianshan Plaza
No.421 Ziyun Road, Changning District, Shanghai, PRC
地址：中國上海市長寧區紫雲路421號SOHO天山廣場T1-2505室
Postal code: 200051
郵編：
Telephone: (86) 21 6291 8806
電話：
Fax: (86) 21 6291 8805
傳真：

^ For identification purpose only 僅供識別

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. Su Fanrong, aged 56, joined the Group as a deputy general manager of the Company in January 2015 and was appointed as the executive deputy managing Director on 1 December 2015. Mr. Su has re-designated as the chairman of the Company and acted as the chairman and vice-chairman of the nomination committee and remuneration committee of the Company respectively since 18 January 2018, and he has been appointed as the managing Director on 31 January 2018. He resigned as the managing Director on 1 July 2023 but remains as the chairman of the Company. At present, Mr. Su holds directorship in all wholly owned subsidiaries of the Company. He also acts as the deputy general manager of Shougang HK. He holds a Master's degree in Business Administration from Missouri State University and a Bachelor's degree specialising in Pressure Processing from University of Science and Technology Beijing. He joined Shougang Group in 1990 and has been working in various companies under Shougang Group. Mr. Su has over 30 years of sales and management experience in the steel industry.

A service contract was entered into between Mr. Su and the Company for a term commencing from 1 January 2024 and ending on 31 December 2026 to act as the chairman of the Company. At present, Mr. Su's monthly salary is entitled to HK\$220,000 which is determined with reference to the financial position of the Company, the experience and duties of Mr. Su, the remuneration benchmark in the industry and the prevailing market conditions.

Mr. Li Jinping, aged 47, was appointed as an executive Director with effect from 1 January 2020. He was appointed as the managing Director with effect from 1 July 2023. Mr. Li was graduated from Shandong University of Finance and Economics with a Master's degree in Accounting. He is a senior accountant and a Public Valuer. Mr. Li had worked in Beijing Supervision Bureau of Ministry of Finance of PRC for approximately 18 years and held various senior positions including the deputy division director and division director. He was principally engaged in the work relating to supervision, inspection, risk control management and so on. In 2019, Mr. Li joined Shougang HK. He currently serves as a financial controller of Shougang HK. In all, Mr. Li has extensive experience and expertise in financial supervision and risk control.

蘇凡榮先生，年五十六歲，於二零一五年一月加入本集團為本公司副總經理，並於二零一五年十二月一日獲委任為董事常務副總經理。蘇先生自二零一八年一月十八日起獲調任為本公司董事長及分別擔任本公司提名委員會主席及薪酬委員會副主席，並於二零一八年一月三十一日獲委任為董事總經理。彼於二零二三年七月一日辭任董事總經理，但仍擔任本公司董事長。目前，蘇先生擔任本公司所有全資附屬公司之董事職位。彼亦擔任首控香港之副總經理。彼持有美國密蘇里州立大學工商管理碩士及北京科技大學壓力加工專業學士學位。彼於一九九零年加入首鋼集團，先後任職於首鋼集團旗下多間公司。蘇先生在鋼鐵行業有逾三十年的銷售及管理經驗。

蘇先生與本公司簽訂作為本公司董事長之服務合約，期限由二零二四年一月一日起至二零二六年十二月三十一日止。現時，蘇先生可獲收取每月港幣220,000元之薪金，該薪金乃根據本公司之財務狀況、蘇先生之經驗及職責、業界之薪酬基準及當時市場環境而釐定。

李金平先生，年四十七歲，於二零二零年一月一日獲委任為執行董事。彼於二零二三年七月一日獲委任為董事總經理。李先生畢業於山東財經大學，持有會計學碩士學位。彼為高級會計師及資產評估師。李先生曾於中國財政部北京監管局工作約十八年，並擔任多個高級職位包括副處長和處長。彼主要從事監督、檢查和風控管理等工作。於二零一九年，李先生加入首控香港。彼目前擔任首控香港財務總監。總括而言，李先生於財務監管及風險控制領域擁有豐富經驗和專業知識。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

A service contract was entered into between Mr. Li and the Company for a term commencing from 1 July 2023 and ending on 31 December 2025. Mr. Li has voluntarily declined any director's emoluments.

Mr. Yang Junlin, aged 43, was appointed as an executive Director and a deputy managing Director with effect from 1 July 2022 and 8 July 2022 respectively. At present, he also holds directorship in all wholly-owned subsidiaries of the Company. He graduated from Nankai University with a Bachelor's degree in Management. Mr. Yang had been working in various companies under Shougang Group since 2003 and held various senior positions. Mr. Yang had been the general manager of the finance department of Shougang HK prior to his appointment as an executive Director. Mr. Yang is currently a director of various companies under Shougang Group. In all, Mr. Yang has been engaged in financial management for years and has extensive experience and expertise in financing and capital market.

The current service contract was entered into between Mr. Yang and the Company for a fixed term commencing from 8 July 2022 to 31 December 2024. Mr. Yang is currently entitled to receive a monthly salary of HK\$200,000. Such salary is determined with reference to his experience and duties, his role played in the Board, the Company's performance and profitability, the remuneration benchmark in the industry and the prevailing market conditions.

Mr. Zhang Dan, aged 40, was appointed as an executive Director on 1 August 2023. Mr. Zhang holds a Master's degree in Business Administration from The University of California, Los Angeles and a Bachelor's degree in Economics from Beijing University of Technology. Mr. Zhang is also a responsible officer recognised by the Securities and Futures Commission of Hong Kong for engaging in the Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities.

李先生與本公司簽訂服務合約，期限由二零二三年七月一日起至二零二五年十二月三十一日止。李先生已自願放棄接受任何董事酬金。

楊俊林先生，年四十三歲，分別由二零二二年七月一日及二零二二年七月八日起獲委任為執行董事及董事副總經理。目前，彼亦擔任本公司所有全資附屬公司之董事職位。彼畢業於南開大學，持有管理學學士學位。楊先生自二零零三年起任職於首鋼集團旗下多間公司，並曾擔任多個高級職位。直至彼獲委任為執行董事前，楊先生於首控香港擔任財務部總經理。楊先生現為首鋼集團旗下若干公司的董事。總括而言，楊先生從事財務管理多年，在金融領域及資本運作擁有豐富經驗和專業知識。

楊先生與本公司簽訂的現行服務合約，期限由二零二二年七月八日起至二零二四年十二月三十一日止。現時，楊先生可獲收取每月港幣200,000元之薪金。該薪金乃根據其經驗及職責、其於董事會發揮之作用、本公司之業績及盈利狀況、業界之薪酬基準及當時市場環境而釐定。

張丹先生，年四十歲，於二零二三年八月一日獲委任為執行董事。張先生持有美國加州大學洛杉磯分校工商管理碩士學位及北京工業大學經濟學學士學位。此外，張先生為香港證券及期貨事務監察委員會認可第一類(證券交易)、第四類(就證券提供意見)及第六類(就機構融資提供意見)受規管活動之負責人員。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

In January 2023, Mr. Zhang joined Shougang Fund. He currently serves as a general manager of the merger and acquisition department of Shougang Fund and a deputy general manager of Jingxi Holdings. Prior to joining Shougang Fund, he was the co-head of general industrials and merger and acquisition of investment banking department of Huatai International Financial Holdings Company Limited and had completed numerous merger and acquisition as well as initial public offering and refinancing projects. He was also a director of the investment banking department of GF Capital (Hong Kong) Limited. In all, Mr. Zhang has over 15 years of extensive experience in Hong Kong capital market.

A service contract was entered into between Mr. Zhang and the Company for a term commencing from 1 August 2023 and ending on 31 December 2025. Mr. Zhang has voluntarily declined any director's emoluments.

Mr. Adam Touhig, aged 55, was appointed as a non-executive Director on 15 January 2021. He was appointed as the senior vice president of rubber reinforcement Asia in Bekaert group on 1 June 2020.

Prior to joining Bekaert group, Mr. Touhig had held various management positions including global account director, vice president of commercial and program management, regional senior vice president, company president, chairman and board member in several companies for GKN Automotive Limited, including GKN Driveline (India) Ltd, GKN Driveline Japan Ltd, GKN Driveline Korea Ltd, Taiway Limited and GKN Driveline Malaysia Sdn. Bhd.. He also held directorships in the abovementioned companies. In all, Mr. Touhig has over 30 years of extensive experience in the tier 1 automotive industry.

A service contract was entered into between Mr. Touhig and the Company for a term commencing from 1 August 2022 and ending on 31 December 2024. At present, Mr. Touhig is entitled to receive a director's fee of HK\$150,000 per annum which is determined with reference to his experience and duties, his role played in the Board, the Company's performance and profitability, the remuneration benchmark in the industry and the prevailing market conditions.

於二零二三年一月，張先生加入首鋼基金。彼目前擔任首鋼基金併購部總經理及京西控股之副總經理。在加入首鋼基金前，彼曾為華泰國際金融控股有限公司之投資銀行部一般行業及併購組聯席主管，並完成了多項併購、首次公開發售和融資專案。彼亦曾為廣發融資(香港)有限公司之投資銀行部董事。總括而言，張先生在香港資本市場擁有逾十五年的豐富經驗。

張先生與本公司簽訂服務合約，期限由二零二三年八月一日起至二零二五年十二月三十一日止。張先生已自願放棄接受任何董事酬金。

Adam Touhig先生，年五十五歲，於二零二一年一月十五日獲委任為非執行董事。彼於二零二零年六月一日獲委任為Bekaert集團亞洲區橡膠增強部之高級副總裁。

於加入Bekaert集團之前，Touhig先生曾於GKN Automotive Limited的多家公司，包括於GKN Driveline (India) Ltd、GKN Driveline Japan Ltd、GKN Driveline Korea Ltd、台惟工業股份有限公司及GKN Driveline Malaysia Sdn. Bhd.擔任多個管理層職位，包括全球客戶總監、商業和計劃管理副總裁、地區高級副總裁、公司總裁、董事長及董事會成員。彼亦曾於上述公司持有董事職位。總括而言，Touhig先生於一級汽車行業擁有超過三十年之豐富經驗。

Touhig先生與本公司簽訂服務合約，期限由二零二二年八月一日起至二零二四年十二月三十一日止。現時，Touhig先生每年收取港幣150,000元之董事袍金，該董事袍金乃根據其經驗及職責、其於董事會發揮之作用、本公司之業績及盈利狀況、業界之薪酬基準及當時市場環境而釐定。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Mr. Lam Yiu Kin, aged 69, is a fellow member of each of the Association of Chartered Certified Accountants, the Institute of Chartered Accountants in England & Wales, the Chartered Accountants of Australia and New Zealand and Hong Kong Institute of Certified Public Accountants (“HKICPA”). He graduated from The Hong Kong Polytechnic University (“Polytechnic University”) with a higher diploma in Accountancy in 1975. He was conferred an Honorary Fellow of Polytechnic University in 2002. Mr. Lam was appointed as an independent non-executive Director and a member of each of the audit committee, nomination committee and remuneration committee of the Company in August 2015. He was appointed as the chairman of each the audit committee and remuneration committee of the Company with effect from 1 September 2023. He is also an independent non-executive director of each of Spring Real Estate Investment Trust, Global Digital Creations Holdings Limited, COSCO SHIPPING Ports Limited, Nine Dragons Paper (Holdings) Limited, CITIC Telecom International Holdings Limited and Topsports International Holdings Limited. Mr. Lam retired as an independent non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Limited and Flydoo Technology Holdings Limited (formerly known as WWPKG Holdings Company Limited) with effect from 30 May 2023 and 2 August 2022 respectively. He also resigned as an independent non-executive director of Bestway Global Holding Inc. in 2021. Mr. Lam had taken the position of an adjunct professor in the School of Accounting and Finance of Polytechnic University until 31 August 2016. He was previously a member of the Listing Committee and the Financial Reporting Advisory Panel of the Stock Exchange from 1997 to 2003, a committee member of HKICPA from 1994 to 2009, a partner of PricewaterhouseCoopers from 1993 to 2013 and a member of the Finance Management Committee of the Hong Kong Management Association until 7 July 2016. In all, Mr. Lam has over 40 years of extensive experience in accounting, auditing and business consulting.

林耀堅先生，年六十九歲，分別為英國特許公認會計師公會、英格蘭及威爾斯特許會計師公會、澳洲及新西蘭特許會計師公會及香港會計師公會（「香港會計師公會」）之資深會員。彼於一九七五年畢業於香港理工大學（「理工大學」），取得會計學高級文憑。彼並於二零零二年獲頒授理工大學榮譽院士。林先生於二零一五年八月獲委任為獨立非執行董事及分別為本公司審核委員會、提名委員會及薪酬委員會之成員。彼於二零二三年九月一日獲委任為本公司審核委員會及薪酬委員會之主席。彼亦分別為春泉產業信託、環球數碼創意控股有限公司、中遠海運港口有限公司、玖龍紙業（控股）有限公司、中信國際電訊集團有限公司及滔搏國際控股有限公司之獨立非執行董事。林先生分別自二零二三年五月三十日及二零二二年八月二日起退任上海復旦張江生物醫藥股份有限公司及飛道旅遊科技有限公司（前稱縱橫遊控股有限公司）之獨立非執行董事。彼亦於二零二一年辭任榮威國際控股有限公司之獨立非執行董事。林先生曾為理工大學會計及金融學院的客席教授，直至二零一六年八月三十一日。彼曾於一九九七年至二零零三年擔任聯交所上市委員會成員及財務匯報諮詢小組成員，於一九九四年至二零零九年擔任香港會計師公會委員會委員，於一九九三年至二零一三年擔任羅兵咸永道會計師事務所合夥人，及直至二零一六年七月七日止擔任香港管理專業協會財務管理委員會委員。總括而言，林先生擁有超過四十年於會計、審核及業務諮詢豐富經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

A service contract was entered into between Mr. Lam and the Company for a term commencing from 1 January 2024 and ending on 31 December 2026. At present, Mr. Lam is entitled to receive a director's fee of HK\$240,000 per annum which is determined with reference to his experience and duties, his role played in the Board, the Company's performance and profitability, the remuneration benchmark in the industry and the prevailing market conditions.

Mr. Feng Yaoling, aged 66, was appointed as an independent non-executive Director and a member of each of the audit committee, nomination committee and remuneration committee of the Company with effect from 1 January 2020. He was appointed as the vice chairman of nomination committee of the Company with effect from 1 September 2023. Mr. Feng was a professor-level senior engineer who is awarded special government subsidy by the State Council of PRC as a specialist. He graduated from Beijing University of Chemical Technology with a Bachelor's degree in Engineering in January 1982.

Mr. Feng is currently a deputy chief engineer of Eve Rubber Institute Co., Ltd. and he has over 35 years of extensive experience in the tyre manufacturing industry. Mr. Feng was previously the chief engineer, senior engineer, deputy general manager cum chief engineer and director of Aeolus Tyre Co., Ltd. ("Aeolus Tyre") from 1982 to 2017. Aeolus Tyre was listed on the Main Board of the Shanghai Stock Exchange in October 2003 (Stock code: 600469).

林先生與本公司簽訂服務合約，期限由二零二四年一月一日起至二零二六年十二月三十一日止。現時，林先生每年收取港幣240,000元之董事袍金，該董事袍金乃根據其經驗及職責、其於董事會發揮之作用、本公司之業績及盈利狀況、業界之薪酬基準及當時市場環境而釐定。

馮耀嶺先生，年六十六歲，獲委任為獨立非執行董事及分別為本公司審核委員會、提名委員會及薪酬委員會之成員，由二零二零年一月一日起生效。彼於二零二三年九月一日獲委任為本公司提名委員會之副主席。馮先生為教授級高級工程師，獲中國國務院授予作為專家之政府特殊津貼。彼於一九八二年一月畢業於北京化工學院，持有工學學士學位。

馮先生現為怡維怡橡膠研究院有限公司副總工程師，彼在輪胎製造行業擁有超過三十五年的豐富經驗。馮先生於一九八二年至二零一七年在風神輪胎股份有限公司（「風神輪胎」）曾擔任總工程師、高級工程師、副總經理兼總工程師及董事。風神輪胎股份有限公司在二零零三年十月於上海證券交易所主板上市（股份代號：600469）。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

On 6 March 2015, Aeolus Tyre received the administrative penalty decision including warnings and a fine of RMB600,000 from the Henan regulatory bureau of the China Securities Regulatory Commission, due to its misstatement of accounting information in the 2011 and 2012 annual reports which violated the “Measures for the Administration of Information Disclosure of Listed Companies”. Mr. Feng, as a then senior management of Aeolus Tyre, among others, also received the “Decision to Impose Training Order to Zheng Yuli, Fan Rende and others in Total 7 Persons” and the “Decision to Issue Warning Letters to Zheng Yuli, Fan Rende and others in Total 10 Persons” (the “Decisions”). Pursuant to the Decisions, Mr. Feng needed to participate in the training of laws and regulations related to listed companies, and was warned and recorded in the Integrity Archive of Securities and Futures. Mr. Feng confirms that (i) remedial actions have been taken by Aeolus Tyre which include correcting and restating figures in the relevant annual reports; (ii) the proceedings regarding the aforesaid matter has been completely settled; and (iii) the Decisions have been fully complied with and no further administrative penalties or liabilities were outstanding by Aeolus Tyre or Mr. Feng regarding the aforesaid matter.

A service contract was entered into between Mr. Feng and the Company for a term commencing from 1 January 2023 and ending on 31 December 2025. At present, Mr. Feng is entitled to receive a director’s fee of HK\$240,000 per annum which is determined with reference to his experience and duties, his role played in the Board, the Company’s performance and profitability, the remuneration benchmark in the industry and the prevailing market conditions.

Ms. Ho Shuk Ying, Sabrina, aged 39, was appointed as an independent non-executive Director and a member of each of the audit committee, nomination committee and remuneration committee of the Company on 1 September 2023. Ms. Ho holds a Bachelor’s degree of Laws (graduated with first class honors) from The University of Hong Kong and a Master’s degree of Laws (Commercial Law) (graduated with distinction) from London School of Economics and Political Science. She was called to the Hong Kong Bar in 2009. She is a practising barrister and a holder of the Mainland China Lawyer’s Licence (Guangdong – Hong Kong – Macao Greater Bay Area). Her practice focuses on commercial, company and insurance law.

於二零一五年三月六日，風神輪胎收到中國證券監督管理委員會河南監管局的行政處罰決定，包括警告和罰款人民幣600,000元，因其在二零一一年及二零一二年之年度報告中，於會計信息存在虛假記載，違反了《上市公司信息披露管理辦法》。馮先生(作為風神輪胎的其中時任高級管理人員)亦收到《關於對鄭玉力、範仁德等七人實施責令參加培訓措施的決定》和《關於對鄭玉力、範仁德等十人實施出具警示函措施的決定》[該等決定]。根據該等決定，馮先生需要參加上市公司相關法律法規培訓，並被警告並記入證券期貨誠信檔案。馮先生確認：(i)風神輪胎已採取補救措施，包括在相關年度報告中更正和重申數字；(ii)與上述事項有關的訴訟已完全解決；以及(iii)該等決定已完全得到遵守，風神輪胎或馮先生就上述事項沒有進一步的行政處罰或任何未償付責任。

馮先生與本公司簽訂服務合約，期限由二零二三年一月一日起至二零二五年十二月三十一日止。現時，馮先生每年收取港幣240,000元之董事袍金，該董事袍金乃根據其經驗及職責、其於董事會發揮之作用、本公司之業績及盈利狀況、業界之薪酬基準及當時市場環境而釐定。

何淑瑛女士，年三十九歲，於二零二三年九月一日獲委任為獨立非執行董事及分別為本公司審核委員會、提名委員會及薪酬委員會之成員。何女士持有香港大學法學學士學位(一級榮譽畢業)及倫敦政治經濟學院法學碩士學位(商業法)(優異成績畢業)。彼於二零零九年取得香港大律師資格。彼現為一名執業大律師及持有中國內地律師執業證書(粵港澳大灣區)。其執業重點是商事法、公司法和保險法。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事簡歷

Ms. Ho is a member of the Election Committee (Legal Sector) of the Hong Kong Special Administrative Region, the Competition Commission, the Standing Committee on Company Law Reform, the Board of Review (Inland Revenue Ordinance), the Disciplinary Committee of the Estate Agents Authority and the Torture Claims Appeal Board. She is also a director of eBRAM International Online Dispute Resolution Centre Limited. She is an arbitrator on the list of arbitrators of the Hong Kong International Arbitration Centre and an arbitrator of the Shenzhen Court of International Arbitration. She is also a member of the Bar Council of the Hong Kong Bar Association.

A service contract was entered into between Ms. Ho and the Company for a term commencing from 1 September 2023 and ending on 31 December 2025. At present, Ms. Ho is entitled to receive a director's fee of HK\$240,000 per annum which is determined with reference to her experience and duties, her role played in the Board, the Company's performance and profitability, the remuneration benchmark in the industry and the prevailing market conditions.

何女士為香港特別行政區選舉委員會(法律界別)、競爭事務委員會、公司法改革常務委員會、稅務上訴委員會、地產代理監管局紀律委員會和酷刑聲請上訴委員會之成員。彼亦是一邦國際網上仲調中心有限公司董事。彼為香港國際仲裁中心仲裁員名冊內仲裁員及深圳國際仲裁院仲裁員，以及香港大律師公會執行委員會委員。

何女士與本公司簽訂服務合約，期限由二零二三年九月一日起至二零二五年十二月三十一日止。現時，何女士每年收取港幣240,000元之董事袍金，該董事袍金乃根據其經驗及職責、其於董事會發揮之作用、本公司之業績及盈利狀況、業界之薪酬基準及當時市場環境而釐定。

MAIN OPERATIONAL STRUCTURE

主要業務架構



Shougang Century Holdings Limited
首佳科技製造有限公司
<http://www.shougangcentury.com.hk>

Manufacturing and sales of Steel Cords for Radial Tyres
製造及銷售子午線輪胎用鋼簾線

JESC
Jiaxing Eastern Steel Cord Co., Ltd.
(Zhejiang, PRC)
嘉興東方鋼簾線有限公司
(中國·浙江)
<http://www.jesc.com.cn>

TESC
Tengzhou Eastern Steel Cord Co., Ltd.
(Shandong, PRC)
滕州東方鋼簾線有限公司
(中國·山東)
<http://www.tesc.com.cn>

Provision of Management and Consulting Services in the Mainland (for Steel Cord Segment) to the Group
向本集團提供國內(於鋼簾線分部)管理和諮詢服務



Shougang Century (Shanghai) Management Co., Ltd.[^]
(Shanghai, PRC)
首珈(上海)管理有限公司
(中國·上海)

[^] For identification purpose only 僅供識別

CHAIRMAN'S STATEMENT

董事長報告書



Dear Shareholders,

RESULTS FOR THE YEAR

On behalf of the fellow members of the Board, I am pleased to present the audited annual results of the Group for the year ended 31 December 2023.

In 2023, China adhered to the keynote of seeking progress and maintaining stability, and the economic development rebounded and demonstrated an upward trend, with the gross domestic product of 2023 exceeding RMB126 trillion, representing a year-on-year increase of 5.2%. However, as the external environment was becoming more complex, severe and uncertain, and the economic development was still faced with difficulties and challenges, the triple pressure of shrinking demand, supply shocks and weakening expectations remained relatively high. In the face of many economic development and market uncertainties, the Group made significant adjustments to its operation and management strategies.

致列位股東：

本年度業績

本人謹代表董事會成員欣然提呈本集團截至二零二三年十二月三十一日止年度之經審核年度業績。

於二零二三年，中國貫徹堅持穩中求進工作總基調，經濟發展回升向好，二零二三年度國內生產總值超逾人民幣126萬億元，同比增長5.2%，但是外部環境複雜性、嚴峻性、不確定性上升，經濟發展仍面臨困難和挑戰，需求收縮、供給衝擊和預期轉弱的三重壓力依然較大。面對諸多經濟發展和市場不確定性因素，本集團在經營管理戰略上進行了較大調整。

CHAIRMAN'S STATEMENT

董事長報告書

During the year under review, on the basis of proactively sorting out and summarising its operating conditions, the Group conducted an in-depth analysis of the internal and external environment, proactively responded to new situations, seized new opportunities, and put forward its operating principles of “stabilising operation, adjusting product mix, reducing costs, and improving quality and efficiency”. By strengthening the management foundation, improving and optimising the marketing strategy, innovating the marketing means, adjusting the product structure, establishing a flexible supply chain to reduce costs and increase efficiency, and streamlining procedures to enhance efficiency, we made every effort to optimise the Group's operation quality and asset quality. Therefore, the Group delivered another set of solid annual results in 2023.

The decreases in raw material costs and export sales dragged down our average selling price. However, thanks to the unremitting efforts of our sales team, the total sales volume grew by 18.1% year-on-year in 2023. Besides, through actively adopting stringent cost reduction measures, the Group lowered its purchasing and production costs, therefore gross profit margin improved by 1.6 percentage points to 15.0%. In addition to the increase in gross profit, the decline in finance costs brought the increment of the Group's net profit by 30.6% year-on-year from HK\$47,858,000 to HK\$62,506,000. The results manifested the distinctive competence of our core business, which helps us adapt quickly to the challenging operating environment, while producing high-quality steel cords for our customers in both domestic and international markets.

As the steel cord industry has developed rapidly, the Group strives to enhance its productivity. Aiming to add an additional 100,000 tonnes of steel cord production capacity, the Group actively propelled an expansion plan in its Tengzhou plant. With a satisfactory construction progress, the new facilities were in operation during the year under review. Since the increase in productivity significantly enhances the Group's core competitiveness and profitability, the Group continues to make great strides towards its goal of manufacturing over 300,000 tonnes of high-quality steel cords annually.

於本年度回顧，本集團在積極梳理總結經營狀況的基礎上，深入分析內外部環境，主動順應新形勢、把握新機遇，提出「穩經營、調產品組合、降成本、提質效」的經營原則。通過強化管理基礎、改進和優化營銷策略、創新營銷手段、調整產品結構、打造靈活供應鏈降本增效、理順流程提升效率，全力優化本集團經營質量和資產質量，促使本集團於二零二三年再次實現穩健的年度業績。

儘管原材料成本及出口銷售量下跌，導致我們的平均售價減少，但在我們銷售團隊的不懈努力下，二零二三年的總銷售量同比增長18.1%。此外，本集團積極採取嚴格的成本控制措施，降低採購和生產成本，毛利率因而提高了1.6個百分點至15.0%。除了毛利增加，財務成本減少使本集團淨溢利比上年同期港幣47,858,000元上升30.6%至港幣62,506,000元。這結果證明了我們的核心業務具有獨特競爭力，能夠迅速適應充滿挑戰的經營環境，並繼續為國內和國際市場的客戶生產精品鋼簾線。

面對鋼簾線市場的急速發展，本集團積極提升產能。本集團積極推進滕州廠房擴展計劃，目標增加額外100,000噸鋼簾線產能，目前建設進度理想，並已於本年度回顧內營運。產能的提升顯著增強本集團的核心競爭力和盈利能力，本集團繼而逐步邁向年產量300,000噸以上優質精品鋼簾線的目標。

CHAIRMAN'S STATEMENT

董事長報告書

The Group's net asset value was HK\$0.86 per Share as at 31 December 2023, an increase of 2.4% as compared to HK\$0.84 per Share at the end of 2022. The Group recorded basic earnings per Share of HK3.17 cents for the year, an increase of 29.9% when compared to its basic earnings per Share of HK2.44 cents for the previous year.

DIVIDEND

The Board recommended the payment of a final dividend of HK1 cent per Share for the year ended 31 December 2023.

PROSPECTS

Looking ahead to 2024, with the mitigation of COVID-19 pandemic, global demand for logistics will witness an increase, boosting the demand for large vehicles' tyres. Leveraging the Chinese government's policy, coupled with the solid demand on tyres, the prospects of the Group's business operation are promising as the sales of steel cords are expected to bloom. Moreover, taking into consideration the Chinese government's regulations on energy conservation and emission reduction, the constant increase in output of electric cars drives demand for their accessorial tyres, which will in turn expedite the market expansion of steel cords for domestic radial tyres and bring a more ample room for development to steel cord industry in the long term. Through research and product innovation, along with productivity enhancement, we will continue to sharpen our competitive edge and grasp opportunities in both domestic and international markets, with a view to increasing market share.

During the period of the 14th Five Year Plan, China targets to build towards a modern socialist country and accelerate the establishment of a new development structure that is driven primarily by the domestic cycle and complimented by the dual circulation of domestic and international economies. In accordance with changes in national policies, the Group is committed to continuously implementing green and environmentally friendly practices in each aspect of our production, so as to achieve sustainable development and fulfil social responsibilities.

於二零二三年十二月三十一日，本集團的資產淨值為每股港幣0.86元，較二零二二年底的每股港幣0.84元增加了2.4%。與去年每股基本盈利港幣2.44仙相比，本集團於本年度錄得每股基本盈利港幣3.17仙，增加了29.9%。

股息

董事會建議派發截至二零二三年十二月三十一日止年度之末期股息每股港幣1仙。

未來路向

展望二零二四年，隨著新冠肺炎疫情紓緩，全球物流需求增加，帶動對大型汽車的輪胎需求。受惠於中國政府的內循環政策，加上對輪胎的剛性需求有利鋼簾線銷售，本集團業務前景向好。而且，因應中國政府的節能及減排規定，電動車產量的不斷增加使其配套輪胎的需求顯著增長，預期促進國內子午輪胎鋼簾線市場擴張，長遠將為鋼簾線行業帶來更廣闊的發展空間。通過研發和產品創新，進而提升產能，我們持續增強競爭優勢，抓住國內和國際市場的機遇以擴大市場佔有率。

在「十四五」規劃期間，中國提倡開啟全面建設社會主義現代化國家的新征程，並加快構建以國內大循環為主體、國內國際雙迴圈相互促進的新發展格局。根據國家政策的變化，本集團繼續致力在每個生產層面實踐綠色環保，以實現可持續發展及履行社會責任。

CHAIRMAN'S STATEMENT

董事長報告書

APPRECIATION

On behalf of the Board, I would like to express sincere gratitude to all Shareholders, suppliers and customers for their longstanding support. I would also like to thank my fellow members on the Board and staff members of the Group for their unwavering commitment to the Group's business. Looking forward, the Group will continue to maintain steady development and capture opportunities in the market, so as to strive for higher returns to Shareholders.

By order of the Board

Su Fanrong

Chairman

Hong Kong

18 March 2024

致謝

本人謹代表董事會對所有股東、供應商和客戶的長期支持表示衷心感謝，同時感謝董事會成員和本集團員工對本集團業務的堅定承諾。未來，本集團將繼續保持穩健的發展，同時緊握市場機遇，為股東爭取更高的回報。

承董事會命

董事長

蘇凡榮

香港

二零二四年三月十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析



BUSINESS REVIEW

Review of operations

The Group is principally engaged in the manufacturing and sales of steel cords for radial tyres, sawing wires and hose wires. For the year ended 31 December 2023, the Group recorded revenue of HK\$2,494,534,000 (2022: HK\$2,464,242,000), representing an increase of 1.2% as compared with the last year. Meanwhile, the gross profit increased by 13.2% to HK\$374,166,000 (2022: HK\$330,540,000). Therefore, the Group's net profit increased by 30.6% from same period last year of HK\$47,858,000 to HK\$62,506,000. The Board considered that the increase in profit after tax was primarily attributable to the following reasons:

- the improvement of gross profit margin arisen from the decrease in production costs; and
- the reduction in net finance costs.

務回顧

經營回顧

本集團主要從事製造及銷售子午線輪胎用鋼帘線、切割鋼絲及膠管鋼絲。截至二零二三年十二月三十一日止年度，本集團錄得營業額港幣2,494,534,000元(二零二二年：港幣2,464,242,000元)，較去年增加1.2%。同時，毛利增加13.2%至港幣374,166,000元(二零二二年：港幣330,540,000元)。因此，本集團之淨溢利較去年同期增加30.6%，由港幣47,858,000元上升至港幣62,506,000元。董事會認為，除稅後溢利增幅乃主要由於以下原因：

- 生產成本下降導致毛利率的提高；及
- 財務成本淨額降低。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

During the year, the Group recorded basic earnings per share of HK3.17 cents, an increase of 29.9% when compared to the previous year of HK2.44 cents. Besides, the Group generated positive cash inflow from operations and maintained a sustained healthy financial position. The Board has proposed a final dividend of HK1 cent per share in respect of the financial year ended 31 December 2023 (subject to Shareholders' approval at the forthcoming annual general meeting), representing an increase of 37.0% year-on-year.

Revenue

The economy and society in general resumed normal activities since 2023. However, global political and economic situations remained complicated, and the foundation for sustained recovery and development of the domestic economy was still unstable. In 2023, China's economic development showed the momentum of recovery, with the gross domestic product reaching RMB126,058.2 billion, up by 5.2% year-on-year.

For the year ended 31 December 2023, the Group's revenue of steel cord segment amounted to HK\$2,493,165,000 (2022: HK\$2,462,767,000), representing an increase of 1.2% from the previous year. Because of the increase demand of radial tyres, the steel cord segment sold 228,637 tonnes of steel cord during the year, increased by 18.0% as compared to 193,701 tonnes last year. In respect of the sales of sawing wire products, the sales volume increased by 0.7% from 752 tonnes to 757 tonnes for the corresponding period last year attributable to our persistent effort in exploring new customers as well as the improvement of the photovoltaic, sapphire, and magnetic material markets. There was an increase of 21.3% in the sales volume of our other wire products from 8,886 tonnes to 10,782 tonnes for the corresponding period. The sales volume of this segment for the year is analysed as follows:

於本年度，本集團錄得每股基本盈利港幣3.17仙，較去年的港幣2.44仙增加29.9%。此外，本集團產生經營業務之正現金流，並保持了持續健康的財務狀況。董事會建議派發截至二零二三年十二月三十一日止財政年度之末期股息每股港幣1仙（惟需於即將舉行的股東周年大會上經股東批准），同比增長37.0%。

營業額

自二零二三年開始，經濟及社會全面恢復常態化運行，但世界政治及經濟形勢錯綜複雜，國內經濟持續恢復發展的基礎仍不穩固。於二零二三年，中國經濟發展呈現復蘇態勢，國內生產總值達人民幣1,260,582億元，同比增長5.2%。

截至二零二三年十二月三十一日止年度，本集團之鋼簾線分部的營業額為港幣2,493,165,000元（二零二二年：港幣2,462,767,000元），較上一年度增加1.2%。由於子午線輪胎的需求增加，鋼簾線分部於本年度售出228,637噸鋼簾線，較去年的193,701噸增加18.0%。在切割鋼絲產品的銷售方面，由於我們努力不懈地開拓新客戶，以及光伏、藍寶石和磁性材料市場的好轉，銷售量從去年同期的752噸增加0.7%至757噸。我們其他鋼絲產品的銷售量從同期的8,886噸增加21.3%至10,782噸。本年度此分部的銷售量分析如下：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Year ended 31 December
截至十二月三十一日止年度

		2023 二零二三年		2022 二零二二年		% change 變動(%)
		Sales volume (Tonnes) 銷售量(噸)	% of total sales volume of steel cords 佔鋼簾線總銷售量百分比(%)	Sales volume (Tonnes) 銷售量(噸)	% of total sales volume of steel cords 佔鋼簾線總銷售量百分比(%)	
Steel cords for:	鋼簾線用於：					
- truck tyres	— 載重輪胎	133,308	58.3	113,889	58.8	+17.1
- off the road truck tyres	— 工程輪胎	15,568	6.8	10,628	5.5	+46.5
- passenger car tyres	— 轎車輪胎	79,761	34.9	69,184	35.7	+15.3
Total for steel cords	鋼簾線合計	228,637	100.0	193,701	100.0	+18.0
Sawing wire products	切割鋼絲產品	757		752		+0.7
Other steel wires	其他鋼絲	10,782		8,886		+21.3
Total	總計	240,176		203,339		+18.1

There was no significant change in sales mix during the year, the proportion of sales of steel cords for truck tyres accounted for 58.3% of total sales volume of steel cords for the year, decreased by 0.5pp as compared to the previous year, it remained as the largest sales volume of steel cords of the Group for the year. Attributable to the great effort made by our sales team, the sales of steel cords for off the road truck tyres increased by 46.5% to 15,568 tonnes from 10,628 tonnes last year.

本年度銷售組合沒有重大變化，鋼簾線銷售中載重輪胎用鋼簾線佔本年度鋼簾線總銷售量58.3%，比去年下降了0.5個百分點，保持本年度本集團最大的鋼簾線銷售量。由於我們銷售團隊的巨大努力，鋼簾線銷售中工程輪胎用鋼簾線銷售量從去年的10,628噸增加46.5%至15,568噸。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

In respect of sales by region, the revenue from export sales amounted to HK\$897,554,000 for the year, decreased by 16.5% as compared to HK\$1,074,701,000 last year. The export sales represented 36.0% of total revenue from sales for the year, compared to 43.6% for last year. The breakdown of sales of steel cords segment for the year by geographical location is as follows:

銷售按地區而言，於本年度出口銷售營業額為港幣897,554,000元，比去年港幣1,074,701,000元，下跌16.5%。出口銷售佔本年度總銷售營業額36.0%，而去年則為43.6%。本年度鋼簾線分部按地區的銷售明細如下：

		Year ended 31 December 截至十二月三十一日止年度				
		2023 二零二三年		2022 二零二二年		% change 變動(%)
		Revenue HK\$'000 營業額 港幣千元	% of total revenue of steel cord segment 佔鋼簾線分部 的總營業額 百分比(%)	Revenue HK\$'000 營業額 港幣千元	% of total revenue of steel cord segment 佔鋼簾線分部 的總營業額 百分比(%)	
PRC	中國	1,595,611	64.0	1,388,066	56.4	+15.0
Export sales:	出口銷售：					
Asia (other than PRC)	亞洲(中國除外)	518,171	20.8	531,056	21.5	-2.4
EMEA (Europe, Middle East and Africa)	EMEA(歐洲、中東和非洲)	188,739	7.5	308,056	12.5	-38.7
North America	北美洲	148,860	6.0	157,953	6.4	-5.8
South America	南美洲	41,784	1.7	77,636	3.2	-46.2
Total export sales	總出口銷售	897,554	36.0	1,074,701	43.6	-16.5
Total	總計	2,493,165	100.0	2,462,767	100.0	+1.2

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Gross profit

Gross profit of this segment increased by 13.3% over last year to HK\$372,939,000 (2022: HK\$329,236,000) for the year. The gross profit margin also increased from 13.4% over last year to 15.0% for the year. This improvement was mainly due to the decrease in production costs.

毛利

於本年度此分部之毛利比去年的上升13.3%至港幣372,939,000元(二零二二年：港幣329,236,000元)。毛利率亦由去年報13.4%上升至本年度的15.0%。這改善主要是由於生產成本的下降。

FINANCIAL REVIEW

Revenue

Revenue of the Group amounted to HK\$2,494,534,000 (2022: HK\$2,464,242,000) for the year, increased by 1.2% over last year. The breakdown of revenue of the Group for the year is as follows:

財務回顧

營業額

於本年度，本集團之營業額報港幣2,494,534,000元(二零二二年：港幣2,464,242,000元)，比去年同期增加1.2%。於本年度本集團之營業額明細如下：

Year ended 31 December

截至十二月三十一日止年度

		2023		2022		% change
		二零二三年		二零二二年		
		HK\$'000	% of total revenue	HK\$'000	% of total revenue	
		港幣千元	佔總營業額百分比(%)	港幣千元	佔總營業額百分比(%)	變動(%)
Steel cords	鋼索線	2,493,165	99.9	2,462,767	99.9	+1.2
Property rental	物業租賃	1,369	0.1	1,475	0.1	-7.2
Total	總計	2,494,534	100.0	2,464,242	100.0	+1.2

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Gross profit

Gross profit of the Group increased by 13.2% over last year to HK\$374,166,000 (2022: HK\$330,540,000), which was mainly due to the increase of gross profit of steel cord segment. Accordingly, the gross profit margin of the Group increased by 1.6pp to 15.0% for the year as compared to that of last year. The breakdown of gross profit of the Group for the year is as follows:

毛利

本集團之毛利比去年增加13.2%至港幣374,166,000元(二零二二年:港幣330,540,000元),主要是由於鋼簾線分部的毛利增加所致。據此,於本年度本集團之毛利率亦比去年同期上升1.6個百分點至15.0%。於本年度本集團之毛利明細如下:

Year ended 31 December

截至十二月三十一日止年度

		2023 二零二三年		2022 二零二二年		% change 變動(%)
		Gross profit HK\$'000 港幣千元	margin (%) 毛利率(%)	Gross profit HK\$'000 港幣千元	margin (%) 毛利率(%)	
Steel cords	鋼簾線	372,939	15.0	329,236	13.4	+13.3
Property rental	物業租賃	1,227	89.6	1,304	88.4	-5.9
Total	總計	374,166	15.0	330,540	13.4	+13.2

Selling and distribution expenses

Selling and distribution expenses amounted to HK\$124,033,000 (2022: HK\$114,563,000) for the year, increased by 8.3% over last year, mainly due to the increase in sales volume of steel cord segment.

銷售及分銷費用

於本年度本集團之銷售及分銷費用報港幣124,033,000元(二零二二年:港幣114,563,000元),比去年增加8.3%,主要是由於鋼簾線分部的銷售量增加。

Administrative expenses

Administrative expenses of the Group amounted to HK\$56,433,000 (2022: HK\$58,307,000) for the year, decreased by 3.2% as compared to last year. The Group would continue to implement the cost control measures.

行政費用

於本年度本集團之行政費用報港幣56,433,000元(二零二二年:港幣58,307,000元),比去年下降3.2%。本集團將繼續執行成本控制措施。

Research and development expenses

Research and development expenses of the Group amounted to HK\$108,296,000 for the year, increased by 4.8% as compared to HK\$103,335,000 for last year. Such expenses were all incurred by the steel cord segment for aligning with the requirements from our tyres manufacturing customers.

研發費用

於本年度本集團之研發費用報港幣108,296,000元,比去年報港幣103,335,000元上升4.8%。該等費用全都是鋼簾線分部因應輪胎製造客戶的要求所產生。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Other income

Other income of the Group decreased by 61.2% from HK\$20,738,000 for the year ended 31 December 2022 to HK\$8,039,000 for the year ended 31 December 2023. This was primarily due to decrease in government grants in the current year.

Other gains, net

Other gains, net of the Group decreased by 96.9% from HK\$21,498,000 for the year ended 31 December 2022 to HK\$662,000 for the year ended 31 December 2023. This was primarily due to the fair value gain on Convertible Bonds decreased from HK\$21,700,000 to HK\$3,554,000 in the current year.

Finance costs, net

Finance costs, net of the Group decreased by 62.6% from HK\$50,615,000 to HK\$18,914,000 for the year. This was mainly because the total net foreign exchange differences on the borrowings and Convertible Bonds for the year ended 31 December 2023 recorded the gains of HK\$1,487,000 while those for the year ended 31 December 2022 were the losses of HK\$28,550,000.

TREASURY AND FUNDING POLICIES

The treasury and funding policies of the Group concentrate on the management of liquidity and the monitoring of financial risks, including interest rate risk, currency risk and counterparty risk. The objectives are to ensure the Group has adequate financial resources to maintain business growth with a viable financial position.

Surplus funds of the Group are generally placed on short term deposits denominated in HKD, EUR, RMB or USD with reputable banks in Hong Kong and the PRC. The financing of the Group principally comprises bank loans. The financing portfolio takes into consideration of the liquidity of the Group and interest costs.

SHARE CAPITAL, LIQUIDITY AND FINANCIAL RESOURCES

Share capital and net asset value

The Company manages its capital structure with the objectives of ensuring that the businesses of the Group can maintain a sustainable growth and providing a long-term reasonable return to its Shareholders.

其他收入

本集團之其他收入由截至二零二二年十二月三十一日止年度的港幣20,738,000元下降61.2%至截至二零二三年十二月三十一日止年度的港幣8,039,000元。這主要是由於本年度政府的補貼減少。

其他收益，淨額

本集團之其他收益，淨額由截至二零二二年十二月三十一日止年度的港幣21,498,000元下降96.9%至截至二零二三年十二月三十一日止年度的港幣662,000元。這主要是由於本年度可換股債券的公平值收益由港幣21,700,000元下降至港幣3,554,000元。

財務成本，淨額

於本年度本集團之財務成本，淨額由港幣50,615,000元下降62.6%至港幣18,914,000元。這主要是由於截至二零二三年十二月三十一日止年度貸款及可換股債券之外幣匯兌淨差異總額錄得收益港幣1,487,000元，而截至二零二二年十二月三十一日止年度則錄得虧損港幣28,550,000元。

財資政策

本集團的財資政策集中於流動資金管理和監控財務風險，包括利率風險、匯兌風險和交易對手風險。其目的是確保本集團有充足的財務資源以在財務狀況可行情況下維持業務增長。

本集團的剩餘資金一般以短期存款（以港元、歐元、人民幣或美元為單位）存放在香港及中國信譽良好的銀行。本集團的資金籌措主要包括銀行貸款，貸款組合會考慮本集團的資金流動性及利息成本而作出。

股本、資金流動及財政資源

股本及資產淨值

本公司管理其資本架構的目的是確保本集團之業務能繼續可持續增長及為股東提供一個長期合理的回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The total number of issued shares of the Company was 1,968,903,828 Shares as at 31 December 2023 (2022: 1,971,379,828 Shares). Net asset value of the Group was HK\$1,689,673,000 as at 31 December 2023, increased by 1.9% as compared to HK\$1,657,743,000 as at 31 December 2022. Net asset value per Share was HK\$0.86 as at 31 December 2023, also increased by 2.4% as compared to HK\$0.84 as at 31 December 2022.

Convertible Bonds

On 18 December 2018, the Company entered into the Subscription Agreement with Jingxi Holdings (a related party and a wholly-owned subsidiary of Shougang Fund) whereby the Company issued and Jingxi Holdings subscribed for the Convertible Bonds in the principal amount of HK\$150,000,000. The interest rate is 4.0% per annum while Conversion Price is HK\$0.33 per Share, with conversion available commencing 6 months from issuance date till end of term. Tenor is 3 years from issuance date which can be extended by Jingxi Holdings for one year twice to the date falling on 11 February 2024.

The Conversion Price was arrived at after arm's length negotiations between the Group and Jingxi Holdings with reference to the prevailing market prices of the Shares. On 11 February 2019, the issuance of the Convertible Bonds was completed. The net proceeds from the Subscription, after deducting the costs and expenses of approximately HK\$1 million, are approximately HK\$149 million and are expected to be used as follows: (i) as to approximately HK\$37.3 million for repaying interest-bearing borrowings with higher interest rate of the Group (excluding borrowings provided by Shougang HK and its related party(ies)); (ii) as to approximately HK\$110 million for funding the capital investment for the TESC Phase II Project subject to the construction cost and time needed to supplement the production need for both TESC and JESC; and (iii) as to approximately HK\$1.7 million, being the remaining proceeds for supplementing general working capital.

於二零二三年十二月三十一日，本公司已發行股份總數目為1,968,903,828股(二零二二年：1,971,379,828股)。本集團於二零二三年十二月三十一日之資產淨值報港幣1,689,673,000元，比二零二二年十二月三十一日的港幣1,657,743,000元增加1.9%。於二零二三年十二月三十一日的每股資產淨值報港幣0.86元，比於二零二二年十二月三十一日每股報港幣0.84元亦增加2.4%。

可換股債券

於二零一八年十二月十八日，本公司與京西控股(關連人士及首鋼基金的全資附屬公司)訂立認購協議，據此，本公司發行而京西控股認購本金額最高為港幣150,000,000元的可換股債券。年利率為4.0%而換股價為每股股份港幣0.33元，自發行日六個月起開始轉換至期末。期限由發行日起三年，可由京西控股延長兩次，每次一年至二零二四年二月十一日當日。

換股價乃由本集團與京西控股參考股份的現行市價經公平磋商後釐定。於二零一九年二月十一日，發行可換股債券完成。認購事項所得款項淨額(經扣除成本及開支約港幣1百萬元後)約為港幣149百萬元及預期用作下列用途：(i)約港幣37.3百萬元用於償還本集團利率較高的計息貸款(首控香港及其關聯方提供的貸款除外)；(ii)約港幣110百萬元用於為滕州東方二期項目的資本投資提供資金，惟受限於建設成本及補充滕州東方及嘉興東方的生產需求所需時間；及(iii)所得款項餘額約港幣1.7百萬元用於補充一般營運資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

As at 31 December 2020, the Group had fully utilised the aforesaid proceeds. Subsequent to 31 December 2021, the Company received from Jingxi Holdings an extension notice to extend the maturity date to 11 February 2023 and a conversion notice to convert the Convertible Bonds in the principal amount of HK\$24,000,000 at the Conversion Price of HK\$0.33 per Conversion Share. The Conversion Shares were issued in February 2022.

In February 2023, the Convertible Bonds matured. The Company has made full redemption of outstanding principal amount of HK\$126,000,000 of the Convertible Bonds, in accordance with the terms and conditions of the Convertible Bonds.

Bank balances and cash and interest bearing borrowings

The Group's bank balances and cash (including pledged bank deposits) amounted to HK\$97,140,000 as at 31 December 2023, decreased by 57.0% as compared to HK\$225,908,000 as at 31 December 2022. Total interest bearing borrowings of the Group were HK\$487,537,000 (comprised of bank borrowings) as at 31 December 2023, decreased by 16.9% as compared to HK\$586,626,000 (comprised of bank borrowings and Convertible Bonds) as at 31 December 2022. The amount of net interest bearing borrowings (total interest bearing borrowings less pledged bank deposits, bank balances and cash) therefore increased from HK\$360,718,000 as at 31 December 2022 to HK\$390,397,000 as at 31 December 2023.

Debt and liquidity ratios

Gearing ratio represented total interest bearing borrowings less bank balances and cash (including pledged bank deposits) divided by total equity of the Group and increased from 21.8% as at 31 December 2022 to 23.1% as at 31 December 2023. The current ratio (calculated as current assets divided by current liabilities) of the Group remained at 1.2 times as at 31 December 2023 and 2022.

於二零二零年十二月三十一日，本集團已全部動用上述所得款項。於二零二一年十二月三十一日後，本公司收到京西控股發出的延期通知以延長到期日至二零二三年二月十一日，並且收到轉換通知以按換股價為每股換股股份港幣0.33元轉換本金額為港幣24,000,000元之可換股債券。換股股份於二零二二年二月發行。

於二零二三年二月，可換股債券到期。本公司已按照可換股債券的條款及條件，悉數贖回未償還本金額港幣126,000,000元之可換股債券。

銀行結存及現金及計息貸款

於二零二三年十二月三十一日，本集團之銀行結存及現金(包括已抵押銀行存款)共港幣97,140,000元，比二零二二年十二月三十一日報港幣225,908,000元下降57.0%。本集團之總計息貸款於二零二三年十二月三十一日報港幣487,537,000元(包括銀行貸款)，比二零二二年十二月三十一日報港幣586,626,000元(包括銀行貸款及可換股債券)下降16.9%。因此，計息貸款淨額(計息貸款總額減去已抵押銀行存款、銀行結存及現金)由二零二二年十二月三十一日的港幣360,718,000元上升至二零二三年十二月三十一日的港幣390,397,000元。

負債及流動資產比率

本集團之負債比率指計息貸款總額減銀行結存及現金(包括已抵押銀行存款)除以本集團權益總額，由二零二二年十二月三十一日報21.8%上升至二零二三年十二月三十一日報23.1%。本集團於二零二三年及二零二二年十二月三十一日的流動比率(以流動資產除以流動負債計算)維持在1.2倍。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

FOREIGN CURRENCY AND INTEREST RATE EXPOSURES

The Group's source of revenue is mainly denominated in EUR, RMB and USD, while those of purchases and payments are mainly denominated in HKD, RMB and USD. As at 31 December 2023, the interest bearing borrowings were mainly at variable rates, the Group also entered into cross currency swap transactions to manage our risks on exchange and interest rate in respect of our interest bearing borrowings.

We will review and adjust the currency composition of our interest bearing borrowings from time to time to minimise these risks. In any event, we would keep monitoring the currency and interest rate composition of the Group's interest bearing borrowings under the guidance of the Internal Control Manual and take appropriate action to minimise our exchange and interest rate risks when needed.

CAPITAL COMMITMENTS

As at 31 December 2023, the Group had commitments in respect of property, plant and equipment amounted to HK\$78,842,000.

BUSINESS DEVELOPMENT PLAN

In 2019, TESC entered into agreements with the relevant governmental authorities of Tengzhou in relation to the investment of a construction project to be carried out on the three parcels of land through a public auction in 2010 and 2011 (the "Lands"). Pursuant to the agreements, TESC shall invest in construction of the production lines for an annual capacity of 100,000 tonnes steel cords on the Lands. The Tengzhou governmental authorities shall assist TESC in the construction project, such as handling relevant procedures for the construction, facilitating in the construction of infrastructure of the project such as water, electricity and roads, and assisting in application of governmental policy support and applicable support funds.

外幣及利率風險

本集團收入來源主要以歐元、人民幣及美元為單位，而購買和付款則主要以港元、人民幣及美元為單位。於二零二三年十二月三十一日，計息貸款主要是按浮息利率計息，本集團並訂立交叉貨幣掉期交易，以管理計息貸款的匯率風險和利率風險。

我們將不時檢討及調整計息貸款的貨幣組合，以盡量減少該等風險。無論如何，我們會根據內部監控指引，持續監察本集團計息貸款的貨幣及利率組合，及於需要時採取適當行動，以減低匯兌及利率的風險。

資本承擔

於二零二三年十二月三十一日，本集團有關物業、廠房及設備之承擔為港幣78,842,000元。

業務發展計劃

於二零一九年，滕州東方與滕州政府機關就在二零一零年及二零一一年透過公開競投取得的三幅土地（「該等土地」）上將進行的項目投資建設訂立協議。根據協議，滕州東方將在該等土地投資建設總年產100,000噸的鋼簾線生產線。滕州政府機關將協助滕州東方建設項目，如處理施工相關程序，促進水、電、道路等項目基礎設施建設，並協助申請政府政策支持和適用的資金支持。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The construction project has commenced to acquire the machineries and construct the factory plant, ancillary facilities and peripheral roads since November 2019. The project is carried out by phases according to the market conditions and the financial capacity of the Company from time to time. Facing the growing automotive and tyre market, the Group strives to enhance its productivity. During the year under review, the Group continued to propel an expansion plan at TESC. Our steel cord/wire production capacity at TESC was expanded to reach an annual production capacity of 160,000 tonnes. Together with the annual capacity of 80,000 tonnes at JESC, the Group's annual production capacity of steel cords increased to 240,000 tonnes. Since the increase in productivity significantly enhances the Group's core competitiveness and profitability, the Group continues to make great strides towards its goal to manufacture over 300,000 tonnes of high-quality steel cords annually.

EMPLOYEES, REMUNERATION POLICIES AND TRAINING SCHEME OF THE GROUP

As at 31 December 2023, the Group had a total of 2,413 employees located in Hong Kong and the PRC. The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence as well as the prevailing market condition of the industry. Remuneration packages, which include an element of discretionary bonuses, are generally reviewed annually. In addition to salary payments, other employee benefits include medical subsidies, hospitalisation scheme and a defined contribution provident fund, Mandatory Provident Fund Scheme and other retirement scheme or other similar defined contribution provident fund stipulated by the regulations of the PRC which provided retirement benefits to employees in Hong Kong and the PRC respectively. The Group's contributions to these schemes are charged against profit or loss as they are incurred. The total employee benefit expense for the year amounted to approximately HK\$301.7 million.

The Group had also provided training programmes or courses for the mainland staff at all levels from different departments, and also for Directors and employees of the Company so as to further enhance their technical skills in production operation and management, professional skills and knowledge, respectively.

建設項目自二零一九年十一月開始購置機器及建設的廠房、附屬設施及外圍道路。項目會根據市場情況和本公司不時之財務能力分階段進行。面對不斷發展的汽車及輪胎市場，本集團積極提升其生產力。於本年度回顧，本集團積極推進滕州東方擴展計劃，我們於滕州東方的鋼簾線／鋼絲的生產能力已擴大至年產能160,000噸。加上嘉興東方年產80,000噸，本集團鋼簾線的年產能增至240,000噸。產能的擴張可大幅提升本集團的核心競爭力和盈利能力，本集團繼而逐步邁向年產量300,000噸以上精品鋼簾線的目標。

本集團僱員、酬金政策及培訓計劃

於二零二三年十二月三十一日，本集團於香港及中國合共有2,413名僱員。本集團僱員之酬金政策按僱員價值、資格及能力，亦以業界當時市場環境而釐定。彼等之酬金包括酌情發放之花紅，一般會每年予以檢討。在薪金以外，其他僱員福利包括醫療保險、住院資助計劃及定額供款公積金計劃，強制性公積金計劃，及中國法規規定的其他退休計劃或類似定額供款公積金計劃分別為香港及國內僱員提供退休福利。該等計劃引起之本集團供款會在損益中扣除。本年度僱員福利開支總額約為港幣301.7百萬元。

本集團亦分別向國內各部門各級僱員及向董事及本公司僱員提供培訓計劃或課程，用以提升他們在生產營運上和管理方面的技術能力、專業技巧和知識。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to individual performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The Group had no contingent liabilities as at 31 December 2023.

As at 31 December 2023, the carrying amounts of assets pledged as security for bank borrowings and bills payables are:

1. Bills receivables of HK\$17,601,000; and
2. Bank deposits of HK\$20,002,000.

BUSINESS OUTLOOK

The moderation of the epidemic and gradual relaxation of the government across the globe's quarantine measures had a positive effect on returning our daily life to normalcy gradually. In 2023, China has gradually resumed steady economic growth. However, the threat posed by the Sino-American relations, Russia-Ukraine conflict and Israel-Hamas war still brought uncertainty in the global economy in 2024. But we, Shougang Century, are confident and optimistic about our business in light of the followings:

- The PRC's macro-economic environment in infrastructure investment is expected to improve, this leads the sales in the automotive and tyre industry to increase continuously;
- To continue the construction of our production lines at TESC to facilitate the expansion plan of an additional 100,000 tonnes of steel cord manufacturing capacity within the 14th Five-Year Plan;
- Through our diligence and conviction to reduce our costs of production, we are confident to make orderly investment in expanding our steel cord/wire production capacity at TESC which has reached an annual capacity of 160,000 tonnes;

董事之酬金由本公司薪酬委員會按照個人表現、本集團之業績及盈利狀況，亦以業界之薪酬基準及當時市場環境而釐定。

或然負債及資產押記

於二零二三年十二月三十一日，本集團並無或然負債。

於二零二三年十二月三十一日，抵押作銀行借款及應付票據的資產的賬面價值為：

1. 應收票據港幣17,601,000元；及
2. 銀行存款港幣20,002,000元。

業務展望

隨著疫情有所緩和，全球各地政府亦逐步放寬檢疫措施，使我們的日常生活逐步恢復正常。於二零二三年，中國經濟逐步恢復穩定增長。然而，中美關係、俄烏衝突和以色列—哈瑪斯戰爭帶來的威脅仍給二零二四年全球經濟帶來不確定性。但我們，首佳科技，根據以下幾點，對我們的業務充滿信心和樂觀：

- 中國基礎建設投資的宏觀經濟環境有望改善，這將帶動汽車和輪胎行業銷售持續增長；
- 繼續在滕州東方建設生產線，以促成在「十四五」規劃期間增加額外100,000噸鋼簾線生產能力的擴展計劃；
- 憑藉我們的勤奮和堅持去降低我們的生產成本，我們有信心於滕州東方有序地投資以擴大我們的鋼簾線／鋼絲的生產能力，並已達到160,000噸的年產量；

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

- By taking into consideration the Chinese government's regulations on energy conservation and emission reduction, the constant increase in output of electric cars drives demand for their accessorial tyres, which will in turn expedite the market expansion of steel cords for domestic radial tyres and bring a more ample room for development to steel cord industry in the long term; and
- To reduce carbon emissions through reduction of energy consumption, application of clean energy, research and development on low-carbon products, the application of new technologies and new equipment and so on, the Group can achieve the green, low-carbon and sustainable corporate development and fulfil social responsibilities.
- 考慮到中國政府的節能減排規定，電動汽車產量的不斷增加帶動了對配套輪胎的需求，這將反過來加速國內子午線輪胎用鋼簾線的市場擴張，並為鋼簾線行業帶來更廣闊的長遠發展空間；及
- 通過降低能耗、使用清潔能源、研發低碳產品及應用新技術和新設備等方式降低碳排放，本集團可達致綠色、低碳和可持續發展及履行社會責任。

CORPORATE GOVERNANCE REPORT

企業管治報告



The Board is committed to practising and achieving a high standard of corporate governance and also recognises that effective risk management and internal control systems are crucial to the long-term development of the Company. In order to maintain sound and effective risk management and internal control systems, the Board periodically reviews the daily corporate governance practices and procedures of the Company and its subsidiaries and procures the Company and its subsidiaries to strictly comply with the relevant laws and regulations, and the rules and guidelines of regulatory bodies.

CORPORATE CULTURE

Shougang Century is committed to developing a corporate culture which is based on the principle of integrity, pragmatism and efficiency. Our culture is embedded in our daily operations, business model and relations with stakeholders and is supported by a wide range of procedures, guidelines and standards of the Group. This allows employees across the Group with a concerted effort to create value by providing quality products to customers, maximise return to the shareholder of the Company whilst contribute to community in social and environment perspectives.

董事會致力於實行及達到高水平之企業管治，並認為一個有效率之風險管理及內部監控系統對於本公司的長遠發展是甚為重要的。為了維持一個完好及有效率之風險管理及內部監控系統，董事會定期檢討本公司及其附屬公司的日常企業管治常規及程序，並促使本公司及其附屬公司已嚴謹地遵守有關的法律及規定，以及監管機構的規則和指引。

企業文化

首佳科技致力於發展以誠信、務實、高效為原則的企業文化。我們的文化已經融入到我們的日常營運、商業模式以及與持份者的關係中，並透過本集團廣泛的程序、指引和標準得以支持。這讓本集團僱員能夠上下一心，通過提供優質的產品為客戶創造價值，為本公司的股東取得最大的回報，同時為社會和環境方面作出貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company has made detailed disclosures in relation to the accounting period covered in this annual report in compliance with the requirements of Corporate Governance Report set out in the Corporate Governance Code of Appendix C1 of the Listing Rules. Also, the Company has applied and complied with all the principles and code provisions (the “Code Provision(s)”) of the Corporate Governance Code throughout the year ended 31 December 2023, except for the deviation from Code Provision C.2.1 of the Corporate Governance Code during the period from 1 January 2023 to 30 June 2023.

DIRECTORS’ SECURITIES TRANSACTION

On 6 April 2004, the Board has adopted a SCHL Code on terms no less exacting than the required standard of the Model Code as the Company’s code of conduct and rules governing dealing by all Directors and Specified Individuals in the securities of the Company. In order to keep the SCHL Code in line with the changes brought upon by the relevant amendments to laws, rules and regulations, the Board will revise the SCHL Code from time to time. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code and SCHL Code for the year ended 31 December 2023.

THE BOARD

On 18 March 2024, the Board currently consists of eight members, including four executive Directors (namely Messrs. Su Fanrong (chairman), Li Jinping (managing Director), Yang Junlin (deputy managing Director) and Zhang Dan), one non-executive Director (namely Mr. Adam Touhig) and three independent non-executive Directors (namely Mr. Lam Yiu Kin, Mr. Feng Yaoling and Ms. Ho Shuk Ying, Sabrina). The Directors’ biographical details are set out on pages 7 to 13 under the heading “**BIOGRAPHICAL DETAILS OF DIRECTORS**”.

企業管治常規

本公司已按照上市規則附錄C1之企業管治守則《企業管治報告》的要求，所涵蓋會計期間應披露的資料已詳盡列載於本年報內。另外，截至二零二三年十二月三十一日止年度，本公司已採用及遵守企業管治守則中的所有原則和守則條文（「守則條文」），惟於二零二三年一月一日至二零二三年六月三十日期間偏離企業管治守則的守則條文C.2.1除外。

董事的證券交易

於二零零四年四月六日，董事會已採納了一套首佳科技守則，作為本公司監管全體董事及特定人士買賣本公司證券的操守準則和規則，而首佳科技守則之標準不比標準守則所訂明的要求寬鬆。為使首佳科技守則能反映有關法律、規則及規定的修改，董事會將不定時修改首佳科技守則。經本公司特定查詢後，所有董事已確認彼等截至二零二三年十二月三十一日止年度內，一直遵守標準守則及首佳科技守則所載之規定標準。

董事會

於二零二四年三月十八日，董事會由八名成員組成，包括四名執行董事（即蘇凡榮先生（董事長）、李金平先生（董事總經理）、楊俊林先生（董事副總經理）及張丹先生）、一名非執行董事（即Adam Touhig先生）及三名獨立非執行董事（即林耀堅先生、馮耀嶺先生及何淑瑛女士）。董事之簡歷詳情載於第7頁至13頁之「**董事簡歷**」之標題內。

CORPORATE GOVERNANCE REPORT

企業管治報告

The major duties of the Board are set out below:

- Develop business model and business goals of the Company;
- Formulate the strategies, planning and development of the Company;
- Set up objectives of management;
- Monitor the performance of management;
- Ensure that a framework of prudent and effective controls are in place to enable risks to be assessed and managed;
- Review and approve the Company's results and operations to be disclosed on a regular basis to the public; and
- Approve the Group's operating strategies, budget and strategies in collaboration with various jurisdictions enterprises, as well as other major investments, application of funds and other substantial exercises with other enterprises.

In order to have a clear guideline in relation to the matters specifically reserved to the Board for decision, functions between the Board and the management are formalised in the Internal Control Manual. In short, the Board, which is accountable to Shareholders for the long-term performance of the Company, is responsible for directing and supervising the Company's affairs to safeguard the best interest of the Company as a whole. The affairs reserved to the Board including but not limited to the development of business models and strategies of the Company, the preparation of financial reporting and the expansion and development of any new business. The managing Director motivates the management and general staff to achieve those business goals and strategies set out by the Board, applying business principles and ethics enshrined in the Internal Control Manual.

董事會之主要職責如下：

- 發展本公司之業務模式及目標；
- 制定本公司的策略、計劃及發展；
- 確立管理的目標；
- 監察管理層的表現；
- 確保推行審慎和有效的監管架構，從而評估和管理風險；
- 審核及批准本公司的業績及運作，定期向公眾人士披露；及
- 批准本集團的營運策略、預算及與不同管轄權區的企業合作的計劃以及其他主要的投資、資金運用及與其他企業的其他重大行動。

為了對特別需由董事會作出決定之事項提供明確指引，董事會及管理層之職能已在內部監控指引中界定。簡而言之，董事會就本公司的長遠表現向股東問責，負責領導及監管本公司之事務以保障本公司之整體最佳利益。需由董事會作出負責之事務包括但不限於制定本公司業務模式及策略、準備財務報告以及擴展和開發任何新業務。董事總經理負責推動管理層及一般僱員應用內部監控指引下之業務準則及道德標準，實現董事會制訂的業務目標及策略。

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Each Director owes a fiduciary duty towards the Company. He/she should act in good faith and in the best interests for both the Company and Shareholders as a whole. Also, the Board has three independent non-executive Directors which represent more than one-third of the Board so that there is a strong element of independence in the Board. Each of the independent non-executive Directors has different professional qualification and experience in various aspects, including but not limited to (i) legal professional qualification and experience; or (ii) auditing, accounting and tax professional, or business consulting experience, which has fully complied with Rules 3.10(1) and (2) of the Listing Rules. Hence, we believe that we have sufficient calibre and number of independent non-executive Directors for their views to carry weight.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her and his/her immediate family members' independence. According to Rule 3.13 of the Listing Rules, the Company considers all of the independent non-executive Directors are independent throughout the year under review. Furthermore, all Directors, including independent non-executive Directors, should be re-elected at least once every three years at the annual general meeting of the Company and the reasons the Board believes that the individual to be independent are set out in the relevant circular. In addition to the above, to the best knowledge of the Directors, there is no financial, business, family or other material/relevant relationship among members of the Board.

各董事對於本公司均有誠信責任。彼應真誠地以本公司和股東的整體最佳利益為前提行事。另外，董事會現有三名獨立非執行董事，佔董事會成員人數多於三分之一，使董事會有強大的獨立元素。每一位獨立非執行董事於各方面皆具有各項專業資格及經驗，包括但不限於(i)法律專業資格及經驗；或(ii)審核、會計和稅務專業或業務諮詢經驗，完全符合上市規則第3.10(1)及(2)條的規定。故此，我們相信我們具有足夠才幹和人數的獨立非執行董事，以使其意見具有影響力。

本公司已收悉每名獨立非執行董事有關其及其直系親屬獨立性之年度確認書。根據上市規則第3.13條，本公司認為所有獨立非執行董事於本年度回顧均屬獨立人士。再者，所有董事(包括獨立非執行董事)須至少每三年一次在本公司股東周年大會上重選，及董事會認為各獨立非執行董事乃屬於獨立人士的原因，已列載於有關通函內。除以上外，就董事所知，各董事會成員之間概無任何財務、業務、家族或其他重大／相關關係。

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The summary of Mechanisms ensuring Independent Views available to the Board

In order to ensure independent views and input are available to the Board and a strong independent element on the board, the Mechanisms ensuring Independent Views available to the Board has been recommended by the Nomination Committee and adopted by the Board on 28 December 2022.

The Mechanisms ensuring Independent Views available to the Board is summarised as follows:

(1) Composition of the Board and Board Committees

The Board has three independent non-executive Directors which represent more than one-third of the Board, so that there is a strong element of independence in the Board. Also, the Board has established various board committees, namely remuneration committee, nomination committee and audit committee. The majority of the committee members are independent non-executive Directors, so as to ensure independent views are available. The remuneration committee and audit committee are chaired by an independent non-executive Director.

(2) Independence

Each independent non-executive Director must provide an annual confirmation of his independence to the Company, which have fully complied with the independence guidelines set out in Rule 3.13 of the Listing Rules.

In order to strengthen the assessment of independent non-executive Director's independence of the Company and to improve transparency of independent non-executive Directors' relationships with the Company, every independent non-executive Director must submit a "Declaration form on assessment of independence of independent non-executive Director(s) and his/her immediate family members of the Company" annually.

確保董事會取得獨立觀點機制之概要

為確保董事會可獲得獨立的觀點和意見，以確保董事會有強大的獨立元素，確保董事會取得獨立觀點機制已於二零二二年十二月二十八日獲提名委員會建議並獲董事會採納。

確保董事會取得獨立觀點機制概述如下：

(1) 董事會及董事委員會的組成

董事會現有兩名獨立非執行董事，佔董事會成員人數多於三分之一以上，使董事會有強大的獨立元素。另外，董事會已成立多個董事委員會，分別為薪酬委員會、提名委員會及審核委員會，各委員會中大部分成員為獨立非執行董事，以確保取得獨立觀點。其中薪酬委員會及審核委員會由獨立非執行董事擔任委員會主席。

(2) 獨立性

每名獨立非執行董事每年向本公司確認其獨立性及已全面遵守《上市規則》第3.13條之獨立性指引。

每名獨立非執行董事均需每年提交「評估本公司獨立非執行董事及其直系親屬的獨立性之申報表」，以加強評估本公司獨立非執行董事的獨立性及提高獨立非執行董事與本公司關係的透明度。

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(3) Board Decision Making

Independent non-executive Directors (including other directors) are entitled to seek for more information and documents than is volunteered from management of the Company on the matters to be discussed at board meetings, and get accessed to the advice and assistance of the company secretary of the Company. Independent non-executive Directors (including other directors) can also, upon reasonable request, seek independent professional advice in appropriate circumstances, at the Company's expense.

The chairman of the Board shall at least annually hold a meeting with all the independent non-executive Directors without the presence of other Directors. This provides an effective platform for the chairman to listen independent views on various issues concerning the Group.

(4) Remuneration

No equity-based remuneration (e.g. share options or grants) with performance-related elements will be granted to independent non-executive Directors by the Company as this may lead to bias in their decision-making and compromise their objectivity and independence.

Deviation from code provision C.2.1 of the Corporate Governance Code

During the period from 1 January 2023 to 30 June 2023, the roles of chairman and managing director in the Company are performed by Mr. Su Fanrong which constitutes the deviation from the code provision C.2.1 of the Corporate Governance Code which stipulates that the roles of chairman and managing director should be separate and should not be performed by the same person. In order to satisfy the requirement of the code provision C.2.1 of the Corporate Governance Code, the Board appointed Mr. Li Jinping as the managing Director with effect from 1 July 2023, and Mr. Su ceased to act as the managing Director with effect from the same date but remains as the chairman of the Company.

(3) 董事會決策

獨立非執行董事(包括其他董事)有權就董事會會議上的討論事項,向公司管理層要求提供其他額外(管理層主動提供以外)的資料及文件,並有權取得本公司之公司秘書的意見和協助。另外,獨立非執行董事(包括其他董事)可按合理要求,在適當的情況下尋求獨立專業意見,費用由本公司支付。

董事會主席至少每年與所有獨立非執行董事舉行一次沒有其他董事出席的會議,此舉提供了有效平台讓主席就本集團各項議題聽取獨立意見。

(4) 酬金

本公司並無給予獨立非執行董事帶有績效表現相關元素的股本權益酬金(例如購股權或贈授股份),因為這或導致其決策偏頗並影響其客觀性和獨立性。

偏離企業管治守則之守則條文C.2.1條

於二零二三年一月一日至二零二三年六月三十日期間,本公司的董事長和董事總經理之角色均由蘇凡榮先生擔任,故偏離企業管治守則的守則條文C.2.1條。該守則條文規定董事長與董事總經理的角色應有區分,並不應由同一人擔任。為滿足企業管治守則第C.2.1條守則條文之要求,董事會委任李金平先生為董事總經理,由二零二三年七月一日起生效,而蘇先生由同日起不再擔任董事總經理,但留任本公司董事長。

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The details of Directors' attendance at the meetings (including the board meetings, audit committee meetings, remuneration committee meetings, nomination committee meetings and annual general meeting) held during the year are set out in the following table:

董事於本年度舉行的會議(包括董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東周年大會)之出席情況已於下表列示：

Record of attendance of Directors at the meetings held during the year ("Attendance Record")

董事於本年度舉行的會議出席紀錄(「出席紀錄」)

Name of Director	董事姓名	Number of Meetings Attended and Held				
		Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Annual General Meeting
		董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	股東周年大會
Su Fanrong	蘇凡榮	5/5	N/A 不適用	3/3	3/3	1/1
Li Jinping	李金平	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Yang Junlin	楊俊林	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Ye Qian (Note 1)	葉芊(附註1)	1/2	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Zhang Dan (Note 2)	張丹(附註2)	3/3	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Adam Touhig	Adam Touhig	1/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Yip Kin Man, Raymond (Note 3)	葉健民(附註3)	3/3	4/4	2/2	2/2	1/1
Lam Yiu Kin	林耀堅	5/5	4/4	3/3	3/3	1/1
Feng Yaoling	馮耀嶺	5/5	4/4	3/3	3/3	1/1
Ho Shuk Ying, Sabrina (Note 4)	何淑英(附註4)	2/2	0/0	1/1	1/1	0/0

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Notes:

1. Mr. Ye Qian resigned as an executive Director with effect from 1 August 2023.
2. Mr. Zhang Dan was appointed as an executive Director with effect from 1 August 2023.
3. Mr. Yip Kin Man, Raymond resigned as an independent non-executive Director, the chairman and a member of each of the audit committee and remuneration committee of the Company, and the vice chairman and a member of nomination committee of the Company on 1 September 2023.
4. Ms. Ho Shuk Ying, Sabrina was appointed as an independent non-executive Director and a member of each of the audit committee, nomination committee and remuneration committee of the Company on 1 September 2023.

During the year and after the balance sheet date, two risk assessment meetings were held to deal with risk management issues of the Group. In addition, the executive Directors and the management of the Group held a budget meeting to review the business performance of 2023 and planning of 2024 business after the balance sheet date.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

The Company will provide a comprehensive and formal induction package to each newly appointed Director to ensure that he/she is sufficiently aware of his/her duties, responsibilities and obligations as a Director under the Companies Ordinance, the Listing Rules and other regulatory requirement and ensure that he/she has a proper understanding of the Company's operations and business. In compliance with the code provision C.1.4 of the Corporate Governance Code during the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills. The Directors have attended programmes or seminar(s) organised by the Company, other qualified professional bodies and regulatory authorities.

附註：

1. 葉芊先生於二零二三年八月一日辭任執行董事。
2. 張丹先生於二零二三年八月一日獲委任為執行董事。
3. 葉健民先生於二零二三年九月一日辭任獨立非執行董事、本公司審核委員會及薪酬委員會之主席及成員及本公司提名委員會副主席及成員。
4. 何淑瑛女士於二零二三年九月一日獲委任為獨立非執行董事及本公司審核委員會、提名委員會及薪酬委員會成員。

於本年度及結算日後，舉行了兩次風險評估會議藉以處理本集團之風險管理及內部監控事宜。並且，於結算日後執行董事及本集團管理層舉行了一次預算會議以檢討二零二三年之業務表現及二零二四年之業務計劃。

董事之持續培訓及發展

本公司將向每名新委任董事提供全面且正式的就任須知文件，確保他／她能足夠知悉公司條例、上市規則及其他法規規定下其為董事之責任、職責及義務，和確保他／她對本公司之運作與業務均有適當的理解。於本年度內，為符合企業管治守則之守則條文C.1.4條，所有董事均參與持續專業發展，以發展並更新其知識及技能。董事已參加由本公司或其他專業資格團體或監管機構所舉辦的課程或研討會。

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Furthermore, in order to ensure that the contribution of all Directors to the Board remains informed and relevant, the company secretarial department of the Company has from time to time provided Directors with relevant reading materials to keep them informed of the latest updates in the relevant industry and market and the latest changes on the legal and regulatory environment. The records of the training received by the respective Directors are kept and updated by the company secretarial department of the Company. Areas of their training activities provided by the Company, relevant professional bodies and regulatory authorities are summarised as follows:

再者，為確保所有董事能為董事會作出有識見及恰當的貢獻，本公司公司秘書部門不時向董事提供相關閱讀文件讓彼等知悉相關行業及市場的最新消息以及法律和法規環境的最新變化。各董事所接受之培訓紀錄已由本公司秘書部保管及更新。本公司、有關專業資格團體和監管機構向現時的董事提供的培訓活動範圍概況如下：

Name of Director	董事姓名	Legal, Regulatory and corporate governance updates 法律、法規及企業管治更新	Group's policies/businesses 本集團的政策/業務	Anti-corruption training and other professional development programs 反貪污培訓及其他專業發展課程
Su Fanrong	蘇凡榮	✓	✓	✓
Li Jinping	李金平	✓	✓	✓
Yang Junlin	楊俊林	✓	✓	✓
Zhang Dan (Note 1)	張丹(附註1)	✓	✓	✓
Adam Touhig	Adam Touhig	✓	✓	✓
Lam Yiu Kin	林耀堅	✓	✓	✓
Feng Yaoling	馮耀嶺	✓	✓	✓
Ho Shuk Ying, Sabrina (Note 2)	何淑瑛(附註2)	✓	✓	✓

Notes:

附註：

- Mr. Zhang Dan was appointed as an executive Director with effect from 1 August 2023.
- Ms. Ho Shuk Ying, Sabrina was appointed as an independent non-executive Director and a member of each of the audit committee, nomination committee and remuneration committee of the Company on 1 September 2023.
- Mr. Ye Qian resigned as an executive Director with effect from 1 August 2023.
- Mr. Yip Kin Man, Raymond resigned as an independent non-executive Director, the chairman and a member of each of the audit committee and remuneration committee of the Company, and the vice chairman and a member of nomination committee of the Company on 1 September 2023.

- 張丹先生於二零二三年八月一日獲委任為執行董事。
- 何淑瑛女士於二零二三年九月一日獲委任為獨立非執行董事及本公司審核委員會、提名委員會及薪酬委員會成員。
- 葉芊先生於二零二三年八月一日辭任執行董事。
- 葉健民先生於二零二三年九月一日辭任獨立非執行董事、本公司審核委員會及薪酬委員會之主席及成員及本公司提名委員會副主席及成員。

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Directors have disclosed to the Company at the time of his appointment and in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments and the time involvement in those public companies or organisations. In particular, Mr. Lam Yiu Kin holds seven listed company directorships. The Board, however, still believes that he is able to devote sufficient time to act as an independent non-executive Director on the basis that (i) he has confirmed that he is able to and will devote sufficient time to discharge his duties and responsibilities as an independent non-executive Director; (ii) he is not preoccupied with any full-time work and none of his current commitments as an independent non-executive director of the other listed companies would require his full-time involvement and he does not participate in the day-to-day operations of those listed companies; (iii) with his extensive experience and knowledge, particularly on corporate governance acquired and developed from his background and past experience (including his directorships in other listed companies), he is fully aware of the responsibilities and expected time involvement for independent non-executive directors; (iv) he has held directorships for over three years in the seven listed companies he worked; and (v) he has demonstrated that he is able to devote sufficient time to discharge his duties owed to each of the listed companies he has held directorships by attending board meetings and board committee meetings of these listed companies during their latest financial year, as disclosed in these listed companies' latest published annual reports.

CHAIRMAN AND MANAGING DIRECTOR

During the period from 1 January 2023 to 30 June 2023, the roles of chairman and managing Director were combined together and performed by Mr. Su Fanrong, and thus deviated from the code provision C.2.1 of the Corporate Governance Code. Further details of such deviation has been set out in page 33 under the heading “**THE BOARD**” above.

董事於接受委任時及有任何變動已適時披露其於公眾公司或組織擔任職位的數目及性質以及其他重大承擔，和擔任該等公眾公司或組織所涉及的時間。特別是，林耀堅先生持有七間上市公司的董事職位。然而，董事會認為他仍可投入足夠時間擔任獨立非執行董事，其依據是：(i) 彼已確認其能夠及將投入足夠的時間履行其作為獨立非執行董事的職責和責任；(ii) 彼並不專注於任何全職工作，而彼作為其他上市公司的獨立非執行董事的目前承諾不會要求其全職參與，並且彼不會參與該等上市公司的日常營運；(iii) 憑藉彼豐富的經驗和知識，尤其是根據其背景和過去的經驗中獲得和發展的企業管治（包括彼在其他上市公司的董事職位），彼完全了解獨立非執行董事的職責和預期的工作時間；(iv) 彼已在任職的七間上市公司中擔任董事職位超過三年；及(v) 彼已展示出有足夠的時間透過參加彼持有董事職位之上市公司在最近一個財政年度的董事會會議和董事委員會會議來履行對該等上市公司各自應負的職責，如該等上市公司最新發布的年度報告中所述。

董事長及董事總經理

於二零二三年一月一日至二零二三年六月三十日期間，本公司的董事長和董事總經理之角色均由蘇凡榮先生一併擔任，因此偏離企業管治守則之守則條文C.2.1條。有關此偏離的進一步細節已在第33頁上述標題「**董事會**」中列出。

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Since 1 July 2023, the roles of chairman and managing Director are separated and performed by Mr. Su Fanrong and Mr. Li Jinping respectively. The chairman, Mr. Su Fanrong, is responsible for formulating the overall strategies and policies of the Company, while the managing Director, Mr. Li Jinping, is authorised by the Board to manage the day-to-day business operations of the Company in accordance with business model and goals set up by the Board and the guidance of the Internal Control Manual. He is also supported by the full Board members and management.

NON-EXECUTIVE DIRECTORS

Non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of three years commencing from 1 January 2023 and expiring on 31 December 2025, except (i) Mr. Lam Yiu Kin, who was appointed for a term commencing from 1 January 2024 and expiring on 31 December 2026; (ii) Mr. Adam Touhig, who was appointed for a term commencing from 1 August 2022 and expiring on 31 December 2024; and (iii) Ms. Ho Shuk Ying, Sabrina, who was appointed for a term commencing from 1 September 2023 and expiring on 31 December 2025. They are all subject to retirement by rotation and re-election at least every three years at annual general meeting in accordance with the Articles.

BOARD COMMITTEES

The Board has established various board committees, namely remuneration committee, nomination committee and audit committee to manage particular aspects of the Company's affairs and aid in sharing the responsibilities of the Board. Moreover, all the board committees have formulated their specific written terms of reference in accordance with the requirements of the Corporate Governance Code. The board committee members will also from time to time report their decisions and recommendations to the Board, if necessary.

自二零二三年七月一日起，董事長與董事總經理之角色已區分，並分別由蘇凡榮先生及李金平先生擔任。董事長蘇凡榮先生負責確立本公司整體策略及政策的制定，而董事總經理李金平獲董事會授權，根據董事會訂立的業務模式和目標及內部監控指引的指導，管理本公司日常業務運作。彼亦獲得全體董事會成員及管理層的支持。

非執行董事

本公司之非執行董事(包括獨立非執行董事)以指定任期委任，由二零二三年一月一日起至二零二五年十二月三十一日止為期三年，除了(i)林耀堅先生，其指定任期為二零二四年一月一日起至二零二六年十二月三十一日止；(ii) Adam Touhig先生，其指定任期為二零二二年八月一日起至二零二四年十二月三十一日止；及(iii)何淑瑛女士，由二零二三年九月一日起至二零二五年十二月三十一日止。所有董事均須根據章程細則規定至少每三年一次在股東周年大會上輪席告退及膺選連任。

董事委員會

董事會已成立多個董事委員會，分別為薪酬委員會、提名委員會及審核委員會，藉以處理本公司特定範疇的事務及協助分擔董事會之職責。再者，所有董事委員會已根據企業管治守則之規定擬定其特定職權範圍。董事委員會成員如需要亦不時向董事會報告彼等的決定和建議。

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To comply with the Corporate Governance Code in relation to the requirements of the establishment of internal audit function and appropriate and effective risk management and internal control systems, the Company has engaged Moore Advisory Services Limited as the internal auditor of the Company since 2015. The audit committee takes the responsibility to review the risk management and internal control systems, the effectiveness of the Company's risk management and internal audit function and its other duties under the Corporate Governance Code.

No corporate governance committee has been established but respective board committees (as disclosed below) are responsible for performing corporate governance functions set out in the terms of reference in code provision A.2.1 of the Corporate Governance Code.

Remuneration committee

The remuneration committee has been established on 4 April 2005 and consists of four members with a majority of independent non-executive Directors. The current members are:

Mr. Lam Yiu Kin (*Chairman*)
Mr. Su Fanrong (*Vice Chairman*)
Mr. Feng Yaoling
Ms. Ho Shuk Ying, Sabrina

and its terms of reference are summarised as follows:

- i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's (if any) remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

為符合企業管治守則有關建立內部審核功能和合適及有效的風險管理及內部監控系統之要求，本公司自二零一五年起聘請大華國際諮詢有限公司為本公司內部核數師。審核委員會負責審查風險管理及內部監控系統、本公司風險管理及內部審核功能的有效性和企業管治守則所列其他職責。

本公司並沒有成立企業管治委員會，但各別董事委員會(如下文所述)已負責履行根據企業管治守則之守則條文A.2.1條所列載的企業管治職能的職權範圍。

薪酬委員會

薪酬委員會已於二零零五年四月四日成立並由四名成員組成，其中大部分為獨立非執行董事，現在成員為：

林耀堅先生(主席)
蘇凡榮先生(副主席)
馮耀嶺先生
何淑瑛女士

薪酬委員會之職權範圍概述如下：

- i) 就本公司之董事及高級管理人員(如有)之全體薪酬政策及架構，及就設立正規而具透明度之程序制訂薪酬政策，向董事會提出建議；

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- ii) to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management (if any), including benefits in kind, pension rights, compensation payments (including any compensation payable for loss or termination of their office or appointment), or to make recommendations to the Board on the remuneration of non-executive Directors, and also to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- iii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- iv) to review and approve compensation payable to executive Directors and senior management (if any) for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- v) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- vi) to consider the annual performance bonus for executive Directors and senior management (if any), having regard to their achievements against the performance criteria, and make recommendations to the Board;
- vii) to ensure that no Director or any of their associates are involved in deciding that director's own remuneration; and
- viii) to exercise such other powers, authorities and discretion, and perform such other duties, of the Directors in relation to the remuneration as the Board may from time to time delegate to it, having regard to the Corporate Governance Code.
- ii) 獲董事會轉授責任釐定個別執行董事及高級管理人員(如有)的薪酬待遇,包括非金錢利益、退休金權利、賠償金額(包括喪失或終止職務或委任的賠償),或就非執行董事的薪酬向董事會提出建議,及考慮同類公司支付的薪酬、須付出的時間及職責以及集團內其他職位的僱用條件;
- iii) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議;
- iv) 檢討及批准向執行董事及高級管理人員(如有)就其喪失或終止職務或委任而須支付的賠償,以確保該等賠償與合約條款一致,若未能與合約條款一致,賠償亦須公平合理,不致過多;
- v) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及之賠償安排,以確保該等安排與合約條款一致,若未能與合約條款一致,有關賠償亦須合理適當;
- vi) 根據執行董事及高級管理人員(如有)的表現準則評核其表現,審議有關人員的年度表現花紅,繼而向董事會提出建議;
- vii) 確保任何董事或其任何聯繫人士不得參與釐定其本身的薪酬;及
- viii) 獲董事會不時之授權及根據企業管治守則的規定就董事之薪酬待遇事宜行使其他權力、職權及酌情權,以及履行其責任。

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During the year under review, three remuneration committee meetings were held by the Company and two written resolutions of all members of remuneration committee were passed and the works performed by the remuneration committee included but not limited to: (i) the consideration and review of remuneration of the Directors; (ii) the consideration and recommendation of the terms of service contract of Mr. Li Jinping as the managing Director; (iii) the consideration and recommendation of the terms of service contract of Mr. Zhang Dan as the executive Director; (iv) the consideration and recommendation of the terms of service contract and remuneration of Ms. Ho Shuk Ying, Sabrina as the independent non-executive Director; (v) the consideration and recommendation of the renewal of service contracts for the executive Director, Mr. Su Fanrong and the independent non-executive Director, Mr. Lam Yiu Kin; and (vi) the review of the terms of reference of remuneration committee. The emoluments of the Directors are recommended by the remuneration committee to the Board, having regard to individual performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition. The attendance record of the remuneration committee members at the meetings held during the year is set out in the “**Attendance Record**” on page 38 of this report.

The information in respect of emolument policy of the Group is set out in the relevant sections of the “**REPORT OF THE DIRECTORS**” of this annual report and a separate report, 2023 Environmental, Social and Governance Report (the “2023 ESG Report”).

Nomination committee

The nomination committee has been established on 4 April 2005 and consists of four members with a majority of independent non-executive Directors. The current members are:

Mr. Su Fanrong (*Chairman*)
Mr. Feng Yaoling (*Vice Chairman*)
Mr. Lam Yiu Kin
Ms. Ho Shuk Ying, Sabrina

於本年度回顧，本公司曾舉行三次薪酬委員會會議及曾通過兩次所有薪酬委員會成員的書面決議案，薪酬委員會之工作包括但不限於：(i)考慮及檢討董事薪酬；(ii)考慮及建議李金平先生獲委任為董事總經理之服務合約；(iii)考慮及建議張丹先生獲委任為執行董事之服務合約；(iv)考慮及建議何淑瑛女士獲委任為獨立非執行董事之服務合約和酬金；(v)考慮及建議續簽執行董事蘇凡榮先生及獨立非執行董事林耀堅先生之服務合約；及(vi)檢討薪酬委員會職權範圍書。董事之酬金由薪酬委員會按照個人表現、本集團之業績及盈利狀況，亦以業界指標及當時市場環境而向董事會建議。而有關薪酬委員會成員於本年度舉行的會議之出席紀錄已列載於本報告第38頁內之「**出席紀錄**」內。

有關本集團之酬金政策之資料已列載於本年報「**董事會報告**」及一份獨立報告《二零二三年度環境、社會及管治報告》（「二零二三年度環境、社會及管治報告」）相關章節內。

提名委員會

提名委員會已於二零零五年四月四日成立並由四名成員組成，而其中大部分為獨立非執行董事，現在成員為：

蘇凡榮先生(主席)
馮耀嶺先生(副主席)
林耀堅先生
何淑瑛女士

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Terms of reference of nomination committee are summarised as follows:

提名委員會之職權範圍概述如下：

- i) to review and monitor the structure, size and diversity (including but not limited to gender, language, age, religion, social-economic status, cultural and educational background, ethnicity, professional experience, regional and industry experience, skills, knowledge, thinking styles, know-how and length of service) of the Board at least annually in accordance with the Board Diversity Policy and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - ii) to identify and/or nominate and then select or make recommendation to the Board on the selection of qualified individuals for appointment as additional Directors or to fill Board vacancies in accordance with the Policy for Nomination of a Director of the Company by considering the skills, experience and diversity of perspectives that the individual is expected to bring to the Board and what are their potential contributions as and when they arise with due regard for the benefits of diversity on the Board. Such appointment is subject to the approval of the Board;
 - iii) to make recommendations (taking into account the Company's corporate strategy and diversity need in the future) to the Board on the appointment or re-appointment of Directors and succession planning for Directors in accordance with the Policy for Nomination of a Director of the Company, in particular the chairman and the chief executive;
 - iv) to disclose the Policy for Nomination of a Director of the Company, performed by the nomination committee during the year. This includes the nomination procedures and the process and criteria adopted by the nomination committee to select and recommend candidates for directorships during the year, setting out the procedures for the appointment and reappointment of Directors and board succession planning consideration;
- i) 根據董事會成員多元化政策，至少每年檢討及監察董事會的結構、人數及多元化（包括但不限於性別、語言、年齡、宗教、社經地位、文化及教育背景、種族、專業經驗、地區及行業經驗、技能、知識、思想作風、技術及服務任期），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
 - ii) 在董事會需要增加董事人數或填補董事空缺時，考慮多元化對董事會之好處，作物色及／或提名，並根據提名公司董事政策考慮候任董事預期可為董事會帶來何樣的技巧、經驗及多元觀點，以及為未來作出怎樣的貢獻，然後進行甄選或向董事會提出建議，惟有關委任須待董事會批准方可落實；
 - iii) 根據提名公司董事政策，就董事委任或重新委任以及董事（尤其是董事長／主席及行政總裁）繼任計劃向董事會提出建議（考慮本公司將來之企業策略及多元化需要）；
 - iv) 披露年內由提名委員會執行的有關提名公司董事政策，包括提名委員會年內就董事候選人採納的提名程序以及遴選及推薦準則，列出委任及重新委任董事的程序及考慮董事會成員的繼任規劃；

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| v) to assess the independence of independent non-executive Directors annually; | v) 每年評核獨立非執行董事的獨立性； |
| vi) to review the Board Diversity Policy concerning diversity at all levels of Board members, including any measurable objectives and progress on achieving those objectives, and make disclosure of the policy or a summary of the policy in the corporate governance report annually; | vi) 就董事會成員多元化，檢討董事會成員多元化政策，包括任何可計量目標及達標的進度，以及每年在企業管治報告內披露其政策或政策摘要； |
| vii) for corporate governance issues, the nomination committee should (i) review and monitor the training and continuous professional development of Directors and senior management (if any); and (ii) develop, review and monitor the code of conduct and compliance manual (if any) applicable to the Company's employees and Directors; | vii) 有關企業管治事宜，提名委員會應(i)檢討及監察董事及高級管理人員(如有)的培訓和持續專業發展；以及(ii)制定、檢討和監察本公司僱員及董事的操守準則和合規手冊(如有)； |
| viii) the nomination committee shall make a statement or report to the Board after each meeting about its activities, the diversity of board members and the process used for appointments, reappointment of Directors under the Policy for Nomination of a Director of the Company and board succession planning consideration and explain if external advice has been used and disclose and publish in the annual report or other report as required subject to the Listing Rules which is amended from time to time; and | viii) 提名委員會須於每次會議後向董事會申述或報告有關其活動、董事會成員多元化以及根據提名公司董事政策委任及重新委任任何董事之過程，考慮董事會成員的繼任規劃以及就委任過程解釋有否採用外聘意見，並需要根據有關不時修訂之上市規則刊載於年報或其他報告內；及 |
| ix) to exercise such other powers, authorities and discretion, and perform such other duties, of the Directors in relation to the nomination as the Board may from time to time delegate to it, having regard to the Corporate Governance Code. | ix) 獲董事會不時之授權及根據企業管治守則的規定就董事之提名事宜行使其他權力、職權及酌情權，以及履行該等其他責任。 |

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During the year under review, three nomination committee meetings were held by the Company and two written resolutions of all members of nomination committee were passed and the works performed by the nomination committee included but not limited to: (i) the review of current structure, size and diversity of the Board; (ii) the review and assessment of the independence of independent non-executive Directors; (iii) the review of the Board Diversity Policy, the progress of achieving measurable objective for 2023 and 2024 and other long-term measurable objective; (iv) the recommendation and nomination of Directors to be re-elected at the forthcoming annual general meeting of the Company; (v) the consideration and recommendation of the appointment of Mr. Li Jinping as managing Director; (vi) the consideration and recommendation of the appointment of Mr. Zhang Dan as executive Director; (vii) the consideration and recommendation of the appointment of Ms. Ho Shuk Ying, Sabrina as independent non-executive Director; and (viii) the review of terms of reference of nomination committee.

The summary of Policy for Nomination of a Director of the Company

The Policy for Nomination of a Director of the Company has been recommended by nomination committee members and approved by Directors and adopted on 18 December 2018.

The Policy for Nomination of a Director of the Company is summarised as follows:

- state the objectives of the Policy for Nomination of a Director of the Company, including ensuring the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business;
- emphasise the ultimate responsibility for selection and appointment of Directors rests with the entire Board;

於本年度回顧，本公司曾舉行了三次提名委員會會議及曾通過兩次所有提名委員會成員的書面決議案，提名委員會之工作包括但不限於：(i)檢討董事會目前的結構、規模及多元化；(ii)檢討及評核獨立非執行董事的獨立性；(iii)檢討董事會成員多元化政策、二零二三年及二零二四年可計量目標之進度及其他長期可計量目標；(iv)建議及提名在即將舉行之本公司股東周年大會上重選之董事；(v)考慮及建議任命李金平先生為董事總經理；(vi)考慮及建議任命張丹先生為執行董事；(vii)考慮及建議任命何淑瑛女士為獨立非執行董事；及(viii)檢討提名委員會職權範圍書。

提名公司董事政策之概要

提名公司董事政策已於二零一八年十二月十八日由提名委員會成員建議並經董事批准，並獲得採納。

提名公司董事政策概述如下：

- 列明提名公司董事政策的目標，包括確保董事會成員俱備切合本公司業務所需的技巧、經驗及多元觀點；
- 強調甄選並委任董事的最終責任由全體董事承擔；

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- set out the procedures for the selection, appointment and reappointment of Directors containing the selection criteria, including but not limited to considering the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
 - set out other factors, such as the present needs of the Board for particular expertise skills or experience and whether the candidates would satisfy those needs, the requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates for independent non-executive Directors would be considered independence with reference to the independence criteria or guidelines set out in the Listing Rules, the suitability to the Company's present needs for particular skills or experience and whether it fits with the Company's culture, which are related to the Company shall be considered to select a proposed candidate;
 - list the nomination of Directors applicable laws and procedures;
 - state the requirement for the re-election of retiring non-executive Directors (including the independent non-executive Directors) who have served for more than 9 years; and
 - state the board succession planning considerations and periodical reviews of the plan.
- 列出制定甄選、委任及重新委任董事的程序，其中附有甄選標準，包括但不限於考慮個別人選可為董事會的資歷、技巧、經驗、獨立性及性別多元化等方面帶來的貢獻；
 - 列出與公司有關的其他因素，建議候選人的資格，例如：董事會目前對特定的專業技能或經驗的需求及候選人是否滿足這些需求，要求董事會根據上市規則設立獨立非執行董事及根據上市規則所載之獨立準則或指引考慮獨立非執行董事候選人是否被視為獨立，適合本公司目前對特定技能或經驗的需求，及是否符合本公司的文化；
 - 列出提名董事適用的法律和程序；
 - 列出已連任超過九年的非執行董事（包括獨立非執行董事）重選退任的條件；及
 - 列出審議董事會成員的繼任計劃，並定期檢討該計劃。

The nomination committee will monitor the Policy for Nomination of a Director of the Company to ensure the effectiveness and will discuss any revisions that may be required, and recommend any such revisions to the Board for adoption.

The nomination committee will review the Policy for Nomination of a Director of the Company and disclose in this report on the Board's succession planning considerations to achieve the objective to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice.

提名委員會將監督提名公司董事政策以確保有效性，並將討論可能需要的任何修訂及建議董事會採納任何此類修訂。

提名委員會將檢討提名公司董事政策，並在本報告中披露董事會的繼任計劃，以確保與本公司需求相關，並反映當前監管要求及良好的企業管治。

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Audit Committee

The audit committee has been established on 30 December 1998. At present, it consists of three members and all of them are independent non-executive Directors. The current members are:

Mr. Lam Yiu Kin (*Chairman*)
Mr. Feng Yaoling
Ms. Ho Shuk Ying, Sabrina

Terms of reference of audit committee are summarised as follows:

Relationship with the Company's external auditor

- i) to be primarily responsible for making recommendations 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;
- ii) to review and monitor the external auditor's independence and objectivity;
- iii) to review and monitor the effectiveness of the audit process in accordance with applicable standards and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- iv) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally;
- v) to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

審核委員會

審核委員會已於一九九八年十二月三十日成立。目前由三名成員組成，及所有成員均為獨立非執行董事，現在成員為：

林耀堅先生(主席)
馮耀嶺先生
何淑瑛女士

審核委員會之職權範圍概述如下：

與本公司外聘核數師之關係

- i) 主要負責就外聘核數師之委任、重新委任及罷免向董事會提供建議、批准外聘核數師之薪酬及聘用條款，及處理任何有關該核數師辭任或辭退之問題；
- ii) 檢討及監察外聘核數師是否獨立客觀；
- iii) 按適用標準檢討及監察核數程序是否有效，並於核數工作開始前先與外聘核數師討論核數性質及範疇及有關申報責任；
- iv) 就外聘核數師提供非核數服務制定政策，並予以執行。就此而言，「外聘核數師」包括與核數公司處於同一控制權、所有權或管理權之下之任何機構，或一個合理知悉所有有關資料之第三方，在合理情況下會斷定該機構屬於該核數公司之本土或國際業務之一部分之任何機構；
- v) 就任何必須採取之行動或改善之事項向董事會報告並提出建議；

CORPORATE GOVERNANCE REPORT

企業管治報告

Review of the Company's financial information

vi) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these reports (if applicable) before submission to the Board, the audit committee should focus particularly on:

- (a) any changes in accounting policies and practices;
- (b) major judgmental areas;
- (c) significant adjustments resulting from audit;
- (d) the going concern assumptions and any qualifications;
- (e) compliance with accounting standards; and
- (f) compliance with the Listing Rules and legal requirements in relation to financial reporting;

vii) in regard to (vi) above:

- (a) members of the audit committee should liaise with the Board and senior management (if any);
- (b) the audit committee must meet, at least twice a year, with the Company's external auditor; and
- (c) the audit committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer (if any) (or person occupying the same position), or external auditor;

審閱本公司之財務資料

vi) 監察本公司之財務報表以及年度報告及賬目、半年度報告及(若擬刊發)季度報告之完整性,並審閱其中所載有關財務申報之重要判斷。審核委員會在向董事會提交有關報表及報告(如適用)前,應特別針對下列事項加以審閱:

- (a) 會計政策及實務之任何更改;
- (b) 涉及重要判斷之地方;
- (c) 因核數而出現之重大調整;
- (d) 企業持續經營之假設及任何保留意見;
- (e) 是否遵守會計準則;及
- (f) 是否遵守有關財務申報之聯交所上市規則及法律規定;

vii) 就上文第(vi)項而言:

- (a) 審核委員會成員應與董事會及高級管理人員(如有)聯絡;
- (b) 審核委員會每年最少須與本公司之外聘核數師開會兩次;及
- (c) 審核委員會須考慮於該等報告及賬目中所反映或需反映之任何重大或不尋常事項,並應適當考慮任何由本公司屬下會計及財務匯報職員、監察主任(如有)(或擔任同一職位之人士)或外聘核數師提出之事項;

CORPORATE GOVERNANCE REPORT

企業管治報告

Oversight of the Company's financial reporting system, risk management and internal control systems

監管本公司之財務申報制度、風險管理及內部監控系統

- viii) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;
 - ix) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function;
 - x) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
 - xi) to ensure co-ordination between the internal auditors (if any) or the professional firm performing internal audit function and external auditor, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
 - xii) to review and assess the annual internal audit plan of the Company;
 - xiii) to provide comments and recommendations on the enhancement of the risk management and internal control systems of the Group;
 - xiv) to meet with the internal auditor (if any) or the representative of the professional firm performing internal audit function, if required, to ensure that there are no unresolved issues or concerns relating to risk management and internal control function;
- viii) 檢討本公司之財務監控，以及(除非有另設的董事會轄下風險委員會又或董事會本身會明確處理)檢討本公司的風險管理及內部監控系統；
 - ix) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效之系統。討論內容應包括本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
 - x) 主動或應董事會之委派，考慮任何有關風險管理及內部監控事宜之重要調查結果及管理層對調查結果之回應；
 - xi) 確保內部核數師(如有)或執行內部審核功能的專業公司和外聘核數師之工作得到協調；並確保內部核數功能在本公司內有足夠資源運作，並且有適當之地位；以及檢討及監察內部核數功能是否有效；
 - xii) 審閱和評估本公司的年度內部審核計劃；
 - xiii) 提供意見和建議以加強本集團的風險管理及內部監控系統；
 - xiv) 如需要時，與內部核數師(如有)或執行內部審核功能的專業公司之代表會面，以確保不存在與風險管理和內部監控功能相關尚未解決的問題或關注；

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企業管治報告

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| xv) to seek assurance from internal auditor or the professional firm performing internal audit function that internal control processes for risk management are in place for the strategy determined by the Board; | xv) 向內部核數師或執行內部審核功能的專業公司尋求確證，有關風險管理之內部監控程序以配合董事會制定之策略； |
| xvi) to review the content of the confirmation made by the management in relation to the effectiveness of the Group's risk management and internal control systems prior to submission to the Board; | xvi) 審閱呈交董事會前管理層所作出有關本集團風險管理和內部監控系統有效性之確認函的內容； |
| xvii) to review the Group's financial and accounting policies and practices; | xvii) 檢討本集團之財務及會計政策及實務； |
| xviii) to review the external auditor's management letter, any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control and the management's response; | xviii) 審閱外聘核數師給予管理層之《審核情況說明函件》、外聘核數師就會計紀錄、財務賬目或監控系統向管理層提出之任何重大疑問及管理層作出之回應； |
| xix) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; | xix) 確保董事會及時回應於外聘核數師給予管理層之《審核情況說明函件》中提出之事宜； |
| xx) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; | xx) 檢討本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注之設定安排。審核委員會應確保有適當安排，讓本公司對此等事宜作出公平獨立的調查及採取適當行動； |
| xxi) to act as the key representative body for overseeing the Company's relations with the external auditor; | xxi) 擔任本公司與外聘核數師之間的主要代表，負責監察二者之間的關係； |
| xxii) to report on all of the above matters in the code provisions of the Corporate Governance Code to the Board; | xxii) 就企業管治守則之守則條文中上述所有事宜向董事會匯報； |
| xxiii) to consider any other matters specifically referred to the audit committee by the Board; | xxiii) 考慮任何其他由董事會特定提交審核委員會處理之事項； |

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Issues

xxiv) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board, and implement the corporate governance policies laid down by the Board;

xxv) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; and

xxvi) to review the Company's compliance with the Corporate Governance Code and other related rules.

During the year under review, four audit committee meetings were held and the attendance record of the audit committee members at the meetings held during the year is set out in the "Attendance Record" on page 38 of this report.

The works performed by the audit committee included but not limited to: (i) discussion on and review of the half year and annual financial statements of the Group (including but not limited to financial and accounting policies and practices); (ii) meeting with the representatives of the professional firm performing internal audit function (the internal auditor) to discuss risk management process and the effectiveness of internal control system of the Group and make recommendations in relation thereto; (iii) review of the findings in respect of the internal audit service together with the recommendations to the Company; (iv) review of the internal audit plan prepared by the internal auditor; (v) meeting with external auditor in the absence of management to discuss any issue arising from the audit and the other matters the external auditor may raise; (vi) recommend the re-appointment of PricewaterhouseCoopers as external auditor of the Group and review of the audit fees; (vii) respond to the external auditor their knowledge of any actual, suspected or alleged fraud affecting the Group; (viii) discuss matters in relation to the compliance of law, rules and regulations, and accounting policies and practice of the Group; and (ix) review of the audit service plan prepared by the external auditor.

企業管治事宜

xxiv) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議，以及落實經董事會通過的企業管治政策；

xxv) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；及

xxvi) 檢討本公司遵守企業管治守則及其他相關規則的情況。

於本年度回顧，本公司舉行了四次審核委員會會議，而審核委員會成員於本年度舉行的會議之出席紀錄已列載於本報告第38頁內之「出席紀錄」內。

審核委員會的工作包括但不限於：(i)討論及審閱本集團上半年及全年財務報告(包括但不限於財務及會計政策及實務)；(ii)與執行內部審核功能的專業公司(內部核數師)會面以討論本集團的風險管理程序及內部監控系統的有效性並就相關事宜提出建議；(iii)審閱有關內部審核服務的調查結果以及對本公司的建議；(iv)審閱內部核數師編製的內部審核計劃；(v)在沒有管理層的情況下與外聘核數師會面，討論審計引起的任何問題和外聘核數師可能提出的其他事項；(vi)建議重新聘用羅兵咸永道會計師事務所為本集團的外聘核數師並審核審計費用；(vii)回應外聘核數師彼等知悉任何對於影響本集團的實際、懷疑或涉嫌的欺詐行為；(viii)討論有關遵守法律、法規及規則及本集團會計政策及實務的事宜；及(ix)審閱外聘核數師的外部審核計劃。

CORPORATE GOVERNANCE REPORT

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The audit committee members also discuss matters falling within its terms of reference with the external auditor in the presence of the financial controller and the company secretary from time to time as they request. When there are uncertainties or ambiguities in the interpretation of accounting standards in preparing the half year and annual accounts that may likely to materially impact on the financial position of the Group, the Company will prepare certain analysis explaining the situation in relation thereto for the audit committee members consideration and understanding. The audit committee members have full access to, and the co-operation of, the Company's management in ensuring that it is satisfied with the Company's internal control system.

During the financial year of 2023, the audit committee members had made valuable and positive contribution, and delivered independent and informed comments for the formulation and implementation of the Company's operational strategies and policies. Apart from meeting with the internal auditor, the audit committee members had also reviewed certain areas of the risk management and internal control systems in accordance with the code of corporate governance and reviewed the risk assessment reports, required the management of the Group to confirm the effectiveness of risk management and internal control systems and advised them to pay attention to those areas associated with high risks and take relevant measures to further improve the risk management and internal control systems of the Group. The concerns raised and discussed in respect of risk assessment and internal control systems had also been put forward to the Board to consider whether the measures to mitigate those risks are effective and adequate during the year under review.

審核委員會成員亦會不時要求在財務總監及公司秘書在場的情況下，與外聘核數師就其職權範圍內的事宜作出討論。如在準備半年度或年度賬目時對會計制度的解釋出現不確定或含糊的情況，而該情況可能顯著地影響本集團的財務狀況，本公司將準備若干分析解釋有關情況，以供審核委員會成員考慮及理解有關事宜。審核委員會成員可充份接觸本公司之管理層及獲得管理層的合作以確保他們滿意本公司之內部監控系統。

於二零二三年財政年度，審核委員會成員已就本公司制定及實行之業務策略及政策做出了寶貴及正面的貢獻和提出了獨立及有根據的意見。除與內部核數師會面外，審核委員會成員亦根據企業管治守則檢討了本公司風險管理及內部監控系統、風險評估報告、要求本集團管理層確認風險管理及內部監控系統的有效性及就建議本公司管理層應高度關注高風險範圍及採取有關措施，進一步改善本集團之風險管理及內部監控系統。於本年度回顧，就有關風險評估和內部監控系統方面提出和討論的關注亦已提交予董事會，以考慮減輕該等風險的措施是否有效和足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining, reviewing and monitoring risk management and internal control systems of the Company and to ensure their effectiveness. We believe effective risk management and internal control systems are essential for the success of the operation of business and good corporate governance. The Internal Control Manual, which sets out the guidelines for the operation of the internal control system and risk management system, had been adopted by the Company since 1999. These systems cover all main aspects, including financial, operational, compliance control and risk management. In order to align with the amendments made to relevant laws, rules and regulations, and further improve the risk management and internal control systems, the Board is responsible to review and improve the systems from time to time, if necessary.

In fact, the Board has set out five objectives for the management to achieve, details are as below:

1. Maximise profitability by increasing the profit margin of the business segment and at the same time minimise the production costs
2. Maintain a strong cash flow position of the Group
3. Enhance product quality
4. Attract new customers and develop markets for each of the business segments
5. Full compliance with laws, rules and regulations and financial reporting requirements

Hence, a risk assessment on the existing or potential risks that may affect the achievement of the above objectives would be conducted from time to time, at least twice a year by the management during the course of business operation and management.

風險管理及內部監控

董事會有責任維持、檢討及監察本公司風險管理及內部監控系統，並確保其有效性。我們認為有效的風險管理和內部監控系統對於業務營運的成功和良好的公司管治是必要的。本公司自一九九九年已採納了內部監控指引，該指引建立了操作內部監控及風險管理系統之準則。該等系統已涵蓋所有主要範疇，包括財務監控、運作監控和合規監控及風險管理。為了與有關法律、條例及規定的修改一致，以及進一步改善風險管理及內部監控系統，董事會負責定時檢討及改善該等系統(如需要)。

事實上，董事會已制定五個目標以給管理層達成，詳情如下：

1. 透過增加業務分部的毛利率以增加盈利及同時減低生產成本
2. 保持集團強健的現金流
3. 提升產品質量
4. 為各業務分部吸納新客戶和拓展市場
5. 完全符合法律、守則規章和財務報告的要求

因此，管理層將不時(每年至少兩次)對在業務營運和管理過程中可能影響達到上述目標的現有或潛在風險進行風險評估。

CORPORATE GOVERNANCE REPORT

企業管治報告

The framework of the risk management and internal control systems of the Group: 本集團的風險管理及內部監控系統之框架：



The Board 董事會

- Evaluate and determine the nature and extent of the risks it is willing to take in achieving the Group's objectives
評估及釐定達成本集團目標時所願意接納的風險性質及程度
- Maintain appropriate and effective risk management and internal control systems of the Company
維持本公司合適及有效的風險管理及內部監控系統
- Delegate the responsibility to the management to design, implement and assess the risk management and internal control systems of the Group
委派責任予管理層設計、實施和評估本集團的風險管理和內部監控系統
- Delegate the responsibility to the audit committee to review and oversee the effectiveness of the risk management and internal control systems of the Group
委派責任予審核委員會有關審查和監督本集團風險管理和內部監控系統的有效性

Audit Committee 審核委員會

- Perform the duties delegated by the Board, that is, review and oversee the effectiveness of the risk management and internal control systems of the Group
履行董事會授予的職責，即審查和監督本集團風險管理和內部監控系統的有效性
- Discuss with the internal auditor the major findings in respect of internal audit services and review the annual internal audit plan
與內部核數師討論內部審核服務的調查結果，並審閱年內之內部審核計劃
- Review the confirmation from the management of the Group and the comments and recommendations from the internal auditor in relation to the effectiveness of the Group's risk management and internal control systems prior to submission to the Board
審閱本集團管理層在呈交董事會前提呈之確認函及內部核數師之意見和建議，以確認本集團的風險管理和內部監控系統的有效性

CORPORATE GOVERNANCE REPORT

企業管治報告

Internal Auditor

內部核數師

- Perform internal audit services for the Group
為本集團進行內部審核服務
- Deliver internal audit reports to the audit committee and the Board
向審核委員會和董事會提交內部審核報告
- Meet with the audit committee members to discuss the major findings and make recommendations to improve the risk management and internal control systems of the Group
與審核委員會成員會面，討論主要調查結果並提出改善本集團風險管理和內部監控系統的建議

Heads of core business units/ departments

核心業務單位／部門主管

- Assess the risk levels based on potential impact and likelihood of risks in different aspects at least semi-annually
最少每半年根據潛在影響和可能性評估在不同方面的風險之風險程度
- Identify the material risks and discuss measures to mitigate risks
識別重大風險並討論降低風險的措施
- Give a confirmation annually on the effectiveness of the risk management and internal control systems of its business unit/department and submit it to the audit committee
每年確認各自業務單位／部門之風險管理和內部監控系統的有效性，並提交確認函予審核委員會

CORPORATE GOVERNANCE REPORT

企業管治報告

Process to identify, evaluate and manage significant risks

Two risk assessment meetings were held during the year and after the balance sheet date, at approximately half year intervals. The heads of the core business units/departments of the Company and/or its subsidiaries assessed the risk levels based on potential impact and likelihood of risks in different aspects including business risks, financial risks, compliance risks, operational and other risks and environmental, social and governance risks that may be exposed to. They filled out the risk assessment form which was devised with reference to the guidance entitled “Internal Control and Risk Management – A Basic Framework” issued by Hong Kong Institute of Certified Public Accountants before the meetings were held. The management of the core business units/departments of the Company and/or its subsidiaries participated in the risk assessment meetings. The meetings aimed to identify the material risks and to discuss the measures to manage risks. Besides, the status and effectiveness of implementation of internal control measures taken after the last risk assessment meeting would be followed up in the risk assessment meetings.

Subject to the Corporate Governance Code and terms of reference of the audit committee of the Company, the management of each core business unit/department of the Group will provide the internal auditor with their written confirmation annually in relation to the effectiveness and adequacy of their risk management and internal control systems for further review, comments and recommendations and thereafter the audit committee will review the same prior to submission to the Board. The internal auditor will base on the nature and extent of the risks of each individual core business unit/department to perform further review and recommendations.

In addition to the above assessment process, the management reports and discusses at the monthly meetings the existing and potential risks that the Group has to face and monitor, as well as business operation and cash flow position of the Group.

用於識別、評估和管理重大風險的程序

於本年度及結算日後舉行了兩次風險評估會議，大約每半年一次。本公司及／或其附屬公司核心業務單位／部門主管根據面對不同風險所潛在的影響及可能性評估風險，包括業務風險、財務風險、合規風險、營運及其他風險和環境、社會及管治風險。在舉行會議前，彼等填寫了參考香港會計師公會發佈之「內部監控和風險管理－基本框架」指引而制定的風險評估表。本公司及／或其附屬公司核心業務單位／部門管理層已參與該等風險評估會議。該等會議的目的是識別出重大的風險，並討論管理風險的措施。此外，在風險評估會議上會跟進上一次風險評估會議後採取的內部監控措施的執行狀況和成效。

根據企業管治守則和本公司審核委員會的職權範圍書，本集團每個核心業務單位／部門之管理層每年就其風險管理和內部監控系統的有效性及足夠性，向內部核數師提供書面確認函作進一步審閱、評論及建議，而其後審核委員會將在呈交董事會前審閱該確認函。內部核數師將根據各核心業務單位／部門的風險性質和程度進行進一步審查和建議。

除了上述評估程序外，管理層在每月會議上匯報及討論本集團需面對及監控之現有風險和潛在風險，以及本集團業務營運和現金流量的情況。

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The Company has engaged Moore Advisory Services Limited, as the internal auditor of the Company. During the year, the internal auditor had (i) met with the audit committee to discuss and provide recommendations on improving the risk assessment process of the Group; (ii) discussed the major findings in respect of internal audit services with the audit committee and provided recommendations for improvement on internal control; and (iii) delivered the audit committee the internal audit reports regarding the main risk areas of the business segments of the Group and internal audit plan in relation thereto, etc. Apart from taking part in advising the maintenance of effective and adequate risk management and internal control systems of the Company, they also reviewed and monitored the internal operation of the Group through the testing and controls performed after arranging site visits to the two steel cord plants.

All relevant confirmations from the management provided to the Board on the effectiveness and adequacy of the Company's risk management and internal control systems for the year ended 31 December 2023 had been received. The audit committee members had reviewed those contents of the confirmations and submitted the same to the Board. The Board had reviewed and confirmed the effectiveness and adequacy of the Group's risk management and internal control systems at the Board meeting.

A whistleblowing policy and system have been implemented and set up since 22 March 2012 and revised from time to time thereafter for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the Company.

The Company has established policies and system that promote and support anti-corruption laws and regulations. A detailed discussion on anti-corruption is set out in the 2023 ESG Report.

本公司已聘任大華國際諮詢有限公司為本公司內部核數師。於本年度，內部核數師(i)與審核委員會會面以討論及提出建議以改善風險評估程序；(ii)與審核委員會討論內部審核服務的主要發現及提供改善內部監控之建議；及(iii)向審核委員會提交有關本集團業務分部的主要風險範疇的內部審核報告及相關內部審核計劃等。除協助建議本公司維持一個有效及充足的風險管理及內部監控系統外，他們亦於兩間鋼簾線廠房實地視察後進行測試及控制，以檢討及監控本集團之內部運作。

管理層向董事會提供截至二零二三年十二月三十一日止年度的所有有關本公司之風險管理和內部監控系統是否有效及足夠之相關確認函已收悉。審核委員會成員已審閱該等確認函的內容並提呈董事會，董事會已在董事會會議上審閱並確認本集團風險管理和內部監控系統的有效性及足夠性。

舉報政策及系統自二零一二年三月二十二日已實施及建立，並於隨後不時修訂，讓僱員及其他與本公司有往來者(如客戶及供應商)可暗及以不具名方式向審核委員會提出其對任何可能關於本公司的不當事宜的關注。

本公司已制定促進和支持反貪污法律及規例的政策和系統。有關反貪污的詳細討論載列於二零二三年度環境、社會及管治報告內。

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In view of the foregoing, the Board had duly ensured the review of the effectiveness and adequacy of the risk management and internal control systems of the Group was conducted at least annually and the Board therefore considered that the risk management and internal control systems of the Group were effective and adequate throughout the year of 2023. However, there is room for improvement in certain areas, for instance, the measures of managing operational and other risks, such as product quality control and new product development.

Procedures for handling and dissemination of inside information

The Company complied with the Listing Rules, SFO and other regulatory requirements regarding the handling and dissemination of inside information. Directors and senior management of the Company oblige to take all reasonable measures to ensure that proper safeguards exist to prevent the Company from breaching the statutory disclosure requirement. Directors and senior management of the Company follow the guidelines stipulated in Continuous Disclosure Obligation Policy of the Company, which has been adopted by the Board since 2011. Some principles of dissemination of inside information of the Company were stated in the said policy, details are as follows:

The heads of business units/individual departments identify and assess whether a potential event or transaction may constitute inside information. If that is the case the potential event or transaction should be reported to the senior management of the Company, through the company secretarial department. The senior management will consider with the chairman/managing Director whether the information constitute inside information and report to the Board. The Board will consider whether the information may constitute inside information and whether disclosure and/or trading halt would be required. If this constitutes inside information, the company secretarial department of the Company would have to arrange for trading halt, prepare and publish an announcement after approval by the Board.

鑒於上述，董事會已確保最少每年檢討一次本集團的風險管理及內部監控系統是否有效及足夠及董事會認為本集團於二零二三年內之風險管理和內部監控系統是有效和充足的。但是若干範疇例如管理營運及其他風險中有關產品品質控制及新產品開發計劃方面的措施還有改善的空間。

處理及披露內幕消息的程序

本公司遵守上市規則、證券及期貨條例及其他有關處理及披露內幕消息的監管規定。本公司的董事及高級管理層有責任採取一切合理措施，以確保有妥善的預防措施防止違反披露規定。本公司的董事及高級管理層須遵守本公司之持續披露責任政策中規定的指引，該政策自二零一一年起獲董事會採納批准。本公司亦在上述政策說明內幕消息披露的若干原則，詳情如下：

業務單位／個別部門主管需辨別和評估有關潛在的事件或交易是否可能構成內幕消息。如是潛在的事件或交易必須通過公司秘書部報告給本公司高級管理層。高級管理層與董事長／或董事總經理會考慮該資料是否構成內幕消息並向董事會匯報。董事會將考慮該資料是否可能構成內幕消息，以及是否需要披露和／或短暫停牌。如其構成內幕消息，於取得董事會的批准後，公司秘書部會安排申請短暫停牌、準備和刊發公告。

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Below flow chart illustrates the internal control and reporting system of the Company relating to inside information:

以下為本公司對有關內幕消息之內部監控及申報系統流程圖：

Heads of business units/individual departments to identify and assess whether potential or developing events may constitute inside information*

業務單位／個別部門主管需辨別和評估有關潛在或發展中的事件是否可能構成內幕消息*

If yes, report to **senior management** of the Company (the usual channel is through **company secretary** of the Company)

如是，將向本公司高級管理層（一般是通過本公司公司秘書渠道）匯報

Responsible **senior management** to consider with the chairman/managing Director whether the information may constitute inside information

由負責之高級管理層與董事長／董事總經理考慮該資料是否能構成內幕消息

If yes, report to the **Board** with supporting documents through the channel of **company secretarial department** of the Company. The **company secretarial department** considers potential disclosure implications (with assistance of legal counsel if appropriate) and arranges for collating and circulating relevant information to the **Board** for further consideration

如是，將一併與有關支持文件交由本公司公司秘書部向董事會匯報。公司秘書部會考慮潛在的披露影響（如合適，連同法律顧問之協助）及安排核對和轉發有關資料予董事會作進一步考慮

The **Board** to consider whether the information may constitute inside information and whether disclosure and/or request of trading halt would be required

由董事會考慮該資料是否可能構成內幕消息及是否需要披露及／或需要申請短暫停牌

If yes, the **company secretarial department** of the Company arranges for trading halt and/or preparing announcement

如是，本公司公司秘書部將安排申請短暫停牌及／或準備公告

Trading halt is made and announcement is published on the websites of the Company and the Stock Exchange after approval by the **Board**

於取得董事會的批准後，提出短暫停牌及在本公司及聯交所網站刊發公告

* The heads of business units/individual departments can consult the functional departments of the Company, if he/she has any query about what constitute inside information

* 業務單位／個別部門主管如對有關可能構成內幕消息的資料有任何疑問，他／她可與本公司的職能部門作進一步查詢

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Directors or employees of the Group in possession of the inside information must maintain strict confidentiality of unpublished inside information until it is announced and ensure that the strictest security of the information is observed within the Company and its advisers and if the necessary degree of confidentiality cannot be maintained, an announcement shall be made as soon as reasonably practicable; or if inside information has been inadvertently divulged, an announcement shall be issued immediately so as to disseminate such information to the market as a whole.

The Board monitors the inside information disclosure having regard to the SFO and Listing Rules requirements and the Company ensures that the dissemination of inside information to the Shareholders and other stakeholders is dealt fairly in order to avoid any person having a privileged dealing position.

DIVIDEND POLICY

In order to maintain a high standard of corporate governance practice and be in line with Code Provision F.1.1 of the Corporate Governance Code requiring all listed issuers to disclose their dividend policy in their annual reports, the dividend policy of the Company has been adopted by the Board on 18 December 2018, which includes setting standard rules and guidelines to be followed by the Board in deciding whether to recommend dividend out of the profits and the amount of dividend per Share to be distributed. The objective of the dividend policy is to reward its Shareholders by sharing a portion of the profits, while also ensure that enough funds are retained for future prospects of the Company and strive for a balance between the growth of the Company and the benefits of the Shareholders.

When considering the decision on dividend declaration, we will take into account both the internal factors and external factors.

董事或本集團擁有內幕消息的僱員必須對未公佈的內幕消息保持絕對保密並須確保本公司及其顧問均嚴守消息保密直至公佈，若無法保持所需的機密性，應在合理地切實可行的範圍內盡快刊發公告，或該內幕消息不慎泄露，便應即時刊發公告向市場整體披露該消息。

董事會需按照證券及期貨條例及上市規則的規定監察內幕消息的披露及本公司會確保內幕消息公平地向股東及其他持份者發放，以避免任何人士在證券交易上處於佔優的地位。

股息政策

為維持高水平的企業管治常規，並符合企業管治守則之守則條文F.1.1條規定所有上市發行人須在其年報中披露其股息政策，本公司之股息政策已於二零一八年十二月十八日獲董事會採納，內容包括讓董事會決定是否建議從利潤中分配股息及每股分配的股息金額而制定可跟從的標準規則和指導方針。股息政策的目的是通過分享部分利潤來回報股東，同時確保為本公司的未來發展前景保留足夠的資金，並旨在力求在本公司增長與股東利益之間取得平衡。

在決定股息分配時，我們會考慮內在因素及外在因素。

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For internal factors, we will consider the: (i) profitability of the Company; (ii) liquidity position and the availability of free cash flow; (iii) capital requirements for growth plans of the Company which may require funds preservation and internal funds generation, both internal and external; (iv) investment opportunities available with the Company; (v) borrowing capacity of the Company so as to capture any growth opportunities, inorganic or otherwise; (vi) ability to receive dividend from the Company's subsidiaries and associated companies; and (vii) Shareholders' expectation of a profitable return on their investment to maintain their investment in the Company.

For external factors, we will consider the: (i) statutory and regulatory requirements and restrictions on the dividend distributions; (ii) contractual restrictions/restrictions in debt covenants which affect the Company's ability to pay dividends; (iii) prevailing economic climate in the global including the PRC that will affect the availability of profits for dividend; (iv) emerging trends in the financial market and business cycle of steel cord business that will affect the growth and performance of the steel cord industry; and (v) taxation consideration.

The Board may declare interim dividends at its absolute discretion in line with the dividend policy, or if the Board are justified by the profits of the Company available for distribution. If the share capital is divided into different classes (if applicable), the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

Subject to the approval of the Shareholders at the annual general meeting, the Board may recommend quantum of final dividend payable to the Shareholders at its annual general meeting in line with the dividend policy, based on the aforesaid factors arrived at as per the audited financial statements.

內在因素方面，我們會考慮：(i)本公司的盈利狀況；(ii)流動資金狀況和現金流量的可用性；(iii)本公司增長計劃的資本要求，可能需要保留內部及外部資金及資金撥用；(iv)本公司的投資機會；(v)本公司的借貸能力以抓住外圍或其他增長機會；(vi)獲得本公司的附屬公司和聯營公司股息的能力；及(vii)股東對獲得有利可圖的投資回報的期望從而維持其對本公司的投資。

外在因素方面，我們會考慮：(i)股息分派的法定及監管要求及限制；(ii)影響本公司支付股息的能力的合同制約／債務契約的限制；(iii)當前包括中國在內的全球經濟狀況影響可供派發股息之溢利；(iv)金融市場的新興趨勢和鋼簾線業務的商業周期將影響鋼簾線行業的增長和表現；及(v)稅務考慮。

董事會可根據股息政策行使全權的酌情權派發中期股息，或如董事會認為本公司可供分派之溢利情況足以派發中期股息。如股本分為各類不同股份（如適用），則董事除可派發中期股息予享有派息優先權股份之持有人外，亦可派發中期股息予遞延股份或非優先股份之持有人。惟倘於派付股息時，尚有任何優先股股息並未償付，則不得派發中期股息予遞延或非優先股份之持有人。

如董事認為可供分派之溢利情況足以派發，則董事亦可不時派發定額股息。

經股東於股東周年大會上批准，根據經審核財務報告得出的上述因素，董事會可於其股東周年大會上根據股息政策建議應付股東的末期股息金額。

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The dividend shall be paid in the form of: (i) cash; or (ii) a scrip dividend; or (iii) a combination of partly in (i) and partly in (ii) above. The Company may offer the Shareholders the option of receiving scrip shares in lieu of cash, which may enable the Shareholders to increase their investment in the Company without incurring brokerage fees.

The Company shall endeavor to maintain a reasonable dividend payout ratio, whether as interim and/or final dividends, subject to (i) capital needs of the Company; (ii) positive operating cash flows; and (iii) other financial factors enumerated in the dividend policy. The Company may recommend a special dividend in special circumstances.

The dividend policy would be subject to revision and amendment under the Articles and the Hong Kong law, including the Companies Ordinance and the Listing Rules, from time to time, on the subject matter. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of the said policy.

In case of any amendment(s), clarification(s), circular etc. issued by the relevant authorities, not being consistent with the provisions laid down under the said policy, then such amendment(s), clarification(s), circular etc. shall prevail upon the provisions hereunder and the said policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular etc.

The dividend policy does not constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time, but only represents a general guidance and information purpose regarding the dividend policy. The Board reserves the right to depart from and amend the said policy as and when circumstances so warrant.

股息應以下列形式支付：(i)現金；或(ii)代息股份；或(iii)部份按上列(i)項與部份按上列(ii)項之組合。本公司可向股東提供以股代息取代現金的選擇，在不產生經紀費的情況下，而增加股東對本公司的投資。

不論是中期及／或末期股息，本公司將努力維持合理的股息派發比率，同時考慮(i)公司的資金需求；(ii)正向經營現金流量；及(iii)股息政策中列舉的其他財務因素。本公司亦可能會在特殊情況下建議派發特別股息。

股息政策可根據章程細則及香港法律(包括公司條例及上市規則)不時作出修改及修訂。本公司保留更改、修改、添加、刪除或修訂本政策任何條款的權利。

如果有關部門發佈的任何修改、澄清、通函等不符合本政策規定的條款，則以該等修改、澄清、通函之條款的規定為準，及本政策應自該等修正、澄清、通函規定的生效日期起相應修改。

股息政策並不構成本公司對其未來股息的任何具有法律約束力的承諾及／或絕不意味著本公司有義務在任何時間或不定時宣布股息，而僅代表關於股息政策的一般指導和資訊目的。視乎情況所需要時，董事會保留偏離並修改本政策的權利。

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To the extent permitted by applicable laws and the Articles, subject to the dividend policy adopted by the Company and in the absence of unforeseen circumstances, the Company plans to distribute dividends of an amount not less than 30% of the Group's annual consolidated net profit attributable to the owners of the Company for each of the three financial years from 2021 to 2023 to the Shareholders. The Board may propose a distribution plan with a higher level of dividends based on the financial performance growth from time to time. Details were also disclosed in the announcement of the Company dated 21 February 2022.

在適用的法規和章程細則允許的範圍內，根據本公司採用的股息政策，在無不可預見的情況下，本公司計劃由二零二一年至二零二三年三個財政年度每年向股東派發不少於本公司擁有人應佔本集團年度綜合淨溢利之30%的金額作為股息。本公司將不時根據財務業績增長情況，提出更高的股息派發計劃。詳見本公司日期為二零二二年二月二十一日的公告。

AUDITORS' REMUNERATION

During the year, the remuneration paid/payable to the external auditor, PricewaterhouseCoopers, is set out as follows:

核數師酬金

在本年度，已支付／應付予外聘核數師羅兵咸永道會計師事務所的酬金載列如下：

Services rendered	所提供服務	HK\$'000 港幣千元
Audit services	審計服務	1,485
Non-audit services:	非審計服務：	
Interim review	中期審閱	378
Others	其他	30
		1,893

RESPONSIBILITY FOR PREPARATION AND REPORTING OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting and financial reporting standards to enable the presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Directors will be subject to statutory requirements and applicable accounting standards, select suitable accounting policies and apply them consistently, make prudent, fair and reasonable judgements and estimates and prepare the financial statements on a going concern basis.

編製及呈報財務報告之責任

董事知悉彼等有責任根據法定要求及適用會計及財務報告準則編製本集團綜合財務報告，以確保綜合財務報告不會因欺詐或錯誤而出現重大錯誤陳述。董事將受制於法定要求及適用之會計準則之基準下選擇並貫徹運用合適的會計政策、作出審慎、公平及合理之判斷及估算，並按持續經營為基準編製財務報告。

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COMPANY SECRETARY

The company secretary of the Company is a full time employee of the Group. She reports to the chairman and/or managing Director. During the year, the company secretary of the Company has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

DIVERSITY

The Board Diversity Policy has been adopted since 2013. Other than the elements of board diversity, in considering the nomination of new directors, the nomination committee members will subject to the Policy for Nomination of a Director of the Company take into account the qualification, ability, working experience and professional ethics of the candidates, especially their experience in the business/industry of the Group and/or other professional areas. The nomination committee then put forward the recommendation in respect of the above factors, where appropriate, to the Board for consideration and adoption according to the Policy for Nomination of a Director of the Company. The attendance record of the nomination committee members at the meetings during the year is set out in the “**Attendance Record**” on page 38 of this report.

The summary of Board Diversity Policy and its measurable objectives

The Board Diversity Policy has been reviewed and recommended by nomination committee members, approved by Directors.

The Board Diversity Policy is summarised as follows:

- articulate the benefits of diversity, including gender diversity, and the importance of being able to attract, retain and motivate Directors from the widest possible pool of available talent, and also be aware of development of a broader and more diverse pool of skilled and experienced employees and that, in their skills, will prepare for senior management and board position to enhance the quality of its performance;

公司秘書

本公司之公司秘書為本集團之全職僱員。彼需向董事長及／或向董事總經理匯報。於本年度，本公司之公司秘書已遵守上市規則第3.29條有關專業培訓之規定。

多元化

本公司自二零一三年起採納董事會成員多元化政策。除考慮董事會多元化元素外，在考慮提名新董事時，提名委員會成員將依據提名公司董事政策以候選人的資歷、能力、工作經驗及其專業操守，尤其是其在本集團之業務／行業及／或其他專業領域之經驗作考慮。提名委員會將根據提名公司董事政策就以上考慮因素（如合適）建議給董事會考慮及採納，而有關提名委員會成員於本年度舉行的會議之出席紀錄已列載於本報告第38頁內之「**出席紀錄**」內。

董事會成員多元化政策概要及其可計量目標

董事會成員多元化政策已由提名委員會成員檢討及建議，並經董事批准。

董事會成員多元化政策概述如下：

- 說明多元化（包括性別多元化）裨益良多，及從廣泛的人才中吸納、保留和激勵董事的重要性，及認識到發展更廣大和更多元化有技能和經驗的僱員，及從他們的技能就成為高級管理層和董事會職位做好準備，以提升公司的表現；

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- express the Company's commitment to diversity at all levels, including but not limited to gender, language, age, religion, social-economic status, cultural and educational background, ethnicity, professional experience, regional and industry experience, skills, knowledge, thinking styles, know-how and length of service, in particular focus on gender diversity, independence of the independent non-executive Directors and skills and experience; and
- prepare a board skills matrix helping the Board to assess the current mix of competencies and diversity on the Board and identify any gaps that may exist.
- 顯示本公司致力從多方面考慮多元化的承諾，包括但不限於性別、語言、年齡、宗教、社經地位、文化及教育背景、種族、專業經驗、地區及行業經驗、技能、知識、思想作風、技術及服務任期，特別是注重性別多元化，獨立非執行董事的獨立性以及技能和經驗；及
- 準備董事會技巧矩陣有助董事會評估其當下的能力及多元化狀況，找出任何可能存在的不足。

The nomination committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

Board Diversity

The Company recognises that board diversity is an essential element in supporting the attainment of the Company's objectives and its sustainable development.

Our Board has a balance of tenure, diversity and age, with an effective mix of experience and fresh perspective. During the year, the Board was pleased to welcome a female independent non-executive Director to join the Board on 1 September, 2023. In the future, the Board will continue to pay due regard to the importance of diversity when identifying potential candidates for directorships and will continue to ensure that gender is one of the factors to be considered by the nomination committee of the Company when appointing directors.

提名委員會將每年討論與協商達成董事會多元化的所有可計量目標，並向董事會推薦採納。在任何適當的時間，董事會可從一個或多個方面尋求改善多元化及計量目標的進度。

董事多元化

本公司認識到董事會多元化是支持達成本公司目標及其可持續發展的重要因素。

我們的董事會在任期、多元化和年齡方面取得了平衡，有效地結合了經驗和新觀點。年內，董事會欣然歡迎一位女性獨立非執行董事於二零二三年九月一日加入董事會。未來，董事會將繼續在物色潛在董事候選人時充分考慮多元化的重要性，並繼續確保性別為提名委員會於委任董事時考慮的因素之一。

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Gender Diversity across Workforce

At workforce level, the Group aims to create an inclusive and safe working environment where everyone is treated equally and free from discrimination and gender bias. All employees are entitled to have equal opportunity in recruitment, career development, promotion, benefits and training.

As at 31 December 2023, the ratio of men to women in the workforce (including senior management) of the Group was 84:16, the ratio of men to women in the office being 49:51 and the ratio of men to women in the steel cord plants being 85:15. Due to the nature of work in the manufacturing industry, it is relatively difficult to achieve gender diversity across the workforce in steel cord business of the Group. Nevertheless, the Group will actively promote corporate principles and values which include equal opportunity for men and women, and to reduce the reliance on male workers through implementing different measures, such as provision of additional machinery and equipment as well as optimisation of the work process and thereby enhance gender diversity. Details on the gender ratio of the Group together with relevant data can be found in the 2023 ESG Report.

SHAREHOLDERS' RIGHTS

The Board recognises the importance of effective communication with Shareholders. In order to maintain an ongoing dialogue with Shareholders, the Company has opportunities to directly communicate with Shareholders at various annual general meetings and other general meetings where Shareholders are encouraged to actively attend. In addition, the chairman of the Board and the chairman of each of remuneration committee, nomination committee and audit committee were present to answer any Shareholder's questions at the 2023 annual general meeting (the "2023 AGM"). The external auditor also attended the 2023 AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence etc.

Procedures for members/Shareholders to convene a general meeting ("GM")

Under Section 566 of the Companies Ordinance, the directors are required to call a GM if the Company has received requests to do so from members/Shareholders of the Company representing at least 5% of the total voting rights of all the members/Shareholders having a right to vote at GM.

僱員的性別多元化

在僱員層面，本集團旨在創造一個包容和安全的工作環境，讓每個人都得到平等對待，沒有歧視和性別偏見。所有僱員都有權在招聘、職業發展、晉升、福利和培訓方面享有平等機會。

截至二零二三年十二月三十一日止，本集團僱員（包括高級管理人員）的男女比例是84比16，其中辦公室男女比例為49比51，而鋼簾線廠房男女比例為85比15。由於製造業的工作性質，本集團於鋼簾線業務實現性別多元化比較有難度。儘管如此，本集團將積極倡導包括男女機會平等在內的企業原則和價值觀，並會透過不同的措施，如增添機器設備，並優化工作流程，減少對男性工人的依賴，從而提升性別多元化。有關本集團性別比例的詳情連同相關數據，載於二零二三年度環境、社會及管治報告內。

股東權益

董事會認識到與股東有效溝通的重要性。為了與股東持續保持溝通，本公司透過股東周年大會及其他股東大會，有機會與股東直接溝通，並鼓勵他們積極參與。另外，於二零二三年度股東周年大會（「二零二三年度股東周年大會」），董事會主席、薪酬委員會主席、提名委員會主席及審核委員會主席，均有出席解答任何股東之提問。而外聘核數師亦出席二零二三年度股東周年大會回答有關審計工作、編製核數師報告及其內容、會計政策以及核數師的獨立性等問題。

成員／股東召開股東大會（「股東大會」）之程序

根據公司條例第566條，如本公司收到佔全體有權在股東大會上表決的成員／股東的總表決權最少5%的公司成員／股東的要求，要求召開股東大會，則董事須召開股東大會。

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The request:–

- (a) must state the general nature of the business to be dealt with at the GM;
- (b) may include the text of a resolution that may properly be moved and is intended to be moved at the GM;
- (c) may be deposited at the registered office of the Company at Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong for the attention of company secretary in hard copy form or in electronic form by email to ir@shougangcentury.com.hk;
- (d) may consist of several documents in like form;
- (e) must be authenticated by the person or persons making it; and
- (f) must be verified with the share registrar of the Company, and upon the share registrar's confirmation that the request is proper and in order, the company secretary of the Company will notify the Board to convene a GM by serving proper notice in accordance with the statutory requirements to all the registered members/Shareholders of the Company. On the contrary, if the request has been verified as not in order, the requesting members/Shareholders will be informed of this outcome and accordingly, a GM will not be convened as requested.

Procedures for members/Shareholders and other stakeholders to send enquires and concerns to the Board

Members/Shareholders and other stakeholders are invited to access the Company's website at <http://www.shougangcentury.com.hk> for up-to-date information of the Company. They are advised to send enquires and concerns to the Board:–

- (a) by post at the registered office of the Company situated at Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong for the attention of the Company Secretary; or

書面請求書：–

- (a) 須述明有待在有關股東大會上處理的事務的一般性質；
- (b) 可包含可在該股東大會上恰當地動議並擬在該股東大會上動議的決議的文本；
- (c) 可採用印本形式送交於本公司的註冊辦事處，地址為香港柴灣新業街6號安力工業中心12樓1215室，或電子形式透過本公司電郵 ir@shougangcentury.com.hk，註明公司秘書收啟；
- (d) 可包含若干份格式相近的文件；
- (e) 必須經提出該要求的人認證；及
- (f) 必須由本公司股份過戶登記處核實，在股份過戶登記處確定為適當及符合程序後，本公司公司秘書將要求董事會召開股東大會，並按照法定要求給予本公司所有登記成員／股東充分的通知期。反之，若有關要求經核實為不符合程序，請求人將獲知會結果，而本公司亦不會按要求召開股東大會。

成員／股東和其他持份者向董事會提出查詢與關注的程序

誠邀成員／股東和其他持份者瀏覽本公司網站 <http://www.shougangcentury.com.hk>，獲取有關本公司的最新資料。建議成員／股東和其他持份者可將有關對董事會的查詢與關注：–

- (a) 郵寄至本公司註冊辦事處，地址為香港柴灣新業街6號安力工業中心12樓1215室，註明公司秘書收啟；或

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(b) by email to ir@shougangcentury.com.hk for the attention of our Investor Relations section.

The Company will make responses to members/Shareholders and other stakeholders' questions through their required communication channels or deliver the relevant material directly to their emails as soon as the information becomes available online and make necessary arrangement for direction of enquires to the Board, if required.

The company secretary forwards communications relating to matters within the Board's purview to the independent non-executive Directors, communications relating to matters within a Board committee's area of responsibility to the chairperson of the appropriate committee, and communications relating to ordinary business matters, such as suggestions, enquires and complaints, to the appropriate Company's executive.

Members/Shareholders and other stakeholders can read the Shareholders' Communication Policy in details at the Company's website for effective communication. The Shareholders' Communication Policy was devised and adopted on 22 March 2012 and revised from time to time thereafter to maintain candid and constructive communications with Shareholders and potential investors. A Summary of which is set out in the "**The summary of Shareholders' Communication Policy**" on page 74 of this report.

Procedures for members/Shareholders to put forward proposals at annual general meetings ("AGM")

Pursuant to Section 615 of the Companies Ordinance, if a company is required to hold an AGM under Section 610, the members/Shareholders of the company may request to give, to members/Shareholders entitled to receive notice of the AGM, notice of a resolution that may properly be moved and is intended to be moved at that meeting.

(b) 電郵至ir@shougangcentury.com.hk並註明投資者關係部收啟。

本公司將會按成員／股東及其他持份者要求之溝通渠道回應他們之提問或當有關資訊在網上發放後，本公司將直接提供相關資料到他們所登記的電郵及如有需要將轉交有關查詢予董事會跟進。

有關董事會處理的事宜，公司秘書會轉交獨立非執行董事處理；有關個別董事委員會職權範圍的事宜，會轉交有關委員會的主席；有關營運一般事宜，如建議、查詢和投訴，則轉交本公司適當的行政人員。

成員／股東和其他持份者可於本公司網站詳細閱讀股東通訊政策以作有效溝通。為了與股東和潛在投資者保持一個公正及有建設性的溝通方法，股東通訊政策於二零一二年三月二十二日制定及採納，並於隨後不時修訂。有關此政策之概要，已列載於本報告第74頁內之「**股東通訊政策之概要**」內。

成員／股東於股東周年大會（「股東周年大會」）提呈動議的程序

按公司條例第615條，如公司根據第610條須舉行股東周年大會，該公司的成員／股東可要求該公司向有權收到該股東周年大會的通知的公司成員／股東，發出關於可在該大會上恰當地動議並擬在該大會上動議的決議的通知。

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The Company must give notice of a resolution if it has received requests that it do so from:-

- (a) the members/Shareholders of the Company representing at least 2.5% of the total voting rights of all the members/Shareholders who have a right to vote on the resolution at the AGM to which the requests relate; or
- (b) at least 50 members/Shareholders who have a right to vote on the resolution at the AGM to which the requests relate.

The request:-

- (a) must be sent to the registered office of the Company at Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong for the attention of the company secretary in hard copy form or in electronic form to ir@shougangcentury.com.hk;
- (b) must identify the resolution of which notice is to be given;
- (c) must be authenticated by the person or persons making it; and
- (d) must be received by the Company not later than (i) 6 weeks before the AGM to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

The written request will be verified with the Company's share registrar who will check if the written request is proper and in order, the company secretary will notify the Board for including the resolution in the agenda for AGM.

Pursuant to Section 616 of the Companies Ordinance, the Company that is required under Section 615 to give notice of a resolution must send a copy of it at the Company's own expense to each member/Shareholder of the Company entitled to receive notice of the AGM in the same manner as the notice of the meeting; and at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

本公司如收到以下成員／股東的要求，要求發出某決議的通知，則須發出該通知：－

- (a) 佔全體有權在該要求所關乎的股東周年大會上，就該決議表決的成員的總表決權最少2.5%的公司成員／股東；或
- (b) 最少50名有權在該要求所關乎的股東周年大會上就該決議表決的成員／股東。

書面請求書：－

- (a) 須採用印本形式送達公司註冊辦事處，地址為香港柴灣新業街6號安力工業中心12樓1215室，或電子形式透過本公司電郵 ir@shougangcentury.com.hk，註明公司秘書收啟；
- (b) 須指出有待發出通知所關乎的決議；
- (c) 須經所有提出該要求的人認證；及
- (d) 須於(i)該要求所關乎的股東周年大會舉行前的6個星期之前；或(ii)(如在上述時間之後送抵本公司的話)該股東大會的通知發出之時送達到本公司。

書面請求書將由公司股份過戶處核實，在確定為適當及符合程序後，公司秘書將要求董事會將有關決議案納入股東周年大會的議程。

根據公司條例第616條，本公司須根據第615條就某決議發出的通知須按發出有關股東周年大會的通知的同樣方式；及在發出該股東周年大會的通知的同時，或在發出該大會的通知後，在合理的切實可行的範圍內盡快，自費將該決議的通知的文本，送交每名有權收到該股東周年大會的通知的公司成員／股東。

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If the request has been verified as not in order for the said purposes, the members/Shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM.

Shareholders' power to request circulation of statement

Pursuant to Section 580 of the Companies Ordinance, a member/Shareholder of the Company may request the Company to circulate, to members/Shareholders of the Company entitled to receive notice of a general meeting, a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution to be dealt with at that meeting or other business to be dealt with at that meeting. The Company is required to circulate the statement if it has received requests to do so from the members/Shareholders representing at least 2.5% of the total voting rights of all the members/Shareholders who have a relevant right to vote or at least 50 members/Shareholders who have a relevant right to vote.

The aforesaid members/Shareholders' requests (i) may be sent to the Company in hard copy form at the registered office of the Company, at Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong or in electronic form by email to ir@shougangcentury.com.hk; (ii) must identify the statement to be circulated; (iii) must be authenticated by the person or persons making it; and (iv) must be received by the Company at least 7 days before the meeting to which it relates.

Pursuant to Section 581 of the Companies Ordinance, the Company that is required under Section 580 to circulate a statement must send a copy of it to each member/Shareholder of the Company entitled to receive notice of the meeting in the same manner as the notice of the meeting and at the same time as or as soon as reasonably practicable after it gives notice of the meeting. The expenses of the Company in complying with the Section 581 need not be paid by the members/Shareholders who requested the circulation of the statement if the meeting to which the requests relate is an AGM of the Company; and the requests sufficient to require the Company to circulate the statement are received in time to enable the Company to send a copy of the statement at the same time as it gives notice of the meeting.

若有關要求經核實為不符合程序，有關成員／股東將獲知會結果，而提出的決議案將不獲納入股東周年大會的議程內。

成員股東有權力要求傳閱陳述書

根據公司條例第580條，本公司成員／股東可要求本公司向有權收到股東大會的通知的本公司成員／股東，傳閱關於有待在該大會上處理的、某被提出的決議所述的事宜；或其他有待在該大會上處理的事務，而字數不多於1,000字的陳述書。本公司如收到佔全體有相關表決權利的成員／股東的總表決權最少2.5%的成員／股東；或最少50名有相關表決權利的成員／股東提出的傳閱陳述書的要求，則須傳閱該陳述書。

上述成員／股東要求(i)可採用印本形式送交本公司註冊辦事處，地址為香港柴灣新業街6號安力工業中心12樓1215室或以電子形式電郵至本公司郵箱ir@shougangcentury.com.hk；(ii)須指出將予傳閱的陳述書；(iii)須經所有提出該要求的人認證；及(iv)須於該要求所關乎的大會前最少七日送抵本公司。

根據公司條例第581條，本公司須根據第580條就傳閱陳述書須按發出有關大會的通知的同樣方式；及在發出該大會的通知的同時，或在發出該通知後，在合理的切實可行的範圍內盡快，將該陳述書的文本，送交每名有權收到該大會的通知的公司成員／股東。要求傳閱有關陳述書的成員／股東無需支付本公司為遵守第581條而招致的費用，如有關要求所關乎的大會，是本公司的股東周年大會；及本公司及時收到足以令本公司須傳閱該陳述書的要求，使本公司在發出該大會的通知的同時，能夠送交該陳述書的文本。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS

The Company puts a high regard for the aspect of investor relations and recognises that establishment of investor relations can enhance its transparency, maximise its value and increase investors' understanding of and trust in the Company. Therefore, the management, as requested may meet with Shareholders, potential and institutional investors and research analysts. The management will also provide them with the information of the latest business development of the Group and answer their queries subject to the Continuous Disclosure Obligation Policy. The Continuous Disclosure Obligation Policy is to help and provide guidance to the Directors and employees of the Group to fulfill their obligations under the Listing Rules and the SFO while allowing them to actively inform the market of the Company development as well as how to make judgement as to what inside information is and when disclosure is required. The corresponding presentation materials subject to the Continuous Disclosure Obligation Policy are made available upon request, if appropriate. The procedures for handling and dissemination of inside information have been illustrated under the heading "RISK MANAGEMENT AND INTERNAL CONTROL" above.

The summary of Shareholders' Communication Policy

The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy. Taking into account the multiple channels of communication and engagement in place (details of which are listed below), the Board considered that the Shareholders' Communication Policy has been properly implemented by the Company during the year and remains effective.

The Shareholders' Communication Policy is summarised as follows:

- set out the channels for Shareholders to communicate their views on various matters affecting the Company issuer, in which Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote, subject to the Articles, at general meetings for and on their behalf if they are unable to attend the general meetings;

投資者關係

本公司高度重視於投資者關係，並認為建立投資者關係能提高其透明度、增加其價值以及加深投資者對本公司的瞭解及信任。因此，管理層會因應股東、潛在及機構性投資者和研究分析員要求而會面。而管理層亦會按持續披露責任政策規定下介紹本集團最近期之業務發展情況及回答他們之提問。持續披露責任政策是向董事及本集團之僱員提供指引，當他們容許在市場上提供本公司發展和怎樣判斷何謂內幕消息的時候，有助其根據上市規則及證券及期貨條例的訂明下履行披露責任。若他們要求時（如合適）可根據持續披露責任政策規定下提供相應的推介資料。處理及披露內幕消息程序在以上標題為「風險管理及內部監控」內說明。

股東通訊政策之概要

董事會檢討了股東通訊政策的實施與有效性。經考慮現有與股東溝通及聯繫之多個渠道後（詳情請參閱以下列舉），董事會認為本公司年內已妥善實施及維持有效的股東通訊政策。

股東通訊政策概述如下：

- 列明能供股東就影響本公司的各種事項發表意見的渠道，本公司鼓勵股東參與股東大會，如未克出席，（根據章程細則規定下）可委任代表代其出席並於會上投票；

CORPORATE GOVERNANCE REPORT

企業管治報告

- state the Company's information shall be communicated to Shareholders through: (1) the Company's financial reports (quarterly (if any), interim and annual reports); (2) notices of general meetings; (3) annual general meetings and other general meetings that may be convened; (4) all the disclosures required to be submitted to the Company and The Stock Exchange; (5) other corporate communications on the Company's website; and (6) the Company's website at <http://www.shougangcentury.com.hk>; and
- articulate the steps taken to solicit and understand the views of Shareholders and stakeholders, including (1) Board members in particular, either the chairman or vice chairman of Board committees or their delegates and appropriate management executives should use their best endeavors to attend the AGM to answer Shareholders' questions; (2) the external auditors are requested to attend the AGM and be available to answer Shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report; and (3) Investor/analysts briefings and one-on-one meetings, media interviews, roadshows (both domestic and international), marketing activities for investors will be available as requested in order to facilitate communication between the Company, Shareholders and the investment community.
- 列明向股東傳達資訊的渠道為通過(1)本公司之財務報告(季度(如有)、中期及年度報告);(2)股東大會之通告;(3)股東周年大會及其他可能召開的股東大會;(4)所有需呈交予本公司及聯交所的披露資料;(5)在本公司網站的其他公司通訊;及(6)本公司的網站<http://www.shougangcentury.com.hk>;及
- 說明為徵求並理解股東和持份者的意見而採取的步驟,包括但不限於(1)董事會成員(尤其是董事會轄下各委員會的主席或副主席或其代表)、適當的行政管理人員應當盡最大努力出席股東周年大會回答股東提問;(2)要求外聘核數師出席股東周年大會回答股東有關編備審計報告及其內容的有關提問;(3)在收到各投資者的要求下舉辦各種活動,包括為投資者/分析員舉行簡介會及與其單獨會面、在本地及國際巡迴推介、傳媒訪問及投資者推廣活動,以促進本公司與股東及投資人士之間的溝通。

In order to further promote a sound communication between the public, the Company fully utilises its website (<http://www.shougangcentury.com.hk>) as a means to provide the latest and updated information in a timely manner, and from time to time enhances the homepage of the website to reflect its current business development. Also, the company secretarial department of the Company will respond to the telephone enquiries and email or correspondences from Shareholders or investors in respect of various issues subject to the Continuous Disclosure Obligation Policy. Any opinions, views and suggestions of Shareholders will be solicited and brought to the attention of the Board and management, if necessary.

為了與公眾間有更有效的溝通,本公司亦善用其網站(<http://www.shougangcentury.com.hk>)作為一個媒介,適時發放最新近的資訊,以及不時更新網頁內容來反映有關本公司之業務發展現況。此外,本公司公司秘書部會按持續披露責任政策規定下答覆股東或投資者透過電話詢問及電子郵件或信函所提出的各類事項。股東的任何意見、看法及建議將會被收集,然後提交予董事會及管理人員(如需要)垂注。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the 2023 AGM was held on 26 June 2023 to approve ordinary and special businesses of annual general meeting. The resolutions of 2023 AGM were duly passed by way of poll.

During the year ended 31 December 2023, there was no significant change in the Company's constitutional documents. The Articles has been posted on the websites of the Company and the Stock Exchange.

於本年度，二零二三年度股東周年大會已於二零二三年六月二十六日召開，以批准股東周年大會上的普通及特別事項。二零二三年度股東周年大會之決議案以投票表決方式正式獲得通過。

截至二零二三年十二月三十一日止年度，本公司之憲章文件並無重大變更。章程細則已登載於本公司及聯交所的網站。

REPORT OF THE DIRECTORS

董事會報告書

The Directors herein present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Further details of the principal activities of the principal subsidiaries are set out in note 13 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS

The Group's profit for the year ended 31 December 2023 and the state of affairs of the Group at that date are set out in the financial statements on pages 120 to 254.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK1 cent per fully paid ordinary share (2022: HK0.73 cents), with total amount of approximately HK\$19,584,000 for the year ended 31 December 2023 (2022: HK\$14,389,000), payable to Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 17 July 2024. The final dividend is subject to the Shareholders' approval at the forthcoming annual general meeting. The final dividend proposed after 31 December 2023 has not been recognised as a liability as at 31 December 2023.

Subject to Shareholders' approval of the proposed final dividend at the Company's annual general meeting to be held on Thursday, 27 June 2024, the final dividend is expected to be paid on or about Wednesday, 31 July 2024. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. (Hong Kong time) on Wednesday, 17 July 2024, for registration.

董事會謹此提呈董事會報告書及本集團於截至二零二三年十二月三十一日止年度之經審核綜合財務報告。

主要業務

本公司之主要業務為投資控股。旗下主要附屬公司之主要業務的進一步詳情載列於綜合財務報告附註13。本集團主要業務的性質於本年度內並無重大改變。

業績

本集團截至二零二三年十二月三十一日止年度之溢利及於該日之財務狀況載列於第120頁至254頁之財務報告內。

股息

董事會建議派發截至二零二三年十二月三十一日止年度之末期股息每股繳足股本的普通股港幣1仙(二零二二年：港幣0.73仙)，總額約為港幣19,584,000元(二零二二年：港幣14,389,000元)，分派予於二零二四年七月十七日(星期三)辦公時間結束時名列本公司股東名冊之股東。末期股息需在即將舉行的股東周年大會上經股東批核。於二零二三年十二月三十一日後擬派的末期股息不會計入於二零二三年十二月三十一日的負債。

待建議末期股息於二零二四年六月二十七日(星期四)舉行之本公司股東周年大會上經股東批核後，末期股息預計將於二零二四年七月三十一日(星期三)或左右派付。為符合資格獲派建議末期股息，所有股份過戶文件連同相關股票必須於二零二四年七月十七日(星期三)下午四時三十分(香港時間)前送達本公司之股份過戶登記處卓佳登捷時有限公司，地址為香港夏愨道16號遠東金融中心17樓，辦理登記手續。

REPORT OF THE DIRECTORS

董事會報告書

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 20 June 2024 to Thursday, 27 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the forthcoming annual general meeting which is scheduled to be held on Thursday, 27 June 2024, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 19 June 2024.

BUSINESS REVIEW

Business model and strategy

Our mission is to be one of the top tier steel cord and wire products manufacturers in the PRC capable of consistently purveying premium quality steel cords and wire products; and the evolution into a diversified metal product manufacturer benefiting from a successful "Eastern" brand recognition in the PRC and worldwide markets. Our ultimate goal is to maintain long term profitability, strive for the greatest return for Shareholders, deliver sustainable growth in our stakeholders' value under a prudent and manageable capital structure and contribute to the economic and social development of the communities in which we operate.

The Board is responsible for the development of business models and setting of strategies, planning and development of the Group. The strategies adopted by the Board will be executed by the managing Director who will motivate the staff to achieve the designated business goals and financial targets under risk tolerance levels prescribed by the Board. The progress of implementation of the strategies and business goals will be reviewed and adjusted to respond to the constantly changing market environment. Corrective and follow-up actions are made regularly at the Board and/or other management meetings throughout the years.

暫停辦理股份過戶

本公司將由二零二四年六月二十日(星期四)至二零二四年六月二十七日(星期四)(包括首尾兩日)暫停辦理股份過戶登記手續，期間將不會登記任何股份之轉讓。為確保有權出席即將按計劃於二零二四年六月二十七日(星期四)舉行之股東周年大會並於會上投票，所有過戶文件連同有關股票最遲必須於二零二四年六月十九日(星期三)下午四時三十分(香港時間)前送達本公司之股份過戶登記處卓佳登捷時有限公司，地址為香港夏慤道16號遠東金融中心17樓，辦理登記手續。

業務審視

業務模式及策略

我們的使命是要成為中國其中一間能夠持續提供優質鋼簾線及切割鋼絲產品的頂級製造商，以及晉身為一個多元化的金屬產品製造商從而發展一個在中國及全球市場具知名度和得到認可的成功的「東方」品牌。我們的最終目標是在審慎和可管理資本結構下保持長期盈利能力，為股東爭取最大的回報，為持份者的價值提供可持續性增長，並為業務所在地區的經濟和社會發展作出貢獻。

董事會負責制定本集團之業務模式及訂立本集團之策略、規劃和發展。董事會所採取的策略將由董事總經理執行，並按董事會規定之風險承受能力水平以推動僱員達致指定的業務目的及財務目標。執行策略和業務目標的進展情況將會檢討及調整以應對不斷變化的市場環境。糾正及跟進行動會在年內定期在董事會及/或其他管理層會議進行。

REPORT OF THE DIRECTORS

董事會報告書

BUSINESS REVIEW (continued)

Review of operations

The Group recorded net profit of HK\$62,506,000 for the year in compared with net profit of HK\$47,858,000 from previous year. Further details in respect of the fair review of the Group's businesses, please refer to the sections "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's businesses, results of operations and financial position may be affected by risks and uncertainties relating to the Group's businesses. These risks and uncertainties could result in the Group's businesses, results of operations and financial position to defer materially from expected or historical results. The risks and uncertainties set out below are known to the Group during the year under review:

Risks and uncertainties relating to the Group's business operations

1. As the majority of sales of steel cords of the Group are domestic, the business and prospect of steel cord segment is therefore highly dependent on the economic performance of the PRC, in particular, the performance of automotive and transportation industries and those that involve high volume of road transportation for commercial and industrial purposes, such as property development and import/export. Therefore, any downturn in the economy of the PRC may cause lower demand for steel cords and hence may have material adverse impact to the operations of steel cord segment. Despite the majority of the Group's customers are radial tyre manufacturers located in the PRC, however their customers, the vehicle manufacturers that are located in the United States are affected by the Sino-US trade debacle that has weighed in sentiment.

業務審視(續)

經營回顧

於本年度本集團錄得淨溢利金額為港幣62,506,000元，相比去年淨溢利金額為港幣47,858,000元。就本集團業務的中肯審視的詳情，請參閱本年報「董事長報告書」及「管理層論述及分析」章節。

主要風險和不明朗因素

本集團的業務、經營業績及財務狀況可能受到與本集團業務相關風險和不明朗因素所影響。這些風險和不明朗因素可能導致對本集團的業務、經營業績及財務狀況與預期或過往業績存在重大差異。於本年度回顧本集團已知的風險和不明朗因素載於下文：

關於本集團經營業務的風險和不明朗因素

1. 由於本集團大部分鋼簾線都是國內銷售，因此鋼簾線分部的業務和前景高度依賴於中國的經濟表現，特別是汽車及運輸行業的表現和那些涉及高容量道路運輸的商業和工業用途，如房地產開發和入口／出口。因此，若中國經濟衰退可能會導致鋼簾線需求減少，及因此可能對鋼簾線分部的業務造成重大不利影響。儘管本集團的大部分客戶均為位於中國的子午線輪胎製造商，但其客戶（位於美國的汽車製造商）受到中美貿易戰的影響，情緒受壓。

REPORT OF THE DIRECTORS

董事會報告書

PRINCIPAL RISKS AND UNCERTAINTIES

(continued)

Risks and uncertainties relating to the Group's business operations (continued)

2. The average selling price of steel cords decreased during the year under review, attributable to decrease in raw material prices. The selling price of steel cords is highly dependent on the supply and demand situation in the PRC as well as the price of its major material – steel wire rod; therefore, any change in these two factors will have material impact to the steel cord segment.
3. The revenue from sales to top five customers of the Group accounted for 48.3% of total revenue of the Group for the year under review. Any change to the business operations, financial conditions or purchasing patterns of these customers may have adverse impact to the revenue of the Group.

The measures to manage the impact on these potential risks and uncertainties are described in the heading “**BUSINESS REVIEW**” of the section of the “**MANAGEMENT DISCUSSION AND ANALYSIS**” of this annual report.

Risks and uncertainties relating to the Group's results and financial position

1. The following factors may have negative impact on the revenue and net results of the Group:
 - a. Change in the mix of revenue contributions, such as the income of steel cord segment from sales of steel cord for truck tyres, off the road truck tyres and passenger car tyres;
 - b. Unfavorable economic development in the PRC and worldwide markets that may have negative impact on our steel cord segment;

主要風險和不明朗因素(續)

關於本集團經營業務的風險和不明朗因素(續)

2. 在本年度回顧，鋼簾線的平均售價下降，是由於原材料價格下降所致。鋼簾線的售價高度依賴於中國的供求情況和其主要原材料的價格－鋼絲盤條。因此，這兩個因素的任何變化將對鋼簾線分部有重大影響。
3. 在本年度回顧，本集團銷售予首五大客戶之營業額約佔本年度本集團總營業額之48.3%。該等客戶業務營運、財務狀況或採購模式的任何變化可能對本集團的營業額有負面影響。

管理該等潛在的風險和不明朗因素帶來的影響之措施已在本年報「**管理層論述及分析**」一節中「**業務回顧**」標題中描述。

關於本集團之業績及財務狀況的風險和不明朗因素

1. 下列因素可能對本集團的營業額和淨利潤有負面影響：
 - a. 營業額來源組合的變化，例如鋼簾線分部的收入來自銷售用於載重輪胎、工程輪胎和轎車輪胎之鋼簾線；
 - b. 中國和全球市場的不理想經濟發展可能會對鋼簾線分部造成負面影響；

REPORT OF THE DIRECTORS

董事會報告書

PRINCIPAL RISKS AND UNCERTAINTIES

(continued)

Risks and uncertainties relating to the Group's results and financial position (continued)

1. (continued)

- c. Increased market and price competition for steel cord segment; and
- d. Failure to reduce production and operating costs, in particular, certain unit fixed production costs of steel cord segment can be lowered by increase in sales and production volume.

2. For the year ended 31 December 2023, the majority of the revenue of the Group was denominated in RMB, while there were some borrowings of the Group dominated in HKD. Hence, any movement of the exchange rate of RMB will affect to the results of operations of the Group. Furthermore, the results and financial position of the Group are denominated in RMB but presented in HKD for reporting purposes, therefore, the movement of the exchange rate of RMB will have impact to the financial position of the Group when translating the Group's results and financial position into HKD.

3. The Group is required to conduct an impairment assessment on its property, plant and equipment on a regular basis in accordance with the Hong Kong Financial Reporting Standards. Any future impairment loss to be recognised or reversed depends on various factors including the general economic and financial conditions, market competitions, prevailing product selling price and market interest rates. Such impairment loss to be recognised or reversed will have material impact to the results of the Group, however, it is a non-cash item and therefore will not affect the future business operations and financial conditions of the Group.

主要風險和不明朗因素(續)

關於本集團之業績及財務狀況的風險和不明朗因素(續)

1. (續)

- c. 鋼簾線分部之市場和價格競爭增加；及
- d. 未能降低生產和營運成本，特別是鋼簾線分部的某些單位固定生產成本可以通過增加銷售和生產量來降低。

2. 截止二零二三年十二月三十一日止年度，本集團大部分的收入來源以人民幣為單位，同時間本集團有一些貸款以港幣為單位。所以，人民幣匯率的變動將影響本集團的經營業績。此外，本集團的業績及財務狀況均以人民幣為單位，但報告則以港幣呈列，因此，人民幣匯率變動將在本集團之業績及財務狀況轉換成港元時對本集團的財務狀況產生影響。

3. 本集團需要根據香港財務報告準則對物業、廠房及設備進行減值審閱。任何被確認或撥回的未來減值損失取決於多種因素，包括一般的經濟和金融狀況、市場競爭、現行產品售價和市場利率。該被確認或撥回的減值損失將對本集團的業績有重大的影響。但是，減值損失為一項非現金項目，因此將不會影響到本集團的未來經營業務和財務狀況。

REPORT OF THE DIRECTORS

董事會報告書

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risks and uncertainties relating to the Group's results and financial position (continued)

4. The Group utilised a certain extent of bank borrowings to finance its operations. As at 31 December 2023, all bank borrowings are due within one year, therefore the Group will be exposed to the liquidity risks of inability of repaying these borrowings when due. The Group is expected to service the debt repayments due in 2024 by utilising cash generated from its operations, refinancing from banks and other sources, with an objective to gradually reduce the amount of interest bearing borrowings of the Group. However, the Group's ability to generate sufficient cash to service its outstanding debts and obligations will depend on the operating performance of its various business segments in the future, which will be affected by factors such as the prevailing economic and liquidity conditions, the demand of its products and prevailing selling prices. Whether the Group can refinance its borrowings also depends on a number of factors, including the operating performance and financial conditions of the Group, the prevailing economic conditions, the prevailing credit policy of respective lender and the liquidity of the financial markets. If the Group is unable to service any of its borrowings due in 2024, this may result in a default and will have significant adverse impact to the financial position of the Group as the Group will be requested to repay full or part of its outstanding borrowings on an accelerated basis. The management of the Company is seeking for various banks refinancing to mitigate these potential risks.

主要風險和不明朗因素(續)

關於本集團之業績及財務狀況的風險和不明朗因素(續)

4. 本集團運用一定程度的銀行貸款為其營運提供資金。於二零二三年十二月三十一日，所有銀行貸款均於一年內到期，因此本集團將面臨當該等貸款到期時無法償還的流動性風險。本集團預期將運用來自其營運產生的現金和銀行融資及其他來源以償還於二零二四年到期貸款，以逐漸減少本集團的計息貸款總額。然而，本集團產生足夠現金來償還其未償還貸款的能力和義務將取決於其將來的各業務分部的營運表現，而其將受到各種因素的影響，例如：現行的經濟和流動性狀況、產品的需求和現行售價。而本集團能否再融資貸款亦取決於許多因素，包括本集團的營運表現和財務狀況、現行的經濟條件、各貸款人的現行信貸政策和金融市場的流動性。如果本集團無法償還於二零二四年到期的貸款，可能會導致違約及將對本集團的財務狀況有顯著的負面影響，因本集團將被要求加快償還全部或部分的未償還的貸款。本公司管理層正在尋求各銀行再融資來減輕這些潛在的風險。

REPORT OF THE DIRECTORS

董事會報告書

FINANCIAL KEY PERFORMANCE INDICATORS

The financial key performance indicators of the Group for the years ended 31 December 2023 and 2022 are summarised as follows:

		2023 二零二三年	2022 二零二二年	Change 變動
1. Current ratio (times)	流動比率(倍)	1.2	1.2	N/A不適用
2. Liquidity ratio (times)	流動資金比率(倍)	0.9	0.9	N/A不適用
3. Gearing ratio (%)	負債比率(百分比)	23.1	21.8	+1.3pp百分點
4. Average turnover period on trade receivables (days)	應收賬款平均周轉期(天)	89	101	-12
5. Average turnover period on trade payables (days)	應付賬款平均周轉期(天)	113	105	+8

Current ratio

Current ratio (calculated as current assets divided by current liabilities) of the Group remained at 1.2 times as at 31 December 2023 and 2022.

Liquid ratio

Liquid ratio (calculated as current assets less inventories divided by current liabilities) of the Group remained at 0.9 times as at 31 December 2023 and 2022.

Gearing ratio

Gearing ratio (calculated as total interest bearing borrowings less bank balances and cash (included pledged bank deposits) divided by total equity) of the Group increased from 21.8% at 31 December 2022 to 23.1% at 31 December 2023.

Average turnover period on trade receivables

Average turnover period on trade receivables (calculated as average trade receivables for the year divided by gross revenue times 365 days) was 89 days for the year, shorter by 12 days as compared to 101 days for the previous year.

財務關鍵表現指標

本集團於截至二零二三年和二零二二年十二月三十一日止年度的財務關鍵表現指標綜合如下：

流動比率

本集團於二零二三年及二零二二年十二月三十一日的流動比率(以流動資產除以流動負債計算)維持在1.2倍。

流動資金比率

本集團於二零二三年及二零二二年十二月三十一日的流動資產比率(以流動資產減存貨除以流動負債計算)維持在0.9倍。

負債比率

本集團於二零二三年十二月三十一日之負債比率(以計息貸款總額減銀行結存及現金(包括抵押銀行存款)除以權益總額計算)較二零二二年十二月三十一日報21.8%上升至23.1%。

應收賬款平均周轉期

於本年度的應收賬款平均周轉期(以本年度的平均應收賬款除以總營業額乘以365天計算)為89天,比於去年度為101天減少12天。

REPORT OF THE DIRECTORS

董事會報告書

FINANCIAL KEY PERFORMANCE INDICATORS (continued)

Average turnover period on trade payables

Average turnover period on trade payables (calculated as average trade payables for the year divided by cost of sales times 365 days) was 113 days for the year, which was 8 days longer as compared to 105 days for the previous year.

Further details regarding the above and other financial information, please refer to the section “**MANAGEMENT DISCUSSION AND ANALYSIS**” of this annual report. Key performance indicators mean factors by reference to which the development, performance or position of the business of the Group can be measured effectively which we can use to monitor progress against our strategies while figures reporting under accounting standards could not serve such purpose.

FUTURE DEVELOPMENT OF THE COMPANY'S BUSINESS

In the view that uncertainty is one of the main challenges facing by the Chinese economy, the performance of the Steel cord industry might be affected unless a strong cash flow is maintained as well as cost saving and risk mitigation measures are implemented in order. Details of future development of the Company's business, please refer to the sections “**CHAIRMAN'S STATEMENT**” and “**MANAGEMENT DISCUSSION AND ANALYSIS**” of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and community in which it engages by controlling and minimising the generation of wastes, waste gases emissions and sewage discharges, and at the same time, complies with the applicable environmental laws, rules and regulations on the prevention and control of wastage, waste gases emissions and sewage discharges in Hong Kong and PRC during the production process.

財務關鍵表現指標(續)

應付賬款平均周轉期

本年度的應付賬款平均周轉期(以本年度的平均應付賬款除以銷售成本乘以365天計算)為113天,較於去年度為105天多8天。

關於上述及其他財務資料的進一步詳情載列於本年報的「**管理層論述及分析**」的章節內。關鍵表現指標指可以有效衡量本集團業務發展、表現或狀況的參考因素,我們可以利用這些因素監察我們策略的進度,而按會計準則制定的數據則未能達到此目的。

本公司業務未來發展

由於不確定性是中國經濟面臨的主要挑戰之一,鋼簾線業務的表現可能會受到影響,除非保持強勁的現金流量及適當地實施成本節約和風險緩解措施。就本公司業務未來發展的詳情,請參閱本年報「**董事長報告書**」及「**管理層論述及分析**」章節。

環境政策及表現

本集團承諾為業務所在地的環境和社區作出長期可持續發展,控制及減少廢物的產生、廢氣排出和廢水排放,並同時遵守香港及中國於生產過程中防止及控制廢物的產生、廢氣排出和廢水排出的適用環保法律規則及規定。

REPORT OF THE DIRECTORS

董事會報告書

ENVIRONMENTAL POLICIES AND PERFORMANCE (continued)

In order to attach the importance to environmental protection, the Group has formally adopted an Environmental Policy (the “Policy”) since 2017, which has already been implemented all along as part of the Internal Control Manual. The underlying principle of the Policy is to reduce, reuse and recycle resources used in the production lines and offices so as to mitigate wastes and use energy and resources effectively. Various measures have been implemented within the Group and are monitored from time to time, for example, measures on effective energy conservation to reduce the use of energy, water and other resources; measures on managing the reduction of wastes and greenhouse gas emissions, etc. had been taken and complied with since 2015. Detailed discussion on the environmental policies and performance of the Group is set out in the 2023 ESG Report. The English and Chinese versions of the 2023 ESG Report are available on the Company’s website at <http://www.shougangcentury.com.hk> and Stock Exchange’s website at <https://www.hkexnews.hk>. You may access the 2023 ESG Report (i) by clicking the “Investor Relations” section in the menu on the homepage of the Company’s website; or (ii) by browsing through the HKEX’s website.

In addition to the above measures, the Group has also provided further trainings to Directors and employees and has participated in activities organised by various organisations to emphasise the importance of environmental protection and to promote occupational health and safety in offices and production lines. To promote the concept of occupational health and safety in offices and environmental protection, we participated in the “Green Office Awards Labelling Scheme” and “Eco-Healthy Workplace Awards Labelling Scheme” organised by World Green Organisation since 2017. These measures and trainings taken and provided by the Group in supporting the Policy are based on the needs and actual circumstances of the Group and will be reviewed by the management annually.

環境政策及表現(續)

為突顯環境保護的重要性，本集團已由二零一七年起正式採納了環境政策(「該政策」)以作為內部監控指引的一部分，並已一直貫徹實施。該政策的基本原則是減少、重用及回收生產線和辦公室的資源，以減少廢物和有效地使用能源及資源。本集團已實施多項措施並不時予以監督，例如：有效的節能措施以減少能源、水及其他資源的使用和實行減廢管理及減少溫室氣體排放等等的措施已由二零一五年起實行及遵守。有關本集團環境政策及表現的詳細討論載列於二零二三年度環境、社會及管治報告內。二零二三年度環境、社會及管治報告的中英文版本已登載於本公司網站<http://www.shougangcentury.com.hk>及聯交所網站<https://www.hkexnews.hk>。閣下可(i)在本公司網站主頁選單中按「投資者關係」一項；或(ii)透過聯交所網站，瀏覽二零二三年度環境、社會及管治報告。

除了上述措施，本集團亦為董事和僱員安排了進一步培訓及參與由不同組織舉辦之活動，使他們認識到保護環境的重要性，並於辦公室和生產線推廣職業安全健康。為推廣工作地點的職業安全健康及環境保護的概念，我們自二零一七年起參與由世界綠色組織舉辦的「綠色辦公室獎勵計劃」和「健康工作間獎勵計劃」。這些為支持該政策而實施的措施和安排的培訓乃根據本集團的需求和實際情況而決定的，並將會每年由管理層進行檢討。

REPORT OF THE DIRECTORS

董事會報告書

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to comply with the laws and regulations in which it operates its businesses. During the year under review, there was no material breach of or non-compliance with the laws and regulations applicable to the Group. Apart from complying with Hong Kong laws such as the Companies Ordinance, Listing Rules, SFO, Employment Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance, we have also complied with laws of the PRC, including the Company Law of the PRC, Labour Law of the PRC, Labour Contract Law of the PRC, Enterprise Annuities Fund Measures, relevant laws, rules and regulations in relation to child and forced labour including the Provisions on the Prohibition of Using Child Labour and the Law of the PRC on the Protection of Minors, as well as other environmental laws, relevant rules, ordinances and regulations on the prevention and control of wastage, waste gases and sewage emission. These laws, ordinances and regulations include but not limited to the Environmental Protection Law of the PRC, the Environmental Protection Tax Law of the PRC, the Prevention and Control of Atmospheric Pollution of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Waste Disposal Ordinance, the Product Eco-responsibility Ordinance, Environmental Quality Standard for Surface Water, Wastewater Quality Standards for Discharge to Municipal Sewers, Measures for Hazardous Waste Operation Administration and Solid Wastes of Prevention and Control Law of the PRC etc. These environmental laws will have impact on the Group's operation since if we do not dispose all wastages, discharges and waste gases properly, we might have to bear heavy environmental protection tax and so increase the cost of disposal of wastages.

遵守法律及規定

本集團承諾遵守其經營業務的法律及規定。於本年度回顧，本集團並無重大違反或不遵守適用的法律及規定。除了遵守香港法律，如《公司條例》、《上市規則》、《證券及期貨條例》、《僱傭條例》及《打擊洗錢及恐怖分子資金籌集條例》，我們亦遵守中國的法律，包括《中國公司法》、《中國勞動法》、《中國勞動合同法》、《企業年金辦法》、有關童工和強制勞工的法律及法規，包括《禁止使用童工規定》和《中國未成年人保護法》，以及其他與廢物、廢氣和廢水排放有關的防治及控制的法例及規定和其他環保法律及相關規則。該等法律、法例及規定包括但不限於：《中國環境保護法》、《中國環境保護稅法》、《中國大氣污染防治法》、《中國水污染防治法》、《廢物處置條例》、《產品環保責任條例》、《地表水環境品質標準》、《污水排入城鎮下水道水質標準》、《危險廢物經營授權管理辦法》、《中國固體廢物污染環境防治法》等。若本集團沒有妥善處理所有廢物排放及廢氣排出，我們將須承擔沉重的環境保護稅並增加處置廢物的成本，該等環保法律將對本集團的營運造成影響。

REPORT OF THE DIRECTORS

董事會報告書

COMPLIANCE WITH LAWS AND REGULATIONS (continued)

Furthermore, the Group has started to attach more importance to gender equality and the protection of women's interests, as well as on the compliance with the related laws of Hong Kong such as the Sex Discrimination Ordinance, which the underlying principle is also enshrined in the Basic Law, and related laws of PRC such as the Law on the Protection of Women's Rights and Interests and Special Rules on the Labour Protection of Female Employees. To acquire further knowledge on this topic, we have nominated a representative to participate in activities related to gender equality and gender mainstreaming organised by the Women's Commission (an organisation which actively engages in activities in relation to women empowerment and advancement) for the purpose of understanding the current role and status of women in business sector and different parties' concerns on gender mainstreaming. In the light of the need to address these issues and to put our knowledge into practice, the "Policy on Prevention on Sexual Harassment at Workplace" has been formulated as a way of the Company to show respect to our employees, especially female employees.

The Group also notes the importance on human resource management in which the representative of the Company has learnt from the seminar that good human resource management on effective communication when handling verbal violence at work and such message has been conveyed. Further discussion on human resource management is set out in the 2023 ESG Report.

To ensure compliance with these requirements of laws, rules and regulations, the Company has implemented an effective internal control and approval procedures, and to obtain high level oversight of the operation of various business units. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and/or business units of the Group immediately. Certain discussion regarding the Group's compliance with relevant laws and regulations which have a significant impact on the Group is also contained in the "**CORPORATE GOVERNANCE REPORT**" section on pages 32 to 76 of this annual report and the 2023 ESG Report.

遵守法律及規定(續)

此外，本集團已開始越來越重視性別平等和保護女性的權益，以及遵守相關香港法律，例如《性別歧視條例》(其基本原則也列載於《基本法》中)及相關中國法律，例如《婦女權益保障法》和《女職工勞動保護特別規定》。為進一步了解這一議題，本公司已派代表參加了由婦女事務委員會(一個積極參與婦女賦權和晉升的組織)舉辦的一些有關性別平等和性別主流化的活動，以了解女性目前在商界的角色和地位及各方對性別主流化的關注。而為對上述事宜作出回應及將這些學到的知識付諸實行，本公司已制訂了《防止職場性騷擾政策》以表示本集團對僱員(特別是女性僱員)的尊重。

本集團亦注意到人力資源管理的重要性，而本公司代表亦從研討會上了解並已傳達良好人力資源管理對有效地去處理工作間語言衝突時的重要性的訊息。進一步人力資源管理之討論載列於二零二三年度環境、社會及管治報告內。

為確保遵守該等法律、規則及規定的要求，本公司已實施了有效的內部監控和審批程序，並高度監督各業務單位的運作。任何有關適用的法律、規則及規定的修改也將即時呈請相關僱員及／或本集團的業務單位垂注。本集團遵守對有重大影響的相關法律及規定的若干討論亦載列於本年報第32頁至76頁的「**企業管治報告**」章節及二零二三年度環境、社會及管治報告內。

REPORT OF THE DIRECTORS

董事會報告書

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers, suppliers, Shareholders, government and regulators, as well as banks and financial institutions (creditors).

Employees

Employees are regarded as the most important and valuable assets of the Group. Most of the management have been serving the Group for a long period of time. However, young talents are also provided with opportunities to work in the Group. The Group does not only offer competitive salaries and benefits, but also provide training programmes or courses for the Mainland employees at all levels from different departments, as well as Directors and employees of the Company in order to further enhance their management skills, expertise and knowledge, and at the same time, make continual contribution to the Group. Different activities such as family day, employee appreciation dinner, sports events, etc. had been organised by various business units of the Group for general staff together with the management to participate in order to strengthen their mutual cooperation and communication.

Customers

The major customers of steel cord segment are the radial tyres manufacturers. Most of them have been customers for more than 5 years and in return of their loyalty, we provided them with good quality products and after-sale services.

Suppliers

The major suppliers of steel cord segment are the steel wire rod suppliers. We have co-operated with most of the suppliers for more than 5 years and have maintained good relationship with them through regular face-to-face meetings and visits in order to achieve cost-effectiveness and obtain long-term commercial benefits.

Shareholders

The ultimate operational goal of the Group is to maximise our Shareholders' return. The major Shareholders are Shougang Group and its controlled corporations, Bekaert, Li Ka Shing Foundation and minority Shareholders. It is grateful to have Shareholders who are being supportive to the Group for a long period of time in particular the times when market conditions are adverse and challenging.

與主要持份者的關係

本集團的成功亦依賴主要持份者，包括僱員、客戶、供應商、股東、政府及監管機構，以及銀行及金融機構(債權人)的支持。

僱員

僱員被視為本集團最重要及具價值的資產。大部分管理層一直為本集團服務了很長時間。然而，本集團亦提供工作機會給予年輕人才。本集團不但提供具競爭力的薪酬及福利，亦分別向國內各部門所有級別僱員及董事及本公司僱員提供培訓計劃或課程，用以提升他們的管理技巧、專業技能和知識，並同時向本集團作出持續貢獻。本集團不同業務單位不時組織活動，例如家庭日、員工答謝晚宴、運動比賽等活動予一般僱員連同管理層一起參與，從而加強彼此的合作關係及溝通。

客戶

鋼簾線分部的主要客戶為子午線輪胎製造商。我們大部分的客戶已是超過五年，為了回報他們的忠誠，我們向他們提供優質的產品和售後服務。

供應商

鋼簾線分部的主要供應商為鋼絲盤條原材料供應商。我們與大部分供應商已合作了超過五年，並透過定期會面和拜訪與他們保持良好關係，以達致成本效益及促進長遠商業利益。

股東

本集團的最終營運目標是為股東爭取最大的回報。本集團的主要股東為首鋼集團與其受控法團、Bekaert、李嘉誠基金會及小股東。我們非常感激長期支持本集團的股東，特別是在市場情況不利和具有挑戰性的時候。

REPORT OF THE DIRECTORS

董事會報告書

RELATIONSHIPS WITH KEY STAKEHOLDERS (continued)

Shareholders (continued)

To set standard rules and guidelines to be followed by the Board in deciding whether to recommend dividend out of the profits to reward the Shareholders, the dividend policy of the Company has been adopted by the Board on 18 December 2018, Details of which is contained in the “**CORPORATE GOVERNANCE REPORT**” section on pages 32 to 76 of this annual report. For details regarding the dividend distribution plan for the financial years from 2021 to 2023, please refer to the announcement of the Company dated 21 February 2022.

Government and Regulators

Decisions made by the government and regulators can significantly affect our Group’s operations. It is important, therefore, for us to maintain good relationships with local officials to anticipate legal or regulatory changes or community developments that may affect our business. In view of the need to maintain good relationships, we have arranged occasional visits and face-to-face meetings whenever necessary.

Banks and Financial Institutions (Creditors)

Banks and financial institutions are lenders of our Group who help us to finance our businesses, asset purchases and supply purchases. As a trustworthy borrower, the Group always try its best to meet every payment deadlines responsibly and consistently, and at the same time, we strive to improve our financial performance so that we have a greater chance to receive quality financing in the future. Through regular meetings and visits, we have maintained stable relationships with them.

For further details regarding the above, please refer to the sections “**MANAGEMENT DISCUSSION AND ANALYSIS**” and “**CORPORATE GOVERNANCE REPORT**” in this annual report and the section “**STAKEHOLDERS’ ENGAGEMENT AND MATERIALITY ASSESSMENT**” in the 2023 ESG Report.

與主要持份者的關係(續)

股東(續)

為了讓董事會決定是否建議從利潤中分配股息來回報股東而制定可跟從的標準規則和指導方針，本公司之股息政策已於二零一八年十二月十八日獲董事會採納，詳情載於本年報第32頁至76頁的「**企業管治報告**」章節內。有關由二零二一年至二零二三年財政年度股息宣派計劃之詳情，可參考本公司日期為二零二二年二月二十一日的公告。

政府及監管機構

政府和監管機構做出的決定可能會對我們本集團的營運產生重大影響。因此，我們必須與當地官員保持良好關係，以預計可能會影響我們業務的法律或監管變更或社區發展。因需要保持良好的關係，我們必要時會安排不定期的拜訪和會面。

銀行及金融機構(債權人)

作為本集團的貸款人，銀行和金融機構提供資金以幫助我們業務的發展、購買資產和供應。而作為值得信賴的借款人，本集團一直努力以負責任的態度和一貫的方式於每個付款期限前還款，同時，我們努力改善財務表現以增加在未來獲得優質融資的可能性。我們亦會透過定期會議和拜訪與他們保持穩定的關係。

有關上述之進一步資料，請參閱本年報之「**管理層論述及分析**」和「**企業管治報告**」章節及二零二三年度環境、社會及管治報告之「**持份者參與及重要性評估**」章節。

REPORT OF THE DIRECTORS

董事會報告書

SUMMARY OF FINANCIAL INFORMATION

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

		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元	2020 二零二零年 HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元
PROFIT FOR THE YEAR	本年度溢利	62,506	47,858	80,879	148,254	108,344
TOTAL ASSETS	資產總額	3,312,149	3,327,430	3,973,724	3,371,907	3,143,918
TOTAL LIABILITIES	負債總額	(1,622,476)	(1,669,687)	(2,240,778)	(1,726,336)	(1,728,846)
TOTAL EQUITY	權益總額	1,689,673	1,657,743	1,732,946	1,645,571	1,415,072

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 16 and 17, respectively, to the consolidated financial statements.

Particulars of the Group's investment properties as at 31 December 2023 are summarised on page 255 of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 31 to the consolidated financial statements.

SHARE OPTION SCHEME

Neither the Company nor its subsidiaries had any share option scheme during the year ended 31 December 2023.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 124 of this annual report and in note 36 to the consolidated financial statements.

財務資料摘要

以下為本集團於過去五個財政年度之已公告業績、資產及負債摘要，該等資料乃摘錄自本集團之經審核綜合財務報告：

投資物業及物業、廠房及設備

本集團之投資物業及物業、廠房及設備於本年度之變動詳情分別載列於綜合財務報告附註16及17。

本集團於二零二三年十二月三十一日之投資物業摘要載列於本年報第255頁。

股本

本公司股本之變動詳情載列於綜合財務報告附註31。

購股權計劃

於截至二零二三年十二月三十一日止年度內，本公司或其附屬公司概無任何購股權計劃。

儲備

本集團及本公司之儲備於本年度之變動詳情載列於本年報第124頁之綜合權益變動表及綜合財務報告附註36。

REPORT OF THE DIRECTORS

董事會報告書

DONATIONS

During the year, the Group made certain amount of charitable donations.

DIRECTORS

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

Su Fanrong (*Chairman*)

Li Jinping (*Managing Director*)

Yang Junlin (*Deputy Managing Director*)

Ye Qian (*Executive Director*)

(*resigned on 1 August 2023*)

Zhang Dan (*Executive Director*)

(*appointed on 1 August 2023*)

Adam Touhig (*Non-executive Director*)

Lam Yiu Kin (*Independent Non-executive Director*)

Feng Yaoling (*Independent Non-executive Director*)

Yip Kin Man, Raymond (*Independent Non-executive Director*)

(*resigned on 1 September 2023*)

Ho Shuk Ying, Sabrina (*Independent Non-executive Director*)

(*appointed on 1 September 2023*)

The Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with articles 101 and 102 of the Articles. Messrs. Li Jinping, Adam Touhig and Feng Yaoling will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

In accordance with article 106 of the Articles, Mr. Zhang Dan and Ms. Ho Shuk Ying, Sabrina will retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS OF SUBSIDIARIES

Messrs. Su Fanrong, Yang Junlin and Cheung Ngai serve as directors of all subsidiaries of the Company during the year and up to the date of this report. Other than the above directors, the persons who serve/had served as directors of subsidiaries of the Company during the year and/or up to the date of this report include Messrs. Dai Jihong, Li Meng, Wan Chuante, Wang Liang, Yu Zhigao and Zhao Xuewu.

捐款

於本年度內，本集團已作出若干慈善捐款。

董事

於本年度內及截至本年報日期之董事如下：

蘇凡榮(董事長)

李金平(董事總經理)

楊俊林(董事副總經理)

葉芊(執行董事)

(於二零二三年八月一日辭任)

張丹(執行董事)

(於二零二三年八月一日獲委任)

Adam Touhig(非執行董事)

林耀堅(獨立非執行董事)

馮耀嶺(獨立非執行董事)

葉健民(獨立非執行董事)

(於二零二三年九月一日辭任)

何淑瑛(獨立非執行董事)

(於二零二三年九月一日獲委任)

根據章程細則第101及102條之規定，董事須於本公司股東周年大會上輪值卸任，惟可膺選連任。李金平先生、Adam Touhig先生及馮耀嶺先生將於即將舉行之股東周年大會上輪值告退，彼等均符合資格並願意膺選連任。

根據章程細則第106條之規定，張丹先生及何淑瑛女士將於即將舉行之股東周年大會上卸任，彼等符合資格並願意膺選連任。

附屬公司董事

於本年度內及截至本年報日期，蘇凡榮先生、楊俊林先生及張毅先生擔任本公司之所有附屬公司董事。除上述董事外，戴繼洪先生、李蒙先生、萬川特先生、王量先生、俞志高先生及趙學武先生於本年度內及／或截至本年報日期擔任／曾擔任本公司之附屬公司董事。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS OF SUBSIDIARIES (continued)

The list of subsidiaries of the Company is set out in the note 13 “**SUBSIDIARIES**” to the consolidated financial statements and below.

- Rise Boom International Limited
- Endless Inc.
- Messiah Investments Limited
- Online Investments Limited

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Apart from information disclosed under the heading “**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO**” and in note 34 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

EQUITY-LINKED AGREEMENT

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

附屬公司董事(續)

本公司附屬公司的名單載於綜合財務報告附註13「**附屬公司**」及列載如下。

- 盛興昌國際有限公司
- Endless Inc.
- Messiah Investments Limited
- Online Investments Limited

董事之服務合約

在即將舉行之股東周年大會上候選連任之董事概無與本公司訂立不可由本公司於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

董事購買股份及債權證之權利

除於以下「**根據證券及期貨條例董事於股份、債權證或相關股份之權益及淡倉**」標題內及財務報告附註34所披露的資料以外，於本年度內任何時間，本公司或其任何附屬公司概無參與訂立任何安排，致使董事或彼等各自之配偶或十八歲以下之子女可藉購買本公司或其他法定團體之股份或債權證而獲得利益。

獨立非執行董事

按照上市規則第3.13條規定，本公司已收到每名獨立非執行董事確認其獨立性的年度確認書。本公司認為所有獨立非執行董事確屬有其獨立性。

股票掛鈎協議

於年內或年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立將會或可導致本公司發行股份的任何協議。

REPORT OF THE DIRECTORS

董事會報告書

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's reserves available for distribution, as calculated in accordance with the provisions of Sections 291, 297 and 299 of the Companies Ordinance, amounted to HK\$244,763,000.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO

As at 31 December 2023, save for the interest of the Directors in the Shares set out as below, none of the Directors and chief executives of the Company had any interests and short positions in the Shares, debentures or underlying Shares or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required pursuant to Section 352 of the SFO, to be entered in the register referred therein or which were required to be disclosed herein pursuant to the Model Code.

Long position in Shares Ordinary Shares of the Company

可供分派儲備

於二零二三年十二月三十一日，按公司條例第291、297及299條之規定計算，本公司可供分派之儲備為港幣244,763,000元。

根據證券及期貨條例董事於股份、債權證或相關股份之權益及淡倉

於二零二三年十二月三十一日，除董事所持有之股份(有關詳情載於下文)外，概無董事及本公司最高行政人員於本公司或其任何相聯法團(按證券及期貨條例第XV部之涵義)之股份、債權證或相關股份中，擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之任何權益及淡倉(包括根據證券及期貨條例規定被視作或當作擁有之權益及淡倉)；或須根據證券及期貨條例第352條登記於根據該條例存置或根據標準守則須於本文披露之任何權益及淡倉。

於股份之好倉 本公司之普通股

Name of Director	Total number of Shares held	Approximate% of the total number of issued Shares	Capacity in which interests are held
董事姓名	持有股份總數	約佔已發行股份總數目之百分比	持有權益之身份
YANG Junlin 楊俊林	226,000	0.01	Beneficial owner 實益擁有人

Save as disclosed above, none of the Directors, chief executives and their associates had any interests or short positions in any Shares, debentures or underlying Shares or any of the Company's associated corporations at 31 December 2023.

除了以上文披露者外，於二零二三年十二月三十一日，並無董事、最高行政人員及其聯繫人擁有本公司或其任何相聯法團之任何股份、債權證或相關股份之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

No Director or his entity connected had a material interest, directly or indirectly, in a transaction, arrangement or contract or a proposed transaction, arrangement or contract that is significant in relation to the Company's business to which the Company or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, save as disclosed below, none of the Directors is considered to have interest in the businesses which are considered to compete or likely to compete, either directly or indirectly, with businesses of the Group pursuant to Rule 8.10 of the Listing Rules:

Name of Director	Name of entity whose businesses are considered to compete or likely to compete with the businesses of the Group 其業務被視為與本集團業務構成競爭或可能構成競爭之實體名稱	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group 被視為與本集團業務構成競爭或可能構成競爭之實體業務簡介	Nature of Director's interest in the entity 董事於該實體之權益性質
Adam Touhig (Note)	Bekaert	Manufacturing and sale of steel wire and/or cord products	Senior vice president of rubber reinforcement Asia in Bekaert group
Adam Touhig(附註)	Bekaert	製造及銷售鋼絲及/或鋼簾線製品	Bekaert集團亞洲區橡膠增強部之高級副總裁

Note: Pursuant to a subscription agreement entered into by the Company and Bekaert in September 2006 and further agreement between Bekaert and the Company in February 2015, Mr. Adam Touhig was nominated by Bekaert group as a non-executive Director and was appointed on 15 January 2021.

董事在交易、安排或合約中之權益

於本年度內各董事及其關連的實體於本公司或其任何附屬公司所訂立的任何對本集團業務可屬重大之交易、安排或合約中，不論直接或間接，概無擁有實益權益。

管理合約

除僱員合約外，本年度內概無訂立或存有與本公司全部或任何重大部分業務的管理及行政有關的合約。

董事於競爭業務之權益

於本年度內，除下文所披露外，根據上市規則第8.10條，概無董事被視為與本集團業務構成競爭或可能構成競爭（不論直接或間接）的業務中擁有權益：

附註：根據本公司與Bekaert於二零零六年九月訂立之認購協議及Bekaert與本公司於二零一五年二月訂立之進一步協議，Adam Touhig先生獲Bekaert集團委派為非執行董事，並於二零二一年一月十五日獲委任。

In general, directors should owe their fiduciary duties towards the company as a whole and as such the Board believes that all Board members shall act in the best interest of the Company and its Shareholders when they discharge their duties and responsibilities as Directors.

一般而言，董事對公司整體均須抱有誠信責任，故此董事會相信所有董事會成員履行其董事職責及責任時將以本公司及其股東之最佳利益為前提行事。

REPORT OF THE DIRECTORS

董事會報告書

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS OR UNDERLYING SHARES OF THE COMPANY UNDER THE SFO

As at 31 December 2023, so far as was known to the Directors, the following parties had an interest or long position or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to Section 336 of the SFO, to be entered in the register referred therein:

Long position in Shares or underlying Shares

根據證券及期貨條例股東於本公司之權益及淡倉或相關股份

於二零二三年十二月三十一日，就董事所知，下列人士於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定予以披露之權益或好倉或淡倉，或擁有須根據證券及期貨條例第336條登記於根據該條例存置之權益或好倉或淡倉：

於股份或相關股份之好倉

Name of Shareholders 股東姓名	Total number of Shares/underlying Shares held 所持股份／ 相關股份總數目	Approximate% of the total number of issued Shares 約佔已發行股份 總數目之百分比	Capacity in which interests are held 持有權益之身份
Fair Union	894,349,179	45.42	Beneficial owner 實益擁有人
Shougang HK 首控香港	894,349,179	45.42	interests of controlled corporations ^{Note (1)} 受控法團之權益 ^{附註(1)}
Shougang Group 首鋼集團	978,846,451	49.72	Interests of controlled corporations ^{Note (2)} 受控法團之權益 ^{附註(2)}
Bekaert Combustion	250,000,000	12.70	Beneficial owner 實益擁有人
Bekaert	250,000,000	12.70	Interests of controlled corporations ^{Note (3)} 受控法團之權益 ^{附註(3)}
Li Ka Shing Foundation 李嘉誠基金會	100,000,000	5.08	Beneficial owner 實益擁有人

Notes:

- (1) As Fair Union is Shougang HK's wholly-owned subsidiary, by virtue of the SFO, Shougang HK is deemed to be interested in 894,349,179 Shares held by Fair Union.
- (2) As Shougang Group is the ultimate holding company of Shougang HK and Capital Industrial Financial, by virtue of the SFO, Shougang Group is deemed to be interested in 894,349,179 Shares held by Fair Union, the wholly-owned subsidiary of Shougang HK, and is deemed to be interested in 11,770,000 Shares held by Lyre Terrace Management Limited, a wholly-owned subsidiary of Capital Industrial Financial. By virtue of the SFO, Shougang Group is also deemed to be interested in 72,727,272 Shares held by Jingxi Holdings, a wholly-owned subsidiary of Shougang Fund, which is a wholly-owned subsidiary of Shougang Group.

附註：

- (1) 由於Fair Union為首控香港之全資附屬公司，故根據證券及期貨條例，首控香港被視為於Fair Union所持有之894,349,179股股份中擁有權益。
- (2) 首鋼集團為首控香港及首惠產融之最終控股公司，故根據證券及期貨條例，首鋼集團被視為於Fair Union(為首控香港之全資附屬公司)所持有之894,349,179股股份中擁有權益，及被視為於琴台管理有限公司(為首惠產融之全資附屬公司)所持有之11,770,000股股份中擁有權益。由於京西控股乃首鋼基金之全資附屬公司，而首鋼基金乃首鋼集團之全資附屬公司，故根據證券及期貨條例，首鋼集團被視為於京西控股所持有之72,727,272股股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告書

SHAREHOLDERS' INTERESTS AND SHORT POSITIONS OR UNDERLYING SHARES OF THE COMPANY UNDER THE SFO (continued)

Long position in Shares or underlying Shares (continued)

Notes: (continued)

- (3) By virtue of the SFO, Bekaert is deemed to be interested in 250,000,000 Shares held by Bekaert Combustion, which is a wholly-owned subsidiary of Bekaert.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “**RELATED PARTY TRANSACTIONS**” below and/or in note 35(i)(a) to the financial statements, at no time during the year had the Company or any of its subsidiaries, and the controlling shareholder (as defined under the Listing Rules) or any of its subsidiaries entered into any contract of significance or any contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries.

CORPORATE GOVERNANCE

The Company is committed to practicing and achieving a high standard of corporate governance and the Board has approved and adopted the SCHL Corporate Governance Code on terms no less exacting than those set out in the provisions of the Corporate Governance Code. Further information on the Company's Corporate Governance Code is set out in the “**CORPORATE GOVERNANCE REPORT**” on pages 32 to 76 of this annual report.

根據證券及期貨條例股東於本公司之權益及淡倉或相關股份(續)

於股份或相關股份之好倉(續)

附註:(續)

- (3) 由於Bekaert Combustion為Bekaert之全資附屬公司，故根據證券及期貨條例，Bekaert被視為於Bekaert Combustion所持有之250,000,000股股份中擁有權益。

控股股東於重要合約之權益

除下文「**關連人士交易**」一節及／或財務報告附註35(i)(a)所披露者外，本公司或其任何附屬公司在本年度任何時間內，概無與控股股東（根據上市規則定義）或其任何附屬公司之間訂立任何重要合約或有關控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重要合約。

企業管治

本公司致力履行及達至一個高標準的企業管治水平，董事會已批准及採納首佳科技企業管治守則，有關條文不比企業管治守則所列出的條文寬鬆。本公司之企業管治守則之進一步資料載列於本年報第32頁至76頁之「**企業管治報告**」內。

REPORT OF THE DIRECTORS

董事會報告書

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Set out below are particulars of repurchases by the Company of its own ordinary shares made on the Stock Exchange during the year:

購買、出售或贖回上市證券

於本年度內本公司於聯交所購回其普通股的詳細資料示列如下：

Month of repurchase in 2023 二零二三年購回股份之月份	Number of shares repurchased 購回股份數目	Consideration per Share 每股代價		Aggregate consideration paid 已付總代價 HK\$ 港幣
		Highest 最高 HK\$ 港幣	Lowest 最低 HK\$ 港幣	
August 八月	158,000	0.175	0.172	27,506
September 九月	368,000	0.184	0.163	64,528
October 十月	526,000	0.18	0.168	92,194
November 十一月	1,080,000	0.195	0.168	196,216
December 十二月	10,522,000	0.243	0.196	2,318,958
Total	總數			2,699,402

All Shares repurchased in 2023 were cancelled up to the date of this annual report.

直至本年報日期，所有在二零二三年購回股份經已註銷。

The above repurchase was made for the purpose of achieving an increase in the consolidated net asset value and/or earnings per Share.

上述回購的目的為增加每股綜合資產淨值及／或每股盈利。

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year.

除上文披露外，於本財政年度內本公司或其任何附屬公司並無購買、出售或贖回本公司的任何上市證券。

REPORT OF THE DIRECTORS

董事會報告書

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate Directors' and officers' liability insurance coverage in respect of legal actions brought for committed or alleged wrongful acts against the Directors and officers of the Group throughout the year, but exclude any criminal, dishonest or fraudulent acts or omission.

The Articles provide that every Director, secretary or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done by him as Director, secretary, officer or auditor of the Company and in which judgment is given in his favour or in which he is acquitted, or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company.

The permitted indemnity provision is in force for the benefit of the Directors as required by Section 470 of the Companies Ordinance when the report of the directors prepared by the Directors is approved in accordance with Section 391(1)(a) of the Companies Ordinance.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting standard. These transactions mainly relate to contracts entered into by the Group in the ordinary and usual course of business which were negotiated on normal commercial terms and on an arm's length basis and the Company has complied with the applicable requirements under the Listing Rules. Further details are set out in note 35 to the financial statements. The following connected transaction and continuing connected transactions were recorded during the year:

獲准許彌償條文

於年內，本公司已就本集團之董事及行政人員因實施或涉嫌過失行為（但不包括任何刑事、不誠實或欺詐行為或疏忽）而面對的法律行動，安排適當的董事及行政人員責任保險。

章程細則規定，每名董事、秘書或本公司其他行政人員或核數師就作為董事、秘書或本公司其他行政人員或核數師於任何民事或刑事法律程序中關於與其作為董事、秘書或本公司其他行政人員或核數師作出或遺漏作出之行為，而彼在判決中就有關作出或遺漏作出之行為之責任或就本公司代名人收購股份而應付款項之責任獲勝訴、獲裁定無罪或獲法院免除法律責任時所產生之任何責任、損失或開支，可從本公司資產中獲得彌償。

基於董事利益的獲准許彌償條文根據公司條例第470條的規定於董事編製之董事會報告書根據公司條例第391(1)(a)條獲通過時生效。

關連人士交易

本集團與根據適用會計準則被視為「關連人士」之人士訂立若干交易。此等交易主要涉及本集團於一般及日常業務過程中按一般商務條款經公平原則磋商而訂立之合約及本公司已遵守上市規則的適用規定。進一步詳情載列於財務報告附註35。以下為於本年度所記錄之關連交易及持續關連交易：

REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS (continued) Connected Transaction – Issue of the Convertible Bonds under Specific Mandate and Conversion of the Convertible Bonds

On 18 December 2018, the Company entered into the Subscription Agreement with Jingxi Holdings (a connected person of the Company) whereby the Company conditionally agreed to issue and Jingxi Holdings conditionally agreed to subscribe for the Convertible Bonds in the principal amount of up to HK\$150,000,000. The Convertible Bonds carry the Conversion Rights to convert into the Conversion Shares at the Conversion Price of HK\$0.33 per Conversion Share (subject to adjustment), and the Convertible Bonds will carry an interest rate of 4.0% per annum and will mature on the third anniversary of the issue date of the Convertible Bonds. Assuming the Conversion Rights are exercised in full at the Conversion Price, 454,545,454 new Shares, being the Conversion Shares, may be allotted and issued to Jingxi Holdings subject to the Conversion Restrictions, representing approximately 23.64% of the total number of issued Shares as at 31 December 2019 and approximately 19.12% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares, assuming that there is no other change to the total number of Shares.

The net proceeds from the Subscription Agreement of HK\$149,000,000, are expected to be used as follows: (i) as to approximately HK\$37,300,000 for repaying interest-bearing borrowings with higher interest rate of the Group; (excluding borrowings provided by Shougang HK and its related party(ies)), (ii) as to approximately HK\$110,000,000 for funding the capital investment for the TESC Phase II Project subject to the construction cost and time needed to supplement the production need for both TESC and JESC; and (iii) as to approximately HK\$1,700,000 being the remaining proceeds for supplementing general working capital.

關連人士交易(續)

關連交易－根據特定授權發行可換股債券及轉換可換股債券

於二零一八年十二月十八日，本公司與京西控股(本公司關連人士)訂立認購協議，據此，本公司有條件同意發行而京西控股有條件同意認購本金額最高為港幣150,000,000元的可換股債券。可換股債券附帶轉換權，可按換股價每股換股股份港幣0.33元(可予調整)轉換為換股股份，及可換股債券將按年利率4.0%計息，且將於可換股債券發行日期後第三個週年當日到期。假設轉換權按換股價獲悉數行使，並假設股份總數概無其他變動，454,545,454股新股份(即換股股份)可在轉換限制規限下分配及發行予京西控股，相當於二零一九年十二月三十一日已發行股份總數約23.64%以及經分配及發行換股股份擴大後的已發行股份總數約19.12%。

認購協議所得款項淨額港幣149,000,000元預期用作下列用途：(i)約港幣37,300,000元用於償還本集團利率較高的計息貸款(首控香港及其關連方提供的貸款除外)；(ii)約港幣110,000,000元用於為滕州東方二期項目的資本投資提供資金，惟受限於建設成本及補充滕州東方及嘉興東方之生產需求所需時間；及(iii)所得款項餘額約港幣1,700,000元用於補充一般營運資金。

REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS (continued) Connected Transaction – Issue of the Convertible Bonds under Specific Mandate and Conversion of the Convertible Bonds (continued)

The reason for entering into the Subscription Agreement as this is an appropriate means of raising additional capital of the Company considering the recent market conditions which represent an opportunity for the Company to obtain the funding at reasonable cost for construction of the brass wire production lines, enhance its working capital and strengthen its capital base and financial position. Also, it will not have an immediate dilution effect on the shareholding of the existing Shareholders and the interest payable under the Convertible Bonds is more stable and predictable than bank borrowing. The Subscription by Jingxi Holdings reflects the confidence and commitment of Shougang Fund towards the long-term business development of the Group which is beneficial to the long-term business development of the Group.

Jingxi Holdings is a wholly-owned subsidiary of Shougang Fund, which is in turn a wholly-owned subsidiary of Shougang Group. Shougang Group is a controlling Shareholder interested in an aggregate of 906,719,179 Shares, representing approximately 47.15% of the total number of issued Shares before the date of the Subscription Agreement. Therefore, Jingxi Holdings is a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 11 February 2019, all conditions precedent under the Subscription Agreement have been fulfilled and the completion of the Subscription Agreement took place and the Convertible Bonds in the principal amount of HK\$150,000,000 were issued to Jingxi Holdings.

Details of the Subscription Agreement were also disclosed in the announcements of the Company dated 18 December 2018 and 11 February 2019, and in the circular of the Company dated 11 January 2019. The Subscription Agreement and the transactions contemplated thereunder were approved, confirmed and ratified by the independent Shareholders on 1 February 2019.

關連人士交易(續)

關連交易－根據特定授權發行可換股債券及轉換可換股債券(續)

訂立認購協議之原因是由於近期市場狀況為本公司獲得資金以合理成本建設黃絲生產線、增加其營運資金及鞏固其資本基礎及財務狀況提供機遇，透過認購協議為本公司籌集額外資金為合理的方法。此外，其將不會對現有股東的股權產生即時攤薄影響及可換股債券項下的應付利息較銀行貸款更為穩定及可預測。京西控股作出的認購事項反映了首鋼基金對本集團長期業務發展的信心及承諾，這將有利於本集團的長期業務發展。

京西控股為首鋼基金的全資附屬公司，而首鋼基金為首鋼集團的全資附屬公司。首鋼集團為一名於認購協議日期前合共906,719,179股股份(佔已發行股份總數約47.15%)中擁有權益的控股股東，故京西控股為本公司的關連人士。因此，認購事項構成本公司的關連交易，並須遵守上市規則第14A章有關申報、公告及獨立股東批准的規定。

於二零一九年二月十一日，認購協議項下之所有先決條件均已獲達成，認購協議完成而本金額為港幣150,000,000元的可換股債券已發行予京西控股。

有關該認購協議之詳情可參考本公司日期為二零一八年十二月十八日及二零一九年二月十一日的公告，及二零一九年一月十一日的通函。認購協議其項下擬進行的交易已於二零一九年二月一日獲獨立股東批准、確認及追認。

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董事會報告書

RELATED PARTY TRANSACTIONS (continued) Connected Transaction – Issue of the Convertible Bonds under Specific Mandate and Conversion of the Convertible Bonds (continued)

As at 31 December 2020, the Group had fully utilised the aforesaid proceeds according to the proposed usage as set out in the circular of the Company dated 11 January 2019.

On 11 January 2022, the Company received a notice from Jingxi Holdings to extend the maturity date of the Convertible Bonds by one year to 11 February 2023.

Besides, the Company received a conversion notice from Jingxi Holdings in relation to the exercise of the conversion rights attaching to the Convertible Bonds to convert the Convertible Bonds in the principal amount of HK\$24,000,000 at the Conversion Price of HK\$0.33 per Conversion Share (the “Conversion”). Accordingly, on 7 February 2022, 72,727,272 Conversion Shares were allotted and issued to Jingxi Holdings in accordance with the terms and conditions of the Convertible Bonds. Details of the Conversion of the Convertible Bonds were disclosed in the announcement of the Company dated 7 February 2022.

In February 2023, the Convertible Bonds matured. The Company has made full redemption of outstanding principal amount of HK\$126,000,000 of the Convertible Bonds, in accordance with the terms and conditions of the Convertible Bonds.

Continuing Connected Transaction – Patent License Agreement

On 13 April 2023, (1) Bekaert and (2) TESC and JESC entered into a patent license agreement (the “Patent License Agreement”), pursuant to which Bekaert, being the owner of a patent (the “Licensed Patent”) for invention registered in the PRC for certain steel cord constructions (the “Licensed Products”), agreed to grant to TESC and JESC a non-exclusive, non-transferable license under the Licensed Patent, without the right to grant sublicenses, to manufacture and sell the Licensed Products only in the plants of TESC and JESC (the “Licensed Rights”). Unless terminated earlier in accordance with the terms of the Patent License Agreement, the Patent License Agreement shall be effective retroactively from 1 January 2023 to 31 December 2023.

關連人士交易 (續)

關連交易 – 根據特定授權發行可換股債券 及轉換可換股債券 (續)

於二零二零年十二月三十一日，本集團已根據本公司日期為二零一九年一月十一日之通函所載擬議用途將上述所得款項全部動用。

於二零二二年一月十一日，本公司收到京西控股的通知，將可轉換債券的到期日延長一年至二零二三年二月十一日。

另外，本公司收到京西控股發出有關行使可換股債券附帶的轉換權的轉換通知，以按換股價為每股換股股份港幣0.33元轉換本金額為港幣24,000,000元之可換股債券（「該轉換」）。因此，於二零二二年二月七日，已根據可換股債券之條款及條件向京西控股分配及發行72,727,272股換股股份。有關該轉換可換股債券之詳情可參考本公司日期為二零二二年二月七日的公告。

於二零二三年二月，可換股債券到期。本公司已按照可換股債券的條款及條件，悉數贖回未償還本金額港幣126,000,000元之可換股債券。

持續關連交易 – 專利許可協議

於二零二三年四月十三日，(1) Bekaert與(2)滕州東方及嘉興東方訂立專利許可協議（「專利許可協議」），據此，Bekaert作為就若干鋼簾線結構（「許可產品」）在中國註冊的發明專利（「專利權」）的所有權人，同意授予滕州東方及嘉興東方一項非排他、不可轉讓、不可再許可的權利，允許只在滕州東方及嘉興東方的工廠內製造和銷售許可產品（「許可權」）。除非根據專利許可協議的條款提前終止，否則專利許可協議應追溯自二零二三年一月一日至二零二三年十二月三十一日生效。

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RELATED PARTY TRANSACTIONS (continued)

Continuing Connected Transaction – Patent

License Agreement (continued)

Pursuant to the Patent License Agreement, TESC and JESC shall pay to Bekaert a royalty which is calculated by multiplying the net sales amount of the Licensed Products by the applicable tiered royalty rate. Different specified royalty rates are payable for different average monthly sales volume of the Licensed Products. Reports about the sales of the Licensed Products sold are required to be submitted by TESC and JESC to Bekaert on a quarterly basis.

The historical actual transaction amounts paid by the Group to Bekaert for the grant of the License Rights for the financial years ended 31 December 2020, 2021 and 2022 were HK\$845,000, HK\$1,452,000 and HK\$2,177,000 respectively. As the actual transaction amounts on an annual basis are less than HK\$3,000,000, the grant of the License Rights historically constituted a de minimis transaction of the Company under Rule 14A.76(1) of the Listing Rules. The annual cap of the royalty payable by the Group to Bekaert under the Patent License Agreement for the year ended 31 December 2023 is RMB9,600,000.

The entering into of the Patent License Agreement is part of the Group's ordinary and usual course of business, and is consistent with the Group's business development strategy. It is expected to enhance the Group's market presence, experience and reputation, and improve the competitive strength of the Group in connection with its steel cords business, and will thereby bring positive impact on the performance of the steel cord segment of the Group in the long run. Under the Patent License Agreement, the Group will be able to continue manufacturing and selling the Licensed Products. To expand and meet the rapid development and international market needs, the Group has been adhering to providing customers with stable and quality products. The License Rights enables the sales of the Group's products, and lays a solid foundation for the smooth development of its global business.

關連人士交易 (續)

持續關連交易 – 專利許可協議 (續)

根據專利許可協議，滕州東方和嘉興東方應向 Bekaert 支付許可權使用費，該許可權使用費按許可產品的淨銷售額乘以適用的分級許可權使用費利率計算。許可產品的不同平均每月銷售量需要支付不同的指定許可權使用費利率。滕州東方和嘉興東方需要按季度向 Bekaert 提交有關許可產品銷售情況的報告。

截至二零二零年、二零二一年及二零二二年十二月三十一日止財政年度，由本集團支付予 Bekaert 有關授予許可權的實際歷史交易金額分別為港幣 845,000 元、港幣 1,452,000 元及港幣 2,177,000 元。由於年度實際交易金額少於港幣 3,000,000 元，根據上市規則第 14A.76(1) 條，過往授予許可權構成符合最低豁免水平的交易。截至二零二三年十二月三十一日止財政年度，本集團應付 Bekaert 的許可權使用費之年度上限為人民幣 9,600,000 元。

訂立專利許可協議為本集團日常及一般業務的一部份，並符合本集團業務發展策略。預計將提升本集團的市場佔有率、經驗及聲譽，並增強本集團在鋼簾線領域的競爭力，長遠而言將對本集團鋼簾線分部的表現產生正面影響。根據專利許可協議，本集團可繼續製造和銷售許可產品。為拓展及滿足急速發展及國際市場需要，本集團始終堅持為客戶提供穩定及優質的產品。該許可權有助銷售本集團產品，為本集團全球業務順暢發展奠定堅實基礎。

REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS (continued)

Continuing Connected Transaction – Patent

License Agreement (continued)

TESC and JESC are indirect wholly-owned subsidiaries of the Company. Bekaert is a substantial Shareholder and hence, is a connected person of the Company. Accordingly, the transaction contemplated under the Patent License Agreement constitutes a continuing connected transaction and is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements of the Company under Chapter 14A of the Listing Rules.

Details of the Patent License Agreement were disclosed in the announcement of the Company dated 13 April 2023.

Continuing Connected Transaction – Finance Services Agreement

On 1 December 2023, the Company entered into a finance services agreement (the "Finance Services Agreement") with Shougang Finance in relation to the provision of the deposit services and settlement services by Shougang Finance to the Group. The term of the Finance Services Agreement is from the date of the Finance Services Agreement and continue up to 31 December 2025 (both dates inclusive) (the "Term").

In respect of the deposit services, the Group will deposit funds into the deposit accounts in Shougang Finance in return for interest income. The daily maximum balance of deposits placed by the Group shall be not more than RMB15,640,000 during the Term.

As regards the settlement services, Shougang Finance will provide payment and collection services and other ancillary services related to settlement business in accordance with the Group's instructions. No service fee will be charged by Shougang Finance for the Group to utilise the Settlement Services.

關連人士交易 (續)

持續關連交易 – 專利許可協議 (續)

滕州東方及嘉興東方為本公司間接全資附屬公司。Bekaert為主要股東，因此，Bekaert為本公司的關連人士。就此，該專利許可協議項下擬進行之交易構成本公司的一項持續關連交易，並須遵守上市規則第14A章有關申報、公告及年度審核規定，惟獲豁免遵守通函(包括獨立財務顧問)及獨立股東批准規定。

有關該專利許可協議之詳情可參考本公司日期為二零二三年四月十三日的公告。

持續關連交易 – 金融服務協議

於二零二三年十二月一日，本公司與首鋼財務訂立金融服務協議(「金融服務協議」)，據此，首鋼財務向本集團提供存款服務及結算服務。金融服務協議的年期由金融服務協議日期開始及持續至二零二五年十二月三十一日止(首尾兩天包括在內)(「年期」)。

關於存款服務，本集團將資金存入於首鋼財務之存款戶口以收取利息收入作為回報。於年期內，本集團的每日最高存款結餘不得超過人民幣15,640,000元。

關於結算服務，首鋼財務將根據本集團的指示提供付款和收款服務，以及其他與結算業務相關的輔助服務。本集團動用結算服務時，首鋼財務將不收取服務費。

REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS (continued)

Continuing Connected Transaction – Finance

Services Agreement (continued)

The reason for entering into the Finance Services Agreement is that Shougang Finance (1) provides settlement services to the Group on a free-of-charge basis; (2) has in-depth knowledge about the operation of the Group and could provide more convenient and effective services to the Group than other financial institutions; (3) is a non-bank financial institution licensed by the National Administration of Financial Regulation with customers primarily comprised of members of the Shougang Group, which means it is exposed to lower risks than other financial institutions and hence could offer better security to the deposits of the Group; (4) offers the deposit interest rates will be no less favourable to the Group than those offered by commercial banks in the PRC to the Group for comparable deposits, which would enable the Group to generate interest income therefrom; and (5) is the financial institution under the Shougang Group, and the credit rating of Shougang Group as rated by Dagong Global Credit Rating Co., Ltd., a credit rating agency recognised by the People's Bank of China, for the year 2023 was "AAA", which evidenced that Shougang Group has healthy cash flow and strong capability to repay its debt; hence, the credit risk in relation to placing deposits with Shougang Finance, would be relatively low.

Besides, the Finance Services Agreement does not preclude the Group from using the services of other financial institutions. The Group has the discretion to select any major and independent commercial banks in the PRC as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

Shougang Group is a controlling shareholder and a connected person of the Company. As Shougang Finance is a wholly-owned subsidiary of Shougang Group, Shougang Finance is an associate of Shougang Group and is therefore a connected person of the Company. As such, the transactions contemplated under the Finance Services Agreement constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Finance Services Agreement were disclosed in the announcement of the Company dated 1 December 2023.

關連人士交易(續)

持續關連交易－金融服務協議(續)

訂立金融服務協議之原因是由於首鋼財務(1)免費向本集團提供結算服務；(2)深入了解本集團的營運，且與其他金融機構相比可向本集團提供更便捷、高效的服務；(3)為獲國家金融監管管理總局授權的非銀行金融機構，其客戶主要包括首鋼集團成員公司，較其他金融機構承受更低風險，因此可為本集團的存款提供更佳安全性；(4)向本集團提供的存款利率將不遜於在中國商業銀行就同類存款向本集團所提供者，將使本集團從中獲得一般利息收入；及(5)作為首鋼集團旗下金融機構，而中國人民銀行認可的信用評級機構大公國際資信評估有限公司於二零二三年對首鋼集團的信用等級為「AAA」，證明首鋼集團擁有健康的現金流，償債能力強；因此，有關存放於首鋼財務的存款的信用風險相對較低。

此外，訂立金融服務協議不排除本集團使用其他金融機構的服務。本集團可酌情在其認為適當的情況下為其本身利益選擇中國任何主要獨立商業銀行為其提供金融服務。

首鋼集團為本公司控股股東及關連人士。由於首鋼財務為首鋼集團的全資附屬公司，故首鋼財務為首鋼集團的聯繫人，亦為本公司的關連人士。因此，金融服務協議項下擬進行之交易構成本公司的持續關連交易並須遵守上市規則第14A章之申報、公告及年度審核規定，惟獲豁免遵守通函(包括獨立財務顧問)及獨立股東批准規定。

有關該金融服務協議之詳情可參考本公司日期為二零二三年十二月一日的公告。

REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS (continued) Annual Review on Continuing Connected Transactions

In accordance with Rule 14A.55 of the Listing Rules, the continuing connected transactions as set out above during the year have been reviewed by the independent non-executive Directors who have confirmed that the transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor, PricewaterhouseCoopers, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. PricewaterhouseCoopers has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the paragraph above in accordance with Rule 14A.56 of the Listing Rules.

關連人士交易(續) 持續關連交易之年度審閱

根據上市規則第14A.55條，年內上文所列之持續關連交易已由本公司獨立非執行董事審閱，並確認交易：

- (a) 在本集團的日常業務中訂立；
- (b) 按照一般商業條款或更佳條款進行；及
- (c) 根據該等交易的相關協議進行，條款公平合理並符合本公司股東之整體利益。

根據上市規則第14A.56條，本公司之核數師羅兵咸永道會計師事務所根據香港會計師公會頒佈之《香港鑒證業務準則》第3000號(經修訂)「非審核或審閱過往財務資料之鑒證工作」，並參照《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團之持續關連交易出具報告。根據上市規則第14A.56條，羅兵咸永道會計師事務所已發出無保留意見函件，其中包含有關本集團於上文披露之持續關連交易的調查結果及結論。

REPORT OF THE DIRECTORS

董事會報告書

RELATED PARTY TRANSACTIONS (continued) Annual Review on Continuing Connected Transactions (continued)

The following table sets out the actual transaction amount and the annual caps for the year ended 31 December 2023 in respect of the above continuing connected transactions:

For the year ended 31 December 2023

Continuing Connected Transactions 持續關連交易		Transaction amount 交易金額	Annual cap 年度上限
Patent License Agreement	專利許可協議	RMB3,483,000 人民幣3,483,000元	RMB9,600,000 人民幣9,600,000元
Finance Services Agreement	金融服務協議	RMB15,500,000 人民幣15,500,000元	RMB15,640,000 人民幣15,640,000元

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence as well as the prevailing market condition of the industry. Remuneration packages, which include an element of discretionary bonuses, are generally reviewed annually. The emoluments of the Directors are decided by the remuneration committee, having regard to individual performance, the Company's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

關連人士交易(續) 持續關連交易之年度審閱(續)

下表載列有關上述持續關連交易截至二零二三年十二月三十一日止年度之實際交易金額及年度上限：

截至二零二三年十二月三十一日止年度

酬金政策

本集團僱員之薪酬主要根據僱員之價值、資格、能力以及業界當時市場狀況而釐訂。彼等之酬金包括酌情發放之花紅，一般會每年予以檢討。董事之酬金乃由薪酬委員會參照董事之個人表現、公司之業績表現及盈利狀況、業界之薪酬指標及當時市場狀況而定。

REPORT OF THE DIRECTORS

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the revenue from sales to the Group's five largest customers accounted for approximately 48.3% (2022: 57.1%) of total revenue of the Group and the revenue from sales to the largest customer included therein amounted to approximately 12.6% (2022: 21.3%) of total revenue of the Group.

Purchases from the Group's five largest suppliers accounted for approximately 49.8% (2022: 52.0%) of total purchases of the Group for the year and purchases from the largest supplier, included therein amounted to approximately 16.9% (2022: 18.0%) of total purchases of the Group for the year.

Save for disclosed above, as far as the Directors are aware, neither the Directors, their associates, nor those Shareholders (who, to the best knowledge of the Directors, own more than 5% of the total number of issued shares of the Company) had any beneficial interest in the Group's five largest customers or suppliers.

Further details related to relationship with customers and suppliers, please refer to sections "**MANAGEMENT DISCUSSION AND ANALYSIS**" in this annual report and in the 2023 ESG Report.

AUDITORS

Messrs. PricewaterhouseCoopers will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board

Su Fanrong
Chairman
Hong Kong
18 March 2024

足夠公眾持股量

根據本公司從公開途徑所得之資料及據董事所知，本公司於本年度及於本年報刊發前最後實際可行日期，一直維持上市規則所規定之足夠公眾持股量。

主要客戶與供應商

於本年度回顧，本集團銷售予首五大客戶之營業額，約佔本年度本集團總營業額之48.3% (二零二二年：57.1%)，其中銷售予最大客戶的營業額約佔本年度本集團總營業額之12.6% (二零二二年：21.3%)。

本集團向首五大供應商作出之採購，約佔本年度本集團總採購額之49.8% (二零二二年：52.0%)，其中向最大供應商作出之採購額約佔本年度本集團總採購額之16.9% (二零二二年：18.0%)。

除以上所披露外，就董事所知，各董事、其聯繫人士及(董事所知擁有本公司已發行股份數目總額5%以上之)股東，概無於本集團首五大客戶或供應商中擁有任何實益權益。

關於主要客戶與供應商的關係，請參閱本年報「**管理層論述及分析**」章節及即將發佈的二零二三年度環境、社會及管治報告。

核數師

羅兵咸永道會計師事務所將任滿告退，再續聘其為本公司之核數師之決議案將於即將舉行之股東周年大會上呈提。

承董事會命

董事長
蘇凡榮
香港
二零二四年三月十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the Members of
Shougang Century Holdings Limited
(incorporated in Hong Kong with limited liability)

致首佳科技製造有限公司成員
(於香港註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of Shougang Century Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 120 to 254, comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

意見

我們已審計的內容

首佳科技製造有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第120頁至254頁的綜合財務報表，包括：

- 於二零二三年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括重大會計政策信息及其他解釋信息。

Our opinion

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

我們的意見

我們認為，該等綜合財務報告已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零二三年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Impairment assessments of property, plant and equipment and land use rights
- Impairment assessment of trade receivables

意見的基礎

我們已根據香港會計師公會頒布的《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」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 物業、廠房及設備與土地使用權減值評估
- 應收賬款減值評估

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

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

(1) Impairment assessments of property, plant and equipment and land use rights

(1) 物業、廠房及設備與土地使用權減值評估

Refer to Note 4(b), Note 17 and Note 20 to the consolidated financial statements

請參閱綜合財務報告附註4(b)、附註17及附註20

As at 31 December 2023, the Group owned certain property, plant and equipment and land use rights amounting to HK\$1,251,122,000 and HK\$124,604,000, respectively, which relate to the steel cord segment.

於二零二三年十二月三十一日，貴集團擁有物業、廠房及設備與土地使用權分別為港幣1,251,122,000元及港幣124,604,000元，其與鋼簾線分部有關。

Taking into considerations the results of the steel cord segment for the year ended 31 December 2023 as well as a comparison between the Group's market capitalisation and its net assets value, management identified impairment indicators existed for the relevant property, plant and equipment and land use rights.

根據截至二零二三年十二月三十一日止年度鋼簾線分部的運營結果以及比較貴集團之市值和其淨資產值，管理層確定了物業、廠房及設備與土地使用權的減值指標。

Our procedures in relation to management's impairment assessments of property, plant and equipment and land use rights included the following:

我們對有關管理層評估物業、廠房及設備與土地使用權減值之審計程序包括：

We obtained an understanding of the management's internal control and assessment process of impairment assessments of property, plant and equipment and land use rights and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud.

我們了解了管理層評估物業、廠房及設備與土地使用權減值的內部控制和評估過程，並通過考慮估計不確定性的程度和其他內在風險因素（例如複雜性、主觀性、變更及對管理偏見或欺詐的敏感性）的程度來評估重大錯誤陳述的內在風險。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Management grouped the assets of the Group at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash flows from other assets or groups of assets (Cash-Generating Units) and performed impairment assessments in respect of the two Cash-Generating Units of the steel cord segment identified using the value-in-use method. This involved significant judgement in determining the assumptions used in the calculations. The key assumptions included:

管理層將 貴集團的資產分為最低水準，其可單獨識別現金流入，而這些資產大部分獨立於其他資產或資產組的現金流入（現金產生單位）。管理層還分別運用使用價值法對鋼簾線分部的兩個現金產生單位實施了減值測試。其中設計在確定運算中使用的假設時的重大判斷。決定關鍵假設包括：

- rate of annual increment for the steel cord price;
- 鋼簾線價格的年增長率；

- rate of annual increment for the sales volume;
- and
- 銷售量的年增長率；及

- discount rates
- 貼現率

The impairment assessments prepared by management were subject to oversight and review by the directors of the Company. Based on management's assessment, no impairment on property, plant and equipment and land use rights was considered necessary as at 31 December 2023.

管理層編製的減值評估受 貴公司董事的監督和審查。根據管理層的評估，於二零二三年十二月三十一日並無就物業、廠房及設備與土地使用權確認減值。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We evaluated and tested the key controls over the impairment assessments of property, plant and equipment and land use rights performed by management, including the selection of valuation method, determination of recoverable amounts and key assumptions made in the future cash flow forecasts.

我們評估和測試了管理層對物業、廠房和設備與土地使用權的減值評估的關鍵控制措施，包括評估方法的選擇、可收回金額的確定以及未來現金流量預測中的關鍵假設。

We evaluated the composition of management's future cash flow forecasts used in their value-in-use calculations, and the process by which they were prepared.

我們評估了管理層在使用價值計算中使用的未來現金流量預測的構成，以及準備這些預測的過程。

We involved our internal valuation expert in assessing the appropriateness of the methodologies used and the reasonableness of key assumptions applied.

我們讓我們的內部評估專家評估所用方法的適當性以及所應用的關鍵假設的合理性。

INDEPENDENT AUDITOR'S REPORT

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Key Audit Matter 關鍵審計事項

We focused on this area due to the significance of the balances and the estimation of the recoverable amount of the Cash-Generating Units of the steel cord segment is subject to a high degree of estimation uncertainty, as well as significant judgements involved in the selection of assumptions used.

我們關注該範圍是因為結餘的重要性以及評估現金產生單位可回收金額所涉及的重大判斷（包括計算使用價值時所用的假設）。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

We evaluated the reasonableness of management's key assumptions made in the forecasts. For steel cord price, we compared the long-term steel cord price used in the forecasts against the market price, and benchmarked the rate of annual increment to industry forecasts and market trends. For sales volume, we assessed the reasonableness and feasibility of annual sales plan and productivity. For the discount rates, we benchmarked the rates used in the forecasts against our research of the discount rates used by comparable companies in the industry. We considered the potential impact of reasonably possible downside changes in these key assumptions. We also considered whether the judgements in selecting these key assumptions would give rise to indicators of possible management bias.

我們評估了管理層在預測中的關鍵假設的合理性。對於鋼簾線價格，我們將預測中使用的長期鋼簾線價格與市場價格進行了比較，並將年增長率與行業預測和市場趨勢作為基準。對於銷售量，我們評估了年度銷售計劃和生產率的合理性和可行性。對於貼現率，我們以預測中使用的貼現率為基準檢測我們對比行業中可比公司的研究中使用的貼現率。我們在這些關鍵假設中考慮了合理可能的下行變化的潛在影響。我們還考慮了選擇這些關鍵假設時的判斷是否會導致可能出現管理偏見的指標。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter 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

We compared the current year actual results with the amounts included in the prior year cash flow forecasts to consider the quality of management's forecasting, and where any deviations were noted, we corroborated management's explanations with our knowledge of the market and the Group's performance in the current year. We also checked that these relevant factors had been taken into account in this year's forecasts and that management had considered the current year actual results in the preparation of this year's forecasts.

我們將本年度實際結果與上一年度現金流量預測中包含的金額進行了比較，以考慮管理層的預測質量。我們詢問管理層瞭解本年度實際業績與上年度預測出現偏差的原因，證實管理層對我們對市場的瞭解及貴集團於本年度的表現有何解釋。我們還檢查了今年的預測中是否考慮了這些相關因素。我們亦檢查了管理層是否考慮了本年度的實際結果用以準備本年度的預測。

Based on the procedures performed, we considered that management's significant judgements and assumptions applied in the impairment assessments of property, plant and equipment and land use rights were supportable by the evidence obtained and procedures performed.

根據所執行的程序，我們認為管理層在物業、廠房及設備與土地使用權的減值評估中使用的關鍵判斷和假設得到所獲得的證據和執行的程序的支持。

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Key Audit Matter 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

(2) Impairment assessment of trade receivables

(2) 應收賬款減值評估

Refer to Note 3.1(b)(ii), Note 4(c) and Note 22 to the consolidated financial statements

請參閱綜合財務報告附註3.1(b)(ii)、附註4(c)及附註22

As at 31 December 2023, the Group had gross trade receivables of HK\$667,322,000 and provision for impairment losses on trade receivables of HK\$21,803,000. Provision is made for lifetime expected credit losses on trade receivables.

於二零二三年十二月三十一日，貴集團的應收賬款總額為港幣667,322,000元，應收賬款減值撥備港幣21,803,000元。貴集團就應收賬款的全期預期信貸虧損計提撥備。

Our procedures in relation to management's assessment of the expected credit losses for trade receivables included the following:

我們對有關管理層評估應收賬款預期信貸虧損之審計程序包括：

We understood, evaluated and validated the key controls over credit procedures performed by management, including the periodic review of aged receivables and the assessment of the expected credit losses for trade receivables. We also assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity and subjectivity. 我們理解，評估和驗證管理層執行的關鍵信用監控程序，包括對已逾期應收賬款的定期審閱及應收賬款預期信貸虧損的評估。我們還通過考慮估計不確定性的程度和其他內在風險因素（例如複雜性和主觀性）的程度來評估重大錯誤陳述的內在風險。

We obtained management's assessment of the expected credit losses for trade receivables and tested the accuracy of the aging profile of trade receivables by checking to the underlying invoices on a sample basis.

我們取得了管理層對應收賬款預期信貸虧損的評估，並通過抽樣檢查發票測試了應收款項賬齡記錄的準確性。

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Key Audit Matter 關鍵審計事項

Management applied judgement in assessing the expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging profile. Management considered that full provision would be made for balances with known financial difficulties or those not responding to collection activities, while the expected credit loss rates of the remaining balances are determined based on historical credit losses experienced over the past 3 years and adjusted to reflect current and forward-looking information including macroeconomic factors affecting the ability of the customers to settle the receivables. 管理層運用判斷評估預期信貸虧損。為了衡量預期的信用損失，已根據共同的信用風險特徵和賬齡概況對應收賬款進行了分組。管理層認為，將為已知財務困難的餘額或不響應收款活動的餘額全額計提準備金，而其餘餘額的預期信用損失率則根據過去三年的歷史信用損失來確定，並進行調整以反映當前及前瞻性信息包括影響客戶償付應收賬款能力的宏觀經濟因素。

We focused on this area due to the estimation and judgement involved in determining the expected credit losses for the trade receivables subject to high degree of estimation uncertainty.

我們關注該範疇是鑒於在確定具有高度估計不確定性的應收賬款預期信貸虧損準備時涉及估計和判斷。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

For trade receivables with known financial difficulties or those not responding to collection activities, we challenged and assessed the appropriateness of management's assessment based on supporting documents such as correspondence with the customers, customers' responses to collection activities and relevant public search results relating to the financial circumstances of these customers.

對於已知財務困難的貿易應收款或對託收活動不回應的應收賬款，我們根據與客戶的往來函證，客戶對應收款項收集的反饋以及與客戶財務狀況相關的公共搜索結果等支援性文件，挑戰和評估了管理層評估的適當性。

For the remaining trade receivables, we challenged and assessed the appropriateness of management's assessment including the credit risk characteristics based on the customers' historical settlement pattern over the past 3 years and performed market research regarding the relevant current and forward-looking information including macroeconomic factors affecting the ability of the customers to settle the receivables.

對於餘下的應收賬款，我們挑戰和評估了管理層評估的適當性，包括基於客戶過往三年償付模式的信貸風險特徵，並進行了現時及前瞻性資料的市場研究，包括有關影響客戶償付應收賬款能力的宏觀經濟因素。

We also tested the calculation of the provision for impairment losses.

我們亦測試了減值撥備的計算。

Based on the procedures performed, we considered that the judgement and estimates adopted by management in determining the expected credit losses of the trade receivables were supportable by the evidence obtained and procedures performed. 根據所執行的程序，我們認為管理層就應收賬款預期信貸虧損的估計和判斷得到所獲得的證據和執行的程序的支持。

INDEPENDENT AUDITOR'S REPORT

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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Shougang Century Holdings Limited 2023 Annual Report (the “annual report”) other than the consolidated financial statements and our auditor’s report thereon. We have obtained some of the other information including Report of the Directors prior to the date of this auditor’s report. The remaining other information, including Financial Highlights and Management Discussion and Analysis and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate action considering our legal rights and obligations.

其他信息

貴公司董事須對其他信息負責。其他信息包括首佳科技製造有限公司二零二三年年報(「年報」)除綜合財務報表及我們的核數師報告外的信息。我們在本核數師報告日前已取得部份其他信息包括董事會報告書。餘下的其他信息，包括財務摘要、管理層論述及將包括在年報內的其他部分，將預期會在本核數師報告日後取得。

我們對綜合財務報表的意見並不涵蓋其他信息，我們既不也將不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息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。

基於我們對在本核數師報告日前取得的其他信息所執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

當我們閱讀該等將包括在年報內餘下的其他信息後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與董事溝通，並考慮我們的法律權利和義務後採取適當行動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

The Audit Committee is 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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance 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.

董事及審計委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，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。

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

審計委員會須負責監督 貴集團的財務報告過程。

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。我們僅按照香港《公司條例》第405條向 閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報告使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - 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.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致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這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，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。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Chun Wah, Ryan.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 18 March 2024

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，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。

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

出具本獨立核數師報告的審計項目合夥人是李振華。

羅兵咸永道會計師事務所
執業會計師
香港，二零二四年三月十八日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度		
			2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
		Notes 附註		
Revenue	營業額	5	2,494,534	2,464,242
Cost of sales	銷售成本	9	(2,120,368)	(2,133,702)
Gross profit	毛利		374,166	330,540
Other income	其他收入	7	8,039	20,738
Other gains, net	其他收益·淨額	8	662	21,498
Selling and distribution expenses	銷售及分銷費用	9	(124,033)	(114,563)
Administrative expenses	行政費用	9	(56,433)	(58,307)
Research and development expenses	研發費用	9	(108,296)	(103,335)
Foreign exchange (losses)/gains, net	外幣匯兌(虧損)/收益·淨額		(2,926)	11,708
Changes in fair values of investment properties	投資物業公平值之變動	16	(2,077)	1,138
Net impairment losses on financial assets	金融資產減值損失淨額	22(c)	(518)	(1,114)
Finance costs, net	財務成本·淨額	11	(18,914)	(50,615)
Profit before income tax	除所得稅前溢利		69,670	57,688
Income tax expense	所得稅支出	12	(7,164)	(9,830)
Profit for the year attributable to the owners of the Company	本公司擁有人應佔本年度溢利		62,506	47,858

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收益表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
		Notes 附註	
Other comprehensive (loss)/income	其他全面(虧損)/收益		
<i>Items that will not be reclassified to profit or loss</i>	<i>其後將不會重分類至損益之項目</i>		
Exchange differences arising on translation into presentation currency	因換算呈列貨幣而產生的匯兌差額		
			(7,810)
Revaluation of leasehold land and buildings	租賃土地及樓宇重估	17	
			(6,729)
Recognition of deferred income tax asset/(liability) on revaluation of leasehold land and buildings	租賃土地及樓宇重估之遞延所得稅資產/(負債)確認	29	
			1,051
			(13,488)
			(117,421)
Total comprehensive income/(loss) for the year attributable to the owners of the Company	本公司擁有人應佔本年度全面收益/(虧損)總額		
			49,018
			(69,563)
			HK cents
			港仙
Earnings per share for profit for the year attributable to the owners of the Company	本公司擁有人應佔本年度溢利之每股盈利		
– Basic	– 基本	15(a)	
			3.17
– Diluted	– 攤薄	15(b)	
			2.65
			2.44
			1.71

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收益表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2023 於二零二三年十二月三十一日

		As at 31 December		
		於十二月三十一日		
			2023	2022
			二零二三年	二零二二年
		Notes	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Assets	資產			
Non-current assets	非流動資產			
Investment properties	投資物業	16	43,728	55,637
Property, plant and equipment	物業、廠房及設備	17	1,251,122	1,187,280
Right-of-use assets	資產使用權	18	416	1,665
Land use rights	土地使用權	20	124,604	130,142
Prepayments and deposits	預付款及按金	23	30,325	20,928
Deferred income tax assets	遞延所得稅項資產	29	10,026	1,505
Total non-current assets	非流動資產總額		1,460,221	1,397,157
Current assets	流動資產			
Inventories	存貨	21	350,013	422,303
Trade receivables	應收賬款	22	645,519	565,447
Bills receivables	應收票據	22	713,917	653,069
Prepayments, deposits and other receivables	預付款、按金及其他應收款	23	45,339	63,546
Pledged bank deposits	已抵押銀行存款	25(a)	20,002	80,101
Bank balances and cash	銀行結存及現金	25(b)	77,138	145,807
Total current assets	流動資產總額		1,851,928	1,930,273
Total assets	資產總額		3,312,149	3,327,430
Liabilities	負債			
Non-current liabilities	非流動負債			
Other payables	其他應付款		140	102
Lease liabilities	租賃負債	18	-	446
Deferred income tax liabilities	遞延所得稅項負債	29	27,733	28,007
Total non-current liabilities	非流動負債總額		27,873	28,555

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述綜合財務狀況表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2023 於二零二三年十二月三十一日

		As at 31 December		
		於十二月三十一日		
		Notes	2023	2022
		附註	二零二三年	二零二二年
			HK\$'000	HK\$'000
			港幣千元	港幣千元
Current liabilities	流動負債			
Trade and bills payables	應付賬款及票據	26	795,445	800,885
Other payables and accruals	其他應付款及預提費用	26	304,427	245,910
Current income tax liabilities	當期所得稅負債		6,105	6,419
Bank borrowings	銀行貸款	27	487,537	454,552
Lease liabilities	租賃負債	18	446	1,292
Derivative financial instruments	衍生金融工具	30	643	–
Financial liability at fair value through profit or loss	按公平值計入損益之金融負債	28	–	132,074
Total current liabilities	流動負債總額		1,594,603	1,641,132
Total liabilities	負債總額		1,622,476	1,669,687
Equity	權益			
Share capital	股本	31	1,215,798	1,215,798
Reserves	儲備		473,875	441,945
Total equity	權益總額		1,689,673	1,657,743
Total equity and liabilities	權益與負債總額		3,312,149	3,327,430

The financial statements on pages 120 to 254 were approved by the Board of Directors on 18 March 2024 and were signed on its behalf:

載列於第120頁至254頁之財務報告已於二零二四年三月十八日獲董事會批准，並由以下董事代為簽署：

Su Fanrong
蘇凡榮
Director
董事

Yang Junlin
楊俊林
Director
董事

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述綜合財務狀況表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Share capital 股本 HK\$'000 港幣千元	Capital reserve 資本儲備 HK\$'000 港幣千元 (Note (i)) (附註(i))	Property revaluation reserve 物業重估儲備 HK\$'000 港幣千元	Translation reserve 匯兌儲備 HK\$'000 港幣千元	PRC reserve funds 中國儲備基金 HK\$'000 港幣千元 (Note (ii)) (附註(ii))	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
For the year ended 31 December 2023	截至二零二三年十二月 三十一日止年度							
At 1 January 2023	於二零二三年一月一日	1,215,798	23,990	170,390	209,062	98,703	(60,200)	1,657,743
Comprehensive income	全面收益							
Profit for the year	本年度溢利	-	-	-	-	-	62,506	62,506
Other comprehensive (loss)/income	其他全面(虧損)/收益							
Exchange differences arising on translation into presentation currency	因換算呈列貨幣而產生的 匯兌差額	-	-	-	(7,810)	-	-	(7,810)
Revaluation of leasehold land and buildings (Note 17)	租賃土地及樓宇重估 (附註17)	-	-	(6,729)	-	-	-	(6,729)
Recognition of deferred income tax asset on revaluation of leasehold land and buildings (Note 29)	租賃土地及樓宇重估之遞 延所得稅資產確認 (附註29)	-	-	1,051	-	-	-	1,051
Total comprehensive (loss)/ income for the year	本年度全面(虧損)/收益 總額	-	-	(5,678)	(7,810)	-	62,506	49,018
Transaction with owners in their capacity as owners:	與權益擁有人以其身份進 行的交易：							
Share repurchase (Note 31)	股份購回(附註31)	-	-	-	-	-	(2,699)	(2,699)
Dividend paid	已付股息	-	-	-	-	-	(14,389)	(14,389)
Transfer to PRC reserve funds (Note (ii))	轉撥至中國儲備基金 (附註(ii))	-	-	-	-	3,968	(3,968)	-
		-	-	-	-	3,968	(21,056)	(17,088)
At 31 December 2023	於二零二三年十二月 三十一日	1,215,798	23,990	164,712	201,252	102,671	(18,750)	1,689,673

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Share capital 股本 HK\$'000 港幣千元	Capital reserve 資本儲備 HK\$'000 港幣千元 (Note (i)) (附註(i))	Property revaluation reserve 物業重估儲備 HK\$'000 港幣千元	Translation reserve 匯兌儲備 HK\$'000 港幣千元	PRC reserve funds 中國儲備基金 HK\$'000 港幣千元 (Note (ii)) (附註(ii))	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
For the year ended 31 December 2022	截至二零二二年十二月 三十一日止年度							
At 1 January 2022	於二零二二年一月一日	1,191,798	23,990	140,717	356,156	90,450	(70,165)	1,732,946
Comprehensive income	全面收益							
Profit for the year	本年度溢利	-	-	-	-	-	47,858	47,858
Other comprehensive income/(loss)	其他全面收益/(虧損)							
Exchange differences arising on translation into presentation currency	因換算呈列貨幣而產生的 匯兌差額	-	-	-	(147,094)	-	-	(147,094)
Revaluation of leasehold land and buildings (Note 17)	租賃土地及樓宇重估 (附註17)	-	-	34,898	-	-	-	34,898
Recognition of deferred income tax liability on revaluation of leasehold land and buildings (Note 29)	租賃土地及樓宇重估之 遞延所得稅負債確認 (附註29)	-	-	(5,225)	-	-	-	(5,225)
Total comprehensive income/(loss) for the year	本年度全面收益/ (虧損)總額	-	-	29,673	(147,094)	-	47,858	(69,563)
Transaction with owners in their capacity as owners:	與權益擁有人以其身份進 行的交易：							
Share repurchase (Note 31)	股份購回(附註31)	-	-	-	-	-	(69)	(69)
Dividend paid	已付股息	-	-	-	-	-	(29,571)	(29,571)
Issuance of ordinary shares pursuant to the conversion of convertible bonds (Note 28)	根據可換股債券轉換發行 普通股(附註28)	24,000	-	-	-	-	-	24,000
Transfer to PRC reserve funds (Note (ii))	轉撥至中國儲備基金 (附註(ii))	-	-	-	-	8,253	(8,253)	-
		24,000	-	-	-	8,253	(37,893)	(5,640)
At 31 December 2022	於二零二二年 十二月三十一日	1,215,798	23,990	170,390	209,062	98,703	(60,200)	1,657,743

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

Notes:

- (i) The capital reserve represents the benefit of acquiring a shareholder's loan from a previous shareholder upon the acquisition of a subsidiary in previous years.
- (ii) In accordance with the Articles of Association of the Company's subsidiaries established in the People's Republic of China (the "PRC") and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after taxation, which is determined in accordance with the PRC accounting rules and regulations, to a statutory reserve fund (including the general reserve fund and enterprise expansion fund, where appropriate). Transfer to this statutory reserve fund is subject to the approval of the respective board of directors, and is discretionary when the balance of such fund has reached 50% of the registered capital of the respective company. Statutory reserve fund can only be used to offset accumulated losses or to increase capital.

附註：

- (i) 資本儲備指於以前年度收購一間附屬公司時，向一位前股東購入股東貸款之收益。
- (ii) 根據於中華人民共和國（「中國」）成立之本公司之附屬公司之公司章程細則及中國有關法律及規定，該等附屬公司須按中國會計規則及規定，轉撥不少於除稅後溢利之10%作為法定儲備基金（當中包括一般儲備及企業發展基金，如適用），直至該法定儲備餘額已達到個別公司註冊資本的50%時可酌情處理。轉撥至此法定儲備基金需經個別公司董事會之批准。法定儲備基金只可用於抵銷累計虧損或增加資本。

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
		Notes 附註	
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	經營業務產生之現金	33(a)	162,404
PRC corporate income tax paid	已付之中國企業所得稅		(14,922)
			182,200
			(2,833)
Net cash generated from operating activities	經營活動產生之現金淨額		147,482
			179,367
Cash flows from investing activities	投資活動之現金流量		
Placement of pledged bank deposits	存放已抵押銀行存款		(110,525)
Withdrawal of pledged bank deposits	提取已抵押銀行存款		316,509
Purchase of property, plant and equipment	購買物業、廠房及設備		169,254
Prepayments for the acquisition of property, plant and equipment	購買物業、廠房及設備之預付款		(110,932)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項		(107,575)
Interest received	已收利息	33(a)	(41,492)
			910
			1,586
			2,246
Net cash used in investing activities	投資活動動用之現金淨額		(85,782)
			(25,529)

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述綜合現金流量表應與隨附附註一併閱覽。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
		Notes 附註	
Cash flows from financing activities	融資活動之現金流量		
Proceeds from bank borrowings	銀行貸款之所得款項	778,903	805,766
Repayments of bank borrowings	償還銀行貸款	(744,087)	(798,674)
Repayment of loan from a related company	償還一間關連公司之貸款	-	(22,390)
Interest paid	已付利息	(14,808)	(20,018)
Dividend paid	已付股息	(14,389)	(29,571)
Share repurchase	股份購回	(2,699)	(69)
Payments for principal elements of lease liabilities	支付租賃負債之本金部分	(1,292)	(1,226)
Payments for interest elements of lease liabilities	支付租賃負債之利息部分	(60)	(126)
Settlement of financial liability at fair value through profit or loss	償付按公平值計入損益之金融負債	(128,520)	(5,504)
Loan transaction costs paid	已付貸款交易成本	(10)	(389)
Net cash used in financing activities	融資活動動用之現金淨額	(126,962)	(72,201)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目之(減少)/增加淨額	(68,262)	81,637
Cash and cash equivalents at beginning of the year	於年初之現金及現金等值項目	145,807	73,487
Exchange loss on cash and cash equivalents	現金及現金等值項目之匯兌虧損	(407)	(9,317)
Cash and cash equivalents at end of the year	於年終之現金及現金等值項目	77,138	145,807
		25(b)	

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述綜合現金流量表應與隨附附註一併閱覽。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

1 GENERAL INFORMATION

Shougang Century Holdings Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacturing and sales of steel cords.

The Company is a limited company incorporated in Hong Kong. The address of its registered office is Room 1215, 12/F., Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong.

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

The consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance (“HKCO”) (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for leasehold land and buildings, investment properties, derivative financial instruments and financial liability at fair value through profit or loss, which are measured at fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

1 一般資料

首佳科技製造有限公司(「本公司」)為一間投資控股公司。本公司及其附屬公司(統稱「本集團」)主要從事製造及銷售鋼簾線。

本公司乃於香港成立之有限公司，其註冊辦事處地址為香港柴灣新業街6號安力工業中心12樓1215室。

本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

除另有說明外，本綜合財務報告以港幣千元(「港幣千元」)呈列。

2 編製基準

本公司之綜合財務報告乃根據香港財務報告準則(「香港財務報告準則」)及香港公司條例(「香港公司條例」)(第622章)而編製。此等綜合財務報告按歷史成本常規法編製，惟按公平值計量之租賃土地及樓宇、投資物業、衍生金融工具及按公平值計入損益之金融負債除外。

為符合香港財務報告準則，編製綜合財務報告時須作出若干重要之會計估計，管理層亦須在應用本集團會計政策之過程中作出判斷。涉及高度判斷或高度複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，在附註4內披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

2 BASIS OF PREPARATION (continued)

2.1 New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for the annual reporting period commencing from 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contracts
HKFRS 17	Amendments to HKFRS 17
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The adoption of the above new and amended standards did not have any significant financial impact on these consolidated financial statements.

2 編製基準(續)

2.1 本集團採納之新訂及經修訂準則

本集團已於二零二三年一月一日開始之財政年度首次採納以下之新訂及經修訂準則：

香港會計準則第1號及香港財務報告準則實務報告第2號的修訂	會計政策披露
香港會計準則第8號的修訂	會計估計定義
香港會計準則第12號的修訂	單一交易產生之資產及負債相關遞延稅項
香港會計準則第12號的修訂	國際稅制改革一支柱二示範規則
香港財務報告準則第17號	保險合約
香港財務報告準則第17號	香港財務報告準則第17號的修訂
香港財務報告準則第17號	香港財務報告準則第17號及香港財務報告準則第9號的首次應用—比較資料

採納上述之新訂及經修訂準則對綜合財務報表沒有產生任何重大財務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

2 BASIS OF PREPARATION (continued)

2.2 Impact of amended standards and interpretations issued but not yet applied by the Group

Certain amended standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

2 編製基準(續)

2.2 本集團並未應用以下已頒佈之經修訂準則及詮釋之影響

本集團並未提前採用已發佈但在截至二零二三年十二月三十一日止的報告期間尚未生效的若干經修訂準則及詮釋。

		Effective for accounting periods beginning on or after 於下列日期或 之後開始的 會計期間生效
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
香港會計準則第1號的修訂	流動或非流動負債之分類	二零二四年一月一日
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
香港會計準則第1號的修訂	附有契約的非流動負債	二零二四年一月一日
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
香港財務報告準則第16號的修訂	售後回租的租賃負債	二零二四年一月一日
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statement – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
香港詮釋第5號(修訂)	財務報表列報－借款人對具按要求償還條款之定期貸款的分類	二零二四年一月一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

2 BASIS OF PREPARATION (continued)

2.2 Impact of amended standards and interpretations issued but not yet applied by the Group (continued)

2 編製基準(續)

2.2 本集團並未應用以下已頒佈之經修訂準則及詮釋之影響(續)

		Effective for accounting periods beginning on or after 於下列日期或 之後開始的 會計期間生效
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號的修訂	Supplier Finance Arrangements 供應商融資安排	1 January 2024 二零二四年一月一日
Amendments to HKAS 21 香港會計準則第21號的修訂	Lack of Exchangeability 缺乏可兌換性	1 January 2025 二零二五年一月一日
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號的修訂	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營公司之 資產出售或注資	To be determined 待定

Management is in the process of assessing potential impact of the above amended standards and interpretations that are relevant to the Group upon initial application. It is not yet in a position to state whether these amended standards and interpretations will have a significant impact on the Group's results of operations and financial position.

管理層正在評估於首次應用後上述與本集團有關的經修訂的準則及詮釋潛在影響。目前尚無法說明這些修訂的準則及詮釋是否會對本集團的經營業績和財務狀況產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in RMB, HK\$, United States dollar ("US\$") and Euro ("EUR"). The majority of assets and liabilities are denominated in RMB, HK\$, US\$ and EUR, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from commercial transactions and recognised assets and liabilities denominating in a currency other than RMB and HK\$ which are the functional currencies of the major operating companies within the Group.

The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

3 財務風險管理

3.1 財務風險因素

本集團的活動使本集團承受多種財務風險：市場風險（包括外匯風險、價格風險及現金流量及公平值利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃針對金融市場的不可預測性，力求將對本集團財務表現所造成的潛在不利影響降至最低。

(a) 市場風險

(i) 外匯風險

本集團的外幣交易主要以人民幣、港元、美元（「美元」）及歐元（「歐元」）計值。本集團的大部分資產和負債主要以人民幣、港元、美元及歐元計值，並無重大資產及負債以其他貨幣計值。本集團面對並非以人民幣及港元（本集團旗下主要營運公司的功能貨幣）計值的商業交易及已確認資產及負債所產生的外匯風險。

人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團透過密切監控外幣匯率的變動來管控其外幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Under the Linked Exchange Rate System in Hong Kong, HK\$ is pegged to US\$, management therefore considers that there is no significant foreign exchange risk with respect to US\$ (2022: same).

As at 31 December 2023, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax profit for the year of the Group would have been HK\$12,447,000 lower/higher (2022: HK\$18,234,000 lower/higher), mainly as a result of the foreign exchange difference on translation of HK\$/RMB denominated bank balances and cash, trade receivables, other payables and accruals, bank borrowings, financial liability at fair value through profit or loss and the current account with group companies.

As at 31 December 2023, if US\$ had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax profit for the year of the Group would have been HK\$18,952,000 higher/lower (2022: HK\$21,717,000 higher/lower), mainly as a result of the foreign exchange difference on translation of US\$ denominated bank balances and cash, trade receivables, other receivables, other payables and accruals, bank borrowings and the current account with group companies.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

根據香港聯繫匯率體制，因港元與美元掛鈎，所以管理層認為與美元有關的外匯風險並不重大(二零二二年：相同)。

於二零二三年十二月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利將減少／增加港幣12,447,000元(二零二二年：減少／增加港幣18,234,000元)，主要由於換算以港元／人民幣為單位的銀行結存及現金、應收賬款、其他應付款及預提費用、銀行貸款、按公平值計入損益之金融負債及集團公司往來賬目產生外匯差異所致。

於二零二三年十二月三十一日，倘美元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利將增加／減少港幣18,952,000元(二零二二年：增加／減少港幣21,717,000元)，主要由於換算以美元為單位的銀行結存及現金、應收賬款、其他應收款、其他應付款及預提費用、銀行貸款及集團公司往來賬目產生外匯差異所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2023, if EUR had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax profit for the year of the Group would have been HK\$1,782,000 higher/lower (2022: HK\$3,302,000 higher/lower) mainly as a result of the foreign exchange difference on translation of EUR denominated bank balances and cash, trade receivables, other receivables, other payables and accruals.

(ii) Price risk

The Group is exposed to commodity price risk in relation to its steel products which is largely dependent on the market price of the relevant commodity. The Group closely monitors the price of its products in order to determine its pricing strategies.

(iii) Cash flow and fair value interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities, fixed rate bank borrowings and financial liability at fair value through profit or loss. The Group is also exposed to cash flow interest rate risk in relation to variable rate bank balances and bank borrowings.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零二三年十二月三十一日，倘歐元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利將增加／減少港幣1,782,000元(二零二二年：增加／減少港幣3,302,000元)，主要由於換算以歐元為單位的銀行結存及現金、應收賬款、其他應收款、其他應付款及預提費用產生外匯差異所致。

(ii) 價格風險

本集團面臨與其鋼鐵產品有關的商品價格風險，而這主要取決於相關商品的市場價格。本集團密切監察其產品價格，以釐定其定價策略。

(iii) 現金流及公平值利率風險

本集團因租賃負債、固定利率之銀行貸款及按公平值計入損益之金融負債而承受公平值利率風險，本集團亦因可變利率之銀行結餘及銀行貸款承受現金流利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

As at 31 December 2023, the fair value interest rate risk is insignificant to the Group (2022: same). The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements.

As at 31 December 2022, if interest rate on financial liability at fair value through profit or loss had been 100 basis points lower/higher with all other variables held constant, post-tax profit for the year of the Group would have been approximately HK\$746,000 lower/higher. (2023: Nil)

As at 31 December 2023, if interest rate on variable rate bank borrowings had been 100 basis points lower/higher with all other variables held constant, post-tax profit for the year of the Group would have been approximately HK\$3,049,000 (2022: HK\$1,503,000) higher/lower.

Other than financial liability at fair value through profit or loss, bank borrowings and derivative financial instruments, the Group is not exposed to significant cash flow and fair value interest rate risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 現金流及公平值利率風險(續)

於二零二三年十二月三十一日，公平值利率風險對本集團而言並不顯著(二零二二年：相同)。本集團定期監察利率風險，確保不會面對不必要的重大利率變動風險。

於二零二二年十二月三十一日，如按公平值計入損益之金融負債的利率減少／增加100個利率基點而所有其他變數維持不變，則本集團年內除稅後溢利將減少／增加約港幣746,000元。(二零二三年：無)

於二零二三年十二月三十一日，如可變利率之銀行貸款的利率減少／增加100個利率基點而所有其他變數維持不變，則本集團年內除稅後溢利將增加／減少約港幣3,049,000元(二零二二年：港幣1,503,000元)。

除按公平值計入損益之金融負債、銀行貸款及衍生金融工具外，本集團不會承受重大的現金流和公平值利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

Credit risk arises from trade receivables, bills receivables, deposits and other receivables, pledged bank deposits and bank balances.

The carrying amounts of trade receivables (Note 22), bills receivables (Note 22), deposits and other receivables (Note 23), pledged bank deposits (Note 25(a)) and bank balances (Note 25(b)) represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

The credit risk on all restricted bank deposits and cash and cash equivalents of the Group is minimised as the funds are placed with state-owned financial institutions and reputable banks located in Hong Kong and the PRC respectively.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險來自應收賬款、應收票據、按金及其他應收款、已抵押銀行存款及銀行結存中產生。

應收賬款(附註22)、應收票據(附註22)、按金及其他應收款(附註23)、已抵押銀行存款(附註25(a))及銀行結存(附註25(b))之賬面值乃本集團所面對有關金融資產的最大信貸風險。

(i) 風險管控

為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額及信貸審批。在接納任何新客戶之前，本集團使用內部信用系統以評估潛在客戶之信貸質素以及限定客戶信貸限額。對客戶設定的限額每年評審一次。還有制定其他監控程式，以確保採取跟進措施收回逾期債務。

本集團所有受限制的銀行存款及現金及現金等價值的信貸風險已被降至最低，因為該等資金分別存放在香港及中國的國有金融機構及信譽良好的銀行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets

Trade and bills receivables for sales of goods of the Group and from the provision of services are subject to the expected credit loss model.

Trade receivables and bills receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and bills receivables.

For bills receivables, bills are issued by counterparties at reputable banks and the credit risk is considered to be low. Those counterparties do not have defaults in the past. Therefore, expected credit loss rate is assessed to be insignificant and no provision was made as at each of the end of reporting period.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging profile.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值

本集團存貨銷售及服務提供的應收賬款及應收票據須遵守預期信貸虧損模式。

應收賬款及應收票據

本集團採用香港財務報告準則第9號簡化法計量預期信貸虧損，並就所有應收款項及應收票據使用終身預期虧損撥備。

關於應收票據，交易對手於有良好信譽的銀行開具票據，信貸風險被認為是低的。該等交易對手在過去沒有違約。因此，預期信用損失率估計不顯著，並於各報告期末沒有進行撥備。

為了衡量預期信用損失，已根據共同的信貸風險特徵和賬齡概況對應收賬款進行了分組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and bills receivables (continued)

Management considers that full provision would be made for balances with known financial difficulties or those not responding to collection activities, while the expected credit loss rates of the remaining balances are determined based on historical credit losses experienced over the past 1 years and adjusted to reflect current and forward-looking information including macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified Gross Domestic Product and the non-performing loan ratio of the automotive industry to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Impairment losses on receivables are presented as “net impairment losses on financial assets” in the consolidated statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

應收賬款及應收票據(續)

管理層認為，將為已知財務困難的餘額或不回應收款活動的餘額作全額計提準備金，而剩餘餘額的預期信用損失率是根據過去1年中發生的歷史信用損失確定的，並進行了調整以反映當前及前瞻性信息包括影響客戶償付應收賬款能力的宏觀經濟因素。本集團已發現國內生產總值及汽車行業的不良貸款率是最相關的因素，並根據這些因素的預期變化相應調整歷史虧損率。

應收款項減值損失於綜合全面收益表呈列為「金融資產減值損失淨額」。當應收款項無法收回時，會從應收款項的備抵賬戶中沖銷。之前已註銷的款額如日後收回將記入同一行項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and bills receivables (continued)

The following table presents the gross carrying amount and the provision for impairment losses in respect of trade receivables:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

應收賬款及應收票據(續)

下表呈列應收賬款的賬面總值與減值損失撥備：

		Lifetime expected credit loss rate 全期預計 信貸虧損率 %	Gross carrying amount 賬面總值 HK\$'000 港幣千元	Lifetime expected credit loss 全期預計 信貸虧損 HK\$'000 港幣千元	Net carrying amount 賬面淨值 HK\$'000 港幣千元
As at 31 December 2023 於二零二三年 十二月三十一日					
Aging category	賬齡組別				
1 – 90 days	1-90日	0.10	512,980	(523)	512,457
91 – 180 days	91-180日	0.27	111,399	(299)	111,100
181 – 365 days	181-365日	0.57	22,089	(127)	21,962
Over 1 year	超過1年	100	20,854	(20,854)	-
			667,322	(21,803)	645,519
As at 31 December 2022 於二零二二年 十二月三十一日					
Aging category	賬齡組別				
1 – 90 days	1-90日	0.09	317,331	(290)	317,041
91 – 180 days	91-180日	0.15	202,978	(301)	202,677
181 – 365 days	181-365日	0.50	45,959	(230)	45,729
Over 1 year	超過1年	100	20,765	(20,765)	-
			587,033	(21,586)	565,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Deposits and other receivables, pledged bank deposits and bank balances

For deposits and other receivables, management makes periodic individual assessments on the recoverability of deposits and other receivables based on historical settlement records, past experience as well as forward looking factors. There has been no recent history of default in relation to these counterparties. The expected credit loss is insignificant.

For pledged bank deposits and bank balances, there has been no recent history of default in relation to those financial institutions and reputable banks. The expected credit loss is insignificant.

(c) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash and cash equivalents and ensure the availability of funding through an adequate amount of available financing, including bank borrowings. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and flexibility in funding through having available sources of financing.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 金融資產減值(續)

按金和其他應收款、已抵押 的銀行存款和銀行結 存

對於按金和其他應收款，管理層就按金和其他應收款按歷史還款記錄、過往經驗以及前瞻性因素進行可收回程度的定期個別評估。該等交易對手近期並無違約記錄。預期信用損失並不重大。

對於已抵押的銀行存款和銀行結存，那些金融機構和信譽良好的銀行近期並無違約記錄。預期信用損失並不重大。

(c) 流動資金風險

透過審慎的流動資金風險管理，本集團致力維持充足的現金及現金等價值，及透過充足融資金額(包括銀行借貸)取得資金。由於相關業務的多變性質，本集團的融資部門透過維持充足的現金及現金等價值；及透過可動用的融資來源維持資金的靈活性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to interest-bearing bank deposits with appropriate maturities to manage its overall liquidity position. As at 31 December 2023, the Group maintained cash and cash equivalents of approximately HK\$77,138,000 (2022: HK\$145,807,000) that are expected to be readily available and sufficient to meet the cash outflows of its financial liabilities, hence, management considers that Group's exposure to liquidity risk is not significant.

As at 31 December 2023, the Group's total available banking facilities, amounted to approximately HK\$749,292,000 (2022: HK\$622,376,000), of which approximately HK\$487,537,000 (2022: HK\$454,552,000) has been utilised.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

經營實體所持有的現金超過營運資金管理所需的餘額時，會被撥入具有適當期限的計息銀行存款以控制整體流動資金狀況。於二零二三年十二月三十一日，本集團持有現金及現金等價值約港幣77,138,000元(二零二二年：港幣145,807,000元)，預期隨時可動用並足夠滿足金融負債的現金流出。因此，管理層認為，本集團所承受的流動資金風險並不重大。

於二零二三年十二月三十一日，本集團之可動用銀行融資總額約為港幣749,292,000元(二零二二年：港幣622,376,000元)，其中已動用約港幣487,537,000元(二零二二年：港幣454,552,000元)。

下表為根據非衍生金融負債的合約到期日將本集團的金融負債劃分為相關到期組別的分析。下表所披露的金額為合約未貼現現金流量。由於折現的影響不大，故於12個月內到期的結餘相等於其賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

		Weighted average effective interest rate 加權平均 實際利率 %	Within 3 months 3個月內 HK\$'000 港幣千元 (Note) (附註)	4-6 months 4-6個月 HK\$'000 港幣千元	7-12 months 7-12個月 HK\$'000 港幣千元	Over 1 year 超過1年 HK\$'000 港幣千元	Total contractual undiscounted cash flows 合約未貼現 現金流量總計	Carrying amount 賬面值 HK\$'000 港幣千元
							HK\$'000 港幣千元	
As at 31 December 2023	於二零二三年 十二月三十一日							
Trade, bills and other payables	應付賬款、應付票據 及其他應付款	-	818,393	207,478	30,196	140	1,056,207	1,056,207
Bank borrowings	銀行貸款							
- fixed rate	- 固定利率	4.16	94,141	1,100	52,401	-	147,642	122,432
- variable rate	- 可變利率	6.55	368,174	-	-	-	368,174	365,105
Financial derivative instruments	衍生金融工具	-	643	-	-	-	643	643
Lease liabilities	租賃負債	2.24	342	114	-	-	456	446
			1,281,693	208,692	82,597	140	1,573,122	1,544,833
As at 31 December 2022	於二零二二年 十二月三十一日							
Trade, bills and other payables	應付賬款、應付票據 及其他應付款	-	959,972	53,254	-	-	1,013,226	1,013,226
Bank borrowings	銀行貸款							
- fixed rate	- 固定利率	3.74	146,783	47,300	85,710	-	279,793	274,552
- variable rate	- 可變利率	6.67	150,676	30,703	-	-	181,379	180,000
Financial liability at fair value through profit or loss	按公平值計入損益之 金融負債	4.00	128,520	-	-	-	128,520	132,074
Lease liabilities	租賃負債	5.36	338	338	676	451	1,803	1,738
			1,386,289	131,595	86,386	451	1,604,721	1,601,590

Note: The weighted average effective interest rates are based on the rates of the borrowings at the end of the reporting period.

附註：加權平均實際利率乃根據報告期末的借款利率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total interest bearing borrowings of the Group (including bank borrowings and financial liability at fair value through profit or loss) less bank balances and cash (including pledged bank deposits) divided by total equity, as shown in the consolidated statement of financial position.

3 財務風險管理(續)

3.2 資本管理

本集團將其股東權益視為資本。本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向股東支付股息的金額、將資本退還予股東、發行新股份或出售資產以減少債項。

本集團以負債比率作為監控資本之基準。該比率按本集團之計息貸款總額(包括銀行貸款及按公平值計入損益之金融負債)減銀行結存及現金(包括已抵押銀行存款)除以權益總額計算，如綜合財務狀況表所示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management (continued)

The gearing ratio was as follows:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Bank borrowings (Note 27)	銀行貸款(附註27)	487,537	454,552
Financial liability at fair value through profit or loss (Note 28)	按公平值計入損益之金融負債(附註28)	-	132,074
Less: Pledged bank deposits (Note 25 (a))	減：已抵押銀行存款(附註25(a))	(20,002)	(80,101)
Bank balances and cash (Note 25 (b))	銀行結存及現金(附註25(b))	(77,138)	(145,807)
Net debt	借貸淨額	390,397	360,718
Total equity	權益總額	1,689,673	1,657,743
Gearing ratio	負債比率	23.1%	21.8%

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2023 and 31 December 2022 by level of valuation techniques used to measure its fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

3 財務風險管理(續)

3.2 資本管理(續)

負債比率如下：

3.3 公平值估計

下表按計量公平值使用的估值方法級別，對本集團於二零二三年十二月三十一日及二零二二年十二月三十一日的金融工具之公平值作出分析。該等輸入數據於公平值層級內劃分為以下三個級別：

- 相同資產或負債於活躍市場的報價(未經調整)(第一級)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial instruments that are measured at fair value as at 31 December 2023 and 31 December 2022:

3 財務風險管理(續)

3.3 公平值估計(續)

- 除第一級所包括的報價外，可自資產或負債直接(即價格)或間接(即自價格衍生)觀察的輸入數據(第二級)。
- 不能根據可觀察市場數據觀察的資產或負債輸入數據(即無法觀察輸入數據)(第三級)。

下表列示於二零二三年十二月三十一日及二零二二年十二月三十一日本集團以公平值計量的金融工具：

As at 31 December 2023

於二零二三年十二月三十一日

	Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Derivative financial instruments - Cross currency swaps	-	(643)	-	(643)
衍生金融工具 - 交叉貨幣掉期				

As at 31 December 2022

於二零二二年十二月三十一日

	Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Financial liability at fair value through profit or loss - Convertible bonds	-	-	(132,074)	(132,074)
按公平值計入損益之 金融負債 - 可換股債券				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Valuation techniques used to derive level 2 fair values

Level 2 derivative financial instruments comprise cross currency swaps. The fair values of the derivative financial instruments were determined using forward exchange rates and interest rates that are quoted by financial institutions.

3.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

3 財務風險管理(續)

3.3 公平值估計(續)

第二級金融工具

不在活躍市場交易的金融工具的公平值是使用估值技術確定的，該估值技術最大限度地利用可觀察的市場數據並儘可能少地依賴實體特定估計。如果對一項工具進行公平值估計所需的所有重要輸入都是可觀察的，則該工具被列入第二級。如果一項或多項重要輸入不是基於可觀察的市場數據，則該工具被列入第三級。

用於取得第二級公平值之估值技術

第二級衍生金融工具包括交叉貨幣掉期。該衍生金融工具的公平值使用金融機構報價的遠期匯率和利率確定。

3.4 金融工具抵銷

當本集團目前有法定可執行權力可抵銷已確認金額，且有意按淨額基準結算或同時變現資產及結算負債時，有關財務資產與負債可互相抵銷，並在綜合財務狀況表報告其淨值。本集團亦訂立不符合抵銷準則但於某些情況下仍可抵銷相關金額之安排(如破產或終止合約)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(b) Impairment assessments of property, plant and equipment and land use rights

Property, plant and equipment and land use rights are reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs to sell calculations.

4 重大會計估計和判斷

估計及判斷是根據過往經驗及其他因素，包括在相關情況下對未來事件的合理預測而持續地作出評估。

本集團作出有關未來之估計及假設。嚴格而言，所產生的會計估計甚少與有關之實際結果完全相同。對於下文討論之估計及假設，預期會構成重大風險，導致下一個財政年度資產及負債的賬面值需作大幅修訂。

(a) 所得稅及遞延稅項

對所得稅釐定撥備時，需要作出重要的判斷。許多交易及計算的最終釐定無法確定。當最終的稅款結果與最初記賬金額不同時，有關差額將影響釐定期間的當期稅項和遞延稅項資產及負債。

當管理層認為將來很有可能應課稅溢利以抵銷暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損的遞延稅項資產予以確認。實際使用的結果可能不同。

(b) 物業、廠房及設備及土地使用權減值評估

當任何事件或情況變化顯示賬面值可能無法收回時，物業、廠房及設備及土地使用權會進行減值檢討。可收回金額乃根據使用價值計算或公平值減銷售成本之較高者釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Impairment of trade receivables

The Group makes provision for impairment loss on trade receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit losses allowance calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(d) Provision for inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sales have increased.

The amount written off in the consolidated statement of comprehensive income is the difference between the carrying value and net realisable value of the inventories. In determining whether the inventories can be recoverable, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered. During the year, certain inventories written down in prior years have been subsequently sold at prices higher than their then net realisable value. Provision regarding these inventories have been reversed.

4 重大會計估計和判斷(續)

(c) 應收款項減值

本集團根據對違約風險和預期損失率的假設，對應收賬款計提減值損失撥備。本集團根據本集團過往歷史，現有市況及每個報告期末的前瞻性估計，使用判斷作出該等假設及選擇預期信貸虧損撥備計算的輸入數據。關於所使用的主要假設及輸入數據在附註3.1(b)表內披露。

(d) 存貨撥備

存貨乃按成本及可變現淨值兩者之間較低者入賬。倘有客觀證據顯示存貨成本或不能收回，則將存貨成本撇減至可變現淨值。倘存貨損壞、全部或部份陳舊或售價下跌，則可能不能收回存貨成本。倘進行銷售將予產生的估計成本增加，亦可能導致不能收回存貨成本。

於綜合全面收益表撇銷的金額為存貨的賬面值與可變現淨值之間的差額。於釐定可收回的存貨成本時須作出重大判斷。於作出有關判斷時，本集團會評估(其中包括)以任何方式收回金額的時間及情況。年內，過往年度撇減的若干存貨以高於它們的可變現淨值出售，該存貨撥備因此被撥回。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Fair value of investment properties and property, plant and equipment measured at revalued amount

The fair values of investment properties and property, plant and equipment measured at revalued amount are determined by using various valuation techniques. Details of the judgements and assumptions have been disclosed in Notes 16 and 17.

(f) Fair value of a financial liability at fair value through profit or loss

The fair value of a financial liability at fair value through profit or loss is determined by using valuation technique. Details of the judgements and assumptions have been disclosed in Note 28.

5 REVENUE

The Group is principally engaged in the manufacturing of steel cords. Revenue recognised during the year are as follows:

4 重大會計估計和判斷(續)

(e) 投資物業及物業、廠房及設備的公平值按重估金額計量

按重估金額計量的投資物業及物業、廠房及設備的公平值乃使用多種估值技術釐定。有關判斷及假設的詳情已於附註16及17披露。

(f) 按公平值計入損益之金融負債的公平值

按公平值計入損益之金融負債的公平值乃使用估值技術釐定。有關判斷及假設的詳情已於附註28中披露。

5 營業額

本集團主要從事鋼簾線製造。本年度已確認的營業額如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Sales of goods – Manufacturing of steel cords	貨品銷售－製造鋼簾線	2,493,165	2,462,767
Rental income (Note 16)	租金收入(附註16)	1,369	1,475
		2,494,534	2,464,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

5 REVENUE (continued)

Accounting policies of revenue recognition

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

5 營業額(續)

收入確認之會計政策

當商品或服務的控制權轉移給客戶時確認收入。根據合同條款和適用於合同的法律，商品或服務的控制權可以在一段時間內或在某個時間點進行轉移。

商品或服務的控制權在一段時間內轉移，即本集團於履約過程中：

- 提供客戶同時收到且耗用之所有利益；
- 創建或增強由客戶控制之資產(當本集團履約時)；或
- 不會創建對本集團具有可替代用途之資產，且本集團有可執行權就累計至今已完成之履約部分收取款項。

如果對貨物或服務的控制在一時間內轉移，收入在合同期內通過參考完全履行該履約責任的進度確認。否則，收入在客戶獲得對貨物或服務的控制的時間點被確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

5 REVENUE (continued)

Accounting policies of revenue recognition (continued)

The Group manufactures and sells steel cords. Revenue is recognised when the control of the products are transferred to the customers at a point in time, when products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

6 SEGMENT INFORMATION

The Company's managing director, being the chief operating decision-maker ("CODM"), examines the Group's performance and allocates resources from a product perspective. The Group's operations are currently organised into one reportable segment which is steel cord segment.

Segment results represent the profit or loss of each segment without allocation of changes in fair value of investment properties, derivative financial instruments and financial liability at fair value through profit or loss, certain foreign exchange gains or losses, central administration costs, the emoluments of directors of the Company, interest income on bank deposits, finance costs and rental and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5 營業額(續)

收入確認之會計政策(續)

本集團製造及銷售鋼簾線。當產品的所有權轉移給客戶，產品交付給客戶，客戶對銷售產品管道和價格有完全的處理權，並且本集團沒有未履行的義務而會影響客戶對產品的接受程度時即可確認收入。當產品已運至指定地點時，報廢和損失的風險已轉移給客戶及客戶已按照銷售合同接受產品，驗收規定已失效，或本集團有客觀證據表明所有驗收標準均已滿足。應收賬款在貨物交付時是無條件的確認，因為在付款到期之前只需要經過一段時間即可。

6 分部資料

本公司之董事總經理，作為主要營運決策者(「主要營運決策者」)，從產品的角度審查集團的表現並分配資源。本集團之業務目前由一個應呈報分部組成，即鋼簾線分部。

分部業績指各分部之損益，並不包括分配投資物業、衍生金融工具、按公平值計入損益之金融負債之公平值變動、若干外幣匯兌收益或虧損、中央行政成本、本公司董事酬金、銀行存款之利息收入、財務成本和租金及其他收入。此乃呈報予主要營運決策者作為資源分配和表現評估之計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 31 December 2023

6 分部資料(續)

(a) 分部營業額及業績

以下為本集團按經營及應呈報分部之營業額及業績之分析：

截至二零二三年十二月三十一日止年度

		Steel cord 鋼簾線 HK\$'000 港幣千元
Sales of goods	貨品銷售	
Segment revenue from external customers	來自外部客戶的分部營業額	2,493,165
Segment results	分部業績	101,939
Unallocated amounts	未分配金額	
Rental income	租金收入	1,369
Other income	其他收入	61
Other gains, net and foreign exchange losses, net	其他收益·淨額及外幣匯兌虧損·淨額	873
Changes in fair value of investment properties	投資物業公平值之變動	(2,077)
Expenses	費用	(13,581)
Finance costs, net	財務成本·淨額	(18,914)
Profit before income tax	除所得稅前溢利	69,670
Income tax expense	所得稅支出	(7,164)
Profit for the year	本年度溢利	62,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(a) Segment revenues and results (continued)

For the year ended 31 December 2022

6 分部資料(續)

(a) 分部營業額及業績(續)

截至二零二二年十二月三十一日止
年度

		Steel cord 鋼簾線 HK\$'000 港幣千元
<u>Sales of goods</u>	<u>貨品銷售</u>	
Segment revenue from external customers	來自外部客戶的分部營業額	2,462,767
Segment results	分部業績	101,213
Unallocated amounts	未分配金額	
Rental income	租金收入	1,475
Other income	其他收入	312
Other gains, net and foreign exchange gains, net	其他收益·淨額及外幣匯兌收益·淨額	17,117
Changes in fair value of investment properties	投資物業公平值之變動	1,138
Expenses	費用	(12,952)
Finance costs, net	財務成本·淨額	(50,615)
Profit before income tax	除所得稅前溢利	57,688
Income tax expense	所得稅支出	(9,830)
Profit for the year	本年度溢利	47,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

Segment assets

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Steel cord	鋼簾線	3,146,310	3,030,252
Total segment assets	分部資產總額	3,146,310	3,030,252
Bank balances and cash	銀行結存及現金	77,138	145,807
Pledged bank deposits	已抵押銀行存款	20,002	80,101
Unallocated assets	未分配資產	68,699	71,270
Total assets	資產總額	3,312,149	3,327,430

6 分部資料(續)

(b) 分部資產及負債

以下為本集團按經營及應呈報分部之資產及負債之分析：

分部資產

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Steel cord	鋼簾線	3,146,310	3,030,252
Total segment assets	分部資產總額	3,146,310	3,030,252
Bank balances and cash	銀行結存及現金	77,138	145,807
Pledged bank deposits	已抵押銀行存款	20,002	80,101
Unallocated assets	未分配資產	68,699	71,270
Total assets	資產總額	3,312,149	3,327,430

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities (continued)

Segment liabilities

6 分部資料(續)

(b) 分部資產及負債(續)

分部負債

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Steel cord	鋼簾線	1,111,303	1,062,955
Total segment liabilities	分部負債總額	1,111,303	1,062,955
Bank borrowings	銀行貸款	487,537	454,552
Financial liability at fair value through profit or loss	按公平值計入損益之金融負債	-	132,074
Unallocated liabilities	未分配負債	23,636	20,106
Total liabilities	資產總額	1,622,476	1,669,687

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segment other than certain property, plant and equipment, investment properties, certain prepayments, deposits and other receivables, pledged bank deposits and bank balances and cash.
- all liabilities are allocated to operating segment other than certain current income tax liabilities, bank borrowings, financial liability at fair value through profit or loss, derivative financial instruments, certain deferred income tax liabilities and certain payables and accruals.

就監管分部表現及調配各分部資源之用途而言：

- 除若干物業、廠房及設備、投資物業、若干預付款、按金及其他應收款、已抵押銀行存款及銀行結存及現金外，所有資產已被分配到經營分部。
- 除若干當期所得稅負債、銀行貸款、按公平值計入損益之金融負債、衍生金融工具、若干遞延所得稅項負債及若干應付款及預提費用外，所有負債已被分配到經營分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(c) Other segment information

For the year ended 31 December 2023

6 分部資料(續)

(c) 其他分部資料

截至二零二三年十二月三十一日止
年度

		Steel cord 鋼簾線 HK\$'000 港幣千元
Amounts included in the measure of segment assets or segment profit or loss:		
Capital expenditures	包括於計量分部資產或分部損益之金額： 資本開支	182,466
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	100,348
Depreciation of right-of-use assets	資產使用權之折舊	1,249
Amortisation of land use rights	土地使用權之攤銷	3,707
Net impairment losses on financial assets	金融資產減值損失淨額	518
Provision for inventories, net	存貨撥備，淨額	410
Losses on disposal of property, plant and equipment, net	出售物業、廠房及設備之損失，淨額	(678)
Amount regularly provided to CODM but not included in the measure of segment profit or loss:		
Income tax expenses	定期提供予主要營運決策者但不包括於計量分部損益之金額： 所得稅支出	7,584

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(c) Other segment information (Continued)

For the year ended 31 December 2022

6 分部資料(續)

(c) 其他分部資料(續)

截至二零二二年十二月三十一日止
年度

Steel cord
鋼簾線
HK\$'000
港幣千元

Amounts included in the measure of segment assets or segment profit or loss:	包括於計量分部資產或分部損益之金額：	
Capital expenditures	資本開支	70,610
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	104,481
Depreciation of right-of-use assets	資產使用權之折舊	1,249
Amortisation of land use rights	土地使用權之攤銷	3,891
Net impairment losses on financial assets	金融資產減值損失淨額	1,114
Provision for inventories, net	存貨撥備，淨額	4,881
Losses on disposal of property, plant and equipment, net	出售物業、廠房及設備之損失，淨額	88
Amount regularly provided to CODM but not included in the measure of segment profit or loss:	定期提供予主要營運決策者但不包括於計量分部損益之金額：	
Income tax expenses	所得稅支出	9,520

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

6 SEGMENT INFORMATION (continued)

(d) Geographical information

The Group's operations and non-current assets are located in the PRC (including Hong Kong) which is the country of domicile of the relevant entities of the Group. Accordingly, no further analysis of revenue from external customers and non-current assets by geographical location is presented.

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Customer A	客戶A	315,183	524,858
Customer B	客戶B	291,857	313,473

6 分部資料(續)

(d) 地區資料

本集團之營運及非流動資產均位於本集團相關實體的所在國家，中國（包括香港）。因此，並無呈列來自外界客戶之營業額及非流動資產以地區分類的進一步分析。

來自佔本集團總營業額逾10%之客戶的營業額如下：

7 OTHER INCOME

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Government grants (Note)	政府補貼(附註)	5,963	19,032
Sales of scrap materials	銷售廢舊物料	1,826	1,706
Others	其他	250	—
		8,039	20,738

7 其他收入

Note: The government grants mainly represented financial supports for business development by the local governments in the PRC (2022: the government grants mainly represented financial supports for business development by the local governments in the PRC and approved subsidies from Employment Support Scheme under the Anti-epidemic Fund of the Hong Kong Government). There are no unfulfilled conditions or other contingencies attaching to these grants.

附註：政府補貼主要指中國地方政府對業務發展的財政支持（二零二二年：政府補貼主要指中國地方政府對業務發展的財政支持及香港政府防疫抗疫基金下的保就業計劃的獲批補貼）。這些補貼沒有未履行的條件或其他或然事項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

8 OTHER GAINS, NET

8 其他收益，淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Fair value gain on a financial liability at fair value through profit or loss (Note 28)	按公平值計入損益之金融負債之公平值收益(附註28)	3,554	21,700
Fair value loss on derivative financial instruments (Note 30)	衍生金融工具之公平值損失(附註30)	(643)	-
Loss on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損，淨額	(2,055)	(92)
Impairment losses on property, plant and equipment (Note 17)	物業、廠房及設備之減值損失(附註17)	-	(112)
Others	其他	(194)	2
		662	21,498

9 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, administrative expenses and research and development expenses are analysed as follows:

9 按性質劃分的費用

於銷售成本、銷售及分銷費用、行政費用及研發費用之費用分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Cost of inventories sold (including net provision for inventories) (Note 21)	已銷售存貨成本(包括存貨淨撥備)(附註21)	2,108,550	2,123,045
Employee benefit expense (including directors' emoluments) (Note 10)	僱員福利開支(包括董事酬金)(附註10)	301,678	261,756
Depreciation of property, plant and equipment (Note 17)	物業、廠房及設備之折舊(附註17)	101,811	105,929
Depreciation of right-of-use assets (Note 18)	資產使用權之折舊(附註18)	1,249	1,249
Amortisation of land use rights (Note 20)	土地使用權之攤銷(附註20)	3,707	3,891
Auditor's remuneration	審計師的酬金		
- Audit services	- 審計服務	1,485	1,537
- Non-audit services	- 非審計服務	408	398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

10 EMPLOYEE BENEFIT EXPENSE

10 僱員福利開支

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Wages, salaries, allowances and other benefits	工資、薪金、津貼及其他福利	258,716	226,957
Pension costs – defined contribution Mandatory Provident Fund retirement benefit scheme in Hong Kong	退休金成本－於香港的定額供款 強制性公積金退休福利計劃	182	201
Pension costs – social security contribution in the PRC	退休金成本－於中國的 社會保障金供款	42,780	34,598
		301,678	261,756

Note: As at 31 December 2023, there were no forfeited contributions available to offset future retirement benefit obligations of the Group (2022: same).

附註：於二零二三年十二月三十一日，概無可用於抵銷本集團未來退休福利義務的沒收供款(二零二二年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

10 EMPLOYEE BENEFIT EXPENSE (continued) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2023 included two (2022: one) directors whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the remaining three (2022: four) individuals during the year are as follows:

10 僱員福利開支(續) 五位最高薪酬之僱員

截至二零二三年十二月三十一日止年度，本集團薪酬最高的五名個人包括兩名(二零二二年：一名)董事，其酬金已反映於附註37所示的分析中。年內應付餘下三名(二零二二年：四名)僱員的薪酬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Salaries, allowances and other benefits	薪金、津貼及其他福利	3,966	5,021
Discretionary bonuses	酌情花紅	515	985
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃	394	373
		4,875	6,379

The emoluments fell within the following bands:

酬金範圍如下：

		Number of individuals 僱員人數	
		2023 二零二三年	2022 二零二二年
Emolument bands	酬金範圍		
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至港幣1,500,000元	1	1
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至港幣2,000,000元	2	3
		3	4

For the year ended 31 December 2023, no emoluments were paid by the Group to any of the directors or other members of the five highest paid individuals as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office (2022: same).

截至二零二三年十二月三十一日止年度，本集團概無向任何五位最高薪酬之僱員的董事或其他成員支付酬金，以作為吸引彼等加入或於加入本集團時之獎金或作為離職補償(二零二二年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

11 FINANCE COSTS, NET

11 財務成本·淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
<i>Finance income</i>	<i>財務收入</i>		
Interest income on bank deposits	銀行存款利息收入	2,515	2,246
Foreign exchange gain on financial liability at fair value through profit or loss (Note)	按公平值計入損益之金融負債之外幣匯兌收益(附註)	4,488	–
Total finance income	財務收入總額	7,003	2,246
<i>Finance costs</i>	<i>財務成本</i>		
Interest expenses on bank borrowings	銀行貸款之利息支出	(22,846)	(22,747)
Interest expenses on loan from a related company	來自一間關連公司貸款之利息支出	–	(1,049)
Interest expenses on lease liabilities (Note 18)	租賃負債之利息支出(附註18)	(60)	(126)
Amortisation of loan transaction costs	貸款交易成本之攤銷	(10)	(389)
Foreign exchange losses on borrowings	貸款之外幣匯兌虧損	(3,001)	(14,479)
Foreign exchange loss on financial liability at fair value through profit or loss (Note)	按公平值計入損益之金融負債之外幣匯兌虧損(附註)	–	(14,071)
Total finance costs	財務成本總額	(25,917)	(52,861)
Finance costs, net	財務成本·淨額	(18,914)	(50,615)

Note: It represented fair value change on financial liability at fair value through profit or loss attributable to foreign exchange translation (Note 28).

附註：其指歸因於外幣匯兌換算之按公平值計入損益之金融負債之公平值變動(附註28)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

12 INCOME TAX EXPENSE

12 所得稅支出

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Current income tax:	當期所得稅：		
– China corporate income tax	– 中國企業所得稅	13,855	11,085
Under/(over)-provision in prior years	以前年度不足/(超額)撥備	945	(550)
Total current income tax	當期所得稅總額	14,800	10,535
Deferred income tax (Note 29)	遞延所得稅(附註29)	(7,636)	(705)
Income tax expense	所得稅支出	7,164	9,830

No provision for Hong Kong profits tax for the year ended 31 December 2023 as there is no assessable profit subject to Hong Kong profits tax (2022: same).

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the “CIT Law”), companies in the PRC are subject to income tax of 25% unless preferential rate is applicable.

The applicable CIT tax rate for Jiaxing Eastern Steel Cord Co., Ltd (“JESC”) and Tengzhou Eastern Steel Cord Co., Ltd (“TESC”) were 15% for the year (2022: 15%), as they are qualified as High and New Technology Enterprise (“HNTE”).

截至二零二三年十二月三十一日止年度，本集團並無任何須繳付香港利得稅的應課稅溢利，因此無香港利得稅之撥備（二零二二年：相同）。

根據自二零零八年一月一日生效之中國企業所得稅法（「企業所得稅法」），除非優惠稅率適用，否則於中國的公司須繳納25%的所得稅。

本年度嘉興東方鋼簾線有限公司（「嘉興東方」）及滕州東方鋼簾線有限公司（「滕州東方」）的適用企業所得稅稅率為15%（二零二二年：15%），因他們具備高新技術企業（「高新技術企業」）之資格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

12 INCOME TAX EXPENSE (continued)

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

12 所得稅支出(續)

本集團除所得稅前溢利的稅項與採用適用於各個司法權區的合併實體溢利的加權平均稅率計算的理論金額的差額如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Profit before income tax	除所得稅前溢利	69,670	57,688
Tax calculated at domestic tax rates applicable to profits in the respective countries (Note (i))	按適用於各國溢利的地方稅率計算的稅額(附註(i))	10,830	8,167
Expenses not deductible for taxation purposes	不可抵扣稅項之費用	17,674	16,763
Income not subject to taxation	不計入稅項之收入	(14,614)	(7,575)
Tax losses for which no deferred income tax was recognised	未確認遞延所得稅的稅務虧損	291	517
Tax incentives for research and development expenses available for two subsidiaries incorporated in the PRC (Note (ii))	在中國成立的兩間附屬公司的研發開支稅務優惠(附註(ii))	(9,122)	(10,618)
Withholding tax on dividends	股息之預提稅項	1,160	3,126
Under/(over)-provision in prior years	以前年度的不足/(超額)撥備	945	(550)
		7,164	9,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

12 INCOME TAX EXPENSE (continued)

Notes:

- i The weighted average applicable tax rate was 15.5% for the year ended 31 December 2023 (2022: 14.2%). The change is carried by a change in the profitability mix of the Group's subsidiaries in the respective countries.
- ii The Group obtained an incentive from the PRC tax authority relating to the research and development expenses of two subsidiaries in the PRC. Under such tax incentive rule, the Group may claim an additional tax deduction up to 100% (2022: 100%) of the relevant research and development expenses incurred in a year approved by the PRC tax authority.

12 所得稅支出(續)

附註：

- i 截至二零二三年十二月三十一日止年度，加權平均適用稅率為15.5%(二零二二年：14.2%)。變動乃由於本集團於各國的附屬公司盈利能力組合出現變化所致。
- ii 本集團向中國稅務機關取得有關兩間中國附屬公司研發開支的優惠。根據該稅務優惠條款，本集團可向中國稅務機關申請的當年發生的相關研發費用的100%(二零二二年：100%)額外稅收減免。

13 SUBSIDIARIES

The following is a list of principal subsidiaries:

13 附屬公司

主要附屬公司之詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 成立地點及法定實體形式	Particulars of issued share capital/ registered capital 已發行股本／註冊股本的詳情	Attributable equity interest of the Group 本集團應佔股權		Principal activities and place of operations 主要業務及經營地點
			2023 二零二三年	2022 二零二二年	
Bigland Investment Limited 大龍投資有限公司	Hong Kong, limited company 香港，有限公司	HK\$2 (2 ordinary shares) 港幣2元(普通股2股)	100%	100%	Property investment in the PRC 於中國從事物業投資
Everwinner Investments Limited 永宏利投資有限公司	Hong Kong, limited company 香港，有限公司	HK\$1,000,000 (1,000,000 ordinary shares) 港幣1,000,000元 (普通股1,000,000股)	100%	100%	Investment holding in Hong Kong 於香港從事投資控股
Fair Win Development Limited 輝榮發展有限公司	Hong Kong, limited company 香港，有限公司	HK\$500,000 (500,000 ordinary shares) 港幣500,000元 (普通股500,000股)	100%	100%	Property investment in the PRC 於中國從事物業投資
Heroland Investment Limited 天雄投資有限公司	Hong Kong, limited company 香港，有限公司	HK\$2 (2 ordinary shares) 港幣2元(普通股2股)	100%	100%	Property investment in Hong Kong 於香港從事物業投資

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

13 SUBSIDIARIES (continued)

13 附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 成立地點及法定實體形式	Particulars of issued share capital/ registered capital 已發行股本/ 註冊股本的詳情	Attributable equity interest of the Group 本集團應佔股權		Principal activities and place of operations 主要業務及經營地點
			2023 二零二三年	2022 二零二二年	
JESC [#]	The PRC, limited liability company	Registered capital of US\$70,000,000	100%	100%	Manufacturing of steel cords in the PRC
嘉興東方 [#]	中國·有限責任公司	註冊股本70,000,000美元	100%	100%	於中國從事製造鋼簾線
TESC [#]	The PRC, limited liability company	Registered capital of US\$109,000,000	100%	100%	Manufacturing of steel cords in the PRC
滕州東方 [#]	中國·有限責任公司	註冊股本109,000,000美元	100%	100%	於中國從事製造鋼簾線
Shougang Century (Shanghai) Management Co., Ltd. ^{#^}	The PRC, limited liability company	Registered capital of US\$7,000,000	100%*	100%*	Provision of management services in the PRC
首珈(上海)管理有限公司 ^{#^}	中國·有限責任公司	註冊股本7,000,000美元	100%*	100%*	於中國從事提供管理服務

A wholly foreign owned enterprise

* Directly held by the Company

^ For identification purpose only

全外資企業

* 本公司直接持有

^ 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

13 SUBSIDIARIES (continued)

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

None of the subsidiaries had any loan capital and issued any debt securities subsisting at the end of the year or at any time during the year (2022: same).

14 DIVIDENDS

On 24 March 2023, the Board has recommended the payment of a final dividend of HK0.73 cents per fully paid ordinary share, with total amount of approximately HK\$14,389,000 for the year ended 31 December 2022. The dividend was paid in July 2023.

On 18 March 2024, the Board has recommended the payment of a final dividend of HK1 cent per fully paid ordinary share, with total amount of approximately HK\$19,584,000 for the year ended 31 December 2023. The final dividend is subject to the shareholders' approval at the forthcoming annual general meeting. The final dividend proposed after 31 December 2023 has not been recognised as a liability as at 31 December 2023.

13 附屬公司(續)

本公司董事認為，上表列出本公司之附屬公司乃主要影響本年度業績，或構成本集團資產淨值之重要部份之附屬公司。本公司董事認為詳列其他附屬公司之資料將會導致篇幅過份冗長。

各附屬公司於年末時或於本年度內任何時間概無任何債務資本或已發行任何債務證券(二零二二年：相同)。

14 股息

董事會於二零二三年三月二十四日建議派發截至二零二二年十二月三十一日止年度之末期股息每股繳足股本的普通股港幣0.73仙，總額約為港幣14,389,000元，並已於二零二三年七月支付。

董事會於二零二四年三月十八日建議派發截至二零二三年十二月三十一日止年度之末期股息每股繳足股本的普通股港幣1仙，總額約為港幣19,584,000元。末期股息需在即將舉行的股東周年大會上經股東批核。於二零二三年十二月三十一日後擬派的末期股息不會計入於二零二三年十二月三十一日的負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

15 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

15 每股盈利

(a) 基本

每股基本盈利乃按本公司擁有人應佔本年度溢利除以年內已發行普通股加權平均數計算。

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年	2022 二零二二年
Profit attributable to the owners of the Company used in calculating basic earnings per share (HK\$'000)	本公司擁有人應佔本年度溢利用於計算每股基本盈利(港幣千元)	62,506	47,858
Weighted average number of ordinary shares in issue (shares)	已發行普通股加權平均數(股份)	1,970,205,023	1,964,007,474
Basic earnings per share attributable to the owners of the Company (HK cents)	本公司擁有人應佔每股基本盈利(港仙)	3.17	2.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

15 EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: convertible bonds (Note 28) (2022: same). The convertible bonds were matured in February 2023 and the Company has made full redemption of outstanding principal amount of HK\$126,000,000 of the convertible bonds. For the convertible bonds, calculations are done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding convertible bonds.

For the year ended 31 December 2023 and 2022, convertible bonds issued are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share from their date of issue to the mature date in February 2023. The convertible bonds have not been included in the determination of basic earnings per share.

15 每股盈利(續)

(b) 攤薄

每股攤薄盈利乃透過調整已發行普通股加權平均數以假設轉換所有潛在攤薄普通股而計算。本公司有一類潛在攤薄普通股：可換股債券(附註28)(二零二二年：相同)。可換股債券於二零二三年二月到期，本公司已悉數贖回未償還本金額港幣126,000,000元之可換股債券。就可換股債券而言，按尚未行使可換股債券所附認購權的貨幣價值計算，以釐定可按公平值(定為本公司股份在本年度的平均市價)購買的股份數目。

截至二零二三年及二零二二年十二月三十一日止年度，發行的可換股債券被認為是潛在的普通股，並已包含自發行之日至在二零二三年二月的到期日確定每股攤薄盈利中。可換股債券未計入每股基本盈利的確定中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

15 EARNINGS PER SHARE (continued)

(b) Diluted (continued)

15 每股盈利(續)

(b) 攤薄(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年	2022 二零二二年
Profit attributable to the owners of the Company used in calculating basic earnings per share (HK\$'000)	本公司擁有人應佔本年度溢利用於計算每股基本盈利(港幣千元)	62,506	47,858
Profit adjustment for convertible bonds (HK\$'000)	因可換股債券而溢利調整(港幣千元)	(8,042)	(7,629)
		54,464	40,229
Weighted average number of ordinary shares in issue (shares)	已發行普通股加權平均數(股份)	1,970,205,023	1,964,007,474
Adjustment for convertible bonds (shares)	因可換股債券而調整(股份)	86,489,201	381,818,182
Weighted average number of ordinary shares for diluted earnings per share (shares)	每股攤薄盈利之普通股加權平均數(股份)	2,056,694,224	2,345,825,656
Diluted earnings per share attributable to the owners of the Company (HK cents)	本公司擁有人應佔每股攤薄盈利(港仙)	2.65	1.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

16 INVESTMENT PROPERTIES

The movement of the fair value for investment properties is as follows:

16 投資物業

投資物業的公平值變動如下：

		Leasehold land and buildings 租賃土地和 樓宇 HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日	57,446
Changes in fair value recognised in profit or loss (Note)	已於損益確認之公平值變動（附註）	1,138
Exchange differences	匯兌差額	(2,947)
At 31 December 2022	於二零二二年十二月三十一日	55,637
At 1 January 2023	於二零二三年一月一日	55,637
Changes in fair value recognised in profit or loss (Note)	已於損益確認之公平值變動（附註）	(2,077)
Transfer to property, plant and equipment (Note 17)	轉撥至物業、廠房及設備（附註17）	(9,358)
Exchange differences	匯兌差額	(474)
At 31 December 2023	於二零二三年十二月三十一日	43,728

Accounting policies of investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in the consolidated statement of comprehensive income.

投資物業的會計政策

投資物業為長期租金收益而持有，並非由本集團佔用。投資物業初步按成本計量，包括相關交易成本及適用的借貸成本。隨後，它們以公平值列賬。公平值變動於綜合全面收益表呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

16 INVESTMENT PROPERTIES (continued)

Note:

Fair value measurements using significant unobservable inputs (level 3)

The investment properties of the Group represent industrial property units located in Hong Kong and residential property units located in the PRC with following details:

	As at 31 December	
	於十二月三十一日	
	2023	2022
	二零二三年	二零二二年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Industrial property units located in Hong Kong 位於香港的工業物業單位	22,100	22,500
Residential property units located in the PRC 位於中國的住宅物業單位	21,628	33,137
	43,728	55,637

The fair values as at 31 December 2023 and 2022 were assessed by the independent and professionally qualified valuer, Vigers Appraisal and Consulting Limited (“Vigers”).

The valuations were determined using the direct comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot/square meter.

16 投資物業(續)

附註：

使用重大的無法觀察輸入數據進行公平值計量(第三級)

本集團的投資物業指位於香港的工業物業單位及位於中國的住宅物業單位，詳情如下：

本集團之投資物業於二零二三年及二零二二年十二月三十一日之公平值乃由獨立且具有專業資格的估值師威格斯資產評估顧問有限公司(「威格斯」)評估。

估值確定採用直接比較法。於鄰近地區可比較物業之銷售價格會就主要屬性(例如物業面積)之差異做出調整。此估值方法最重大的輸入數據是每平方尺/平方米的價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

16 INVESTMENT PROPERTIES (continued)

Note: (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

- (a) Industrial property units located in Hong Kong
The key unobservable inputs used in the valuation of the industrial property units located in Hong Kong are:

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年
Direct comparison approach 直接比較法	Adjusted market price per square foot 經調整每平方米市場價格	HK\$5,100 港幣5,100元	HK\$5,300 港幣5,300元

As at 31 December 2023, if the adjusted market price per square foot increased/decreased by 5%, the impact on profit or loss would be HK\$1,105,000 (2022: HK\$1,125,000) higher/lower. The higher/lower the adjusted market price per square foot, the higher/lower the fair value.

- (b) Residential property units located in the PRC
The key unobservable inputs used in the valuation of the residential property units located in the PRC are:

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年
Direct comparison approach 直接比較法	Adjusted market price per square meter 經調整每平方米市場價格	Ranged from RMB42,000 to RMB54,000 (equivalent to HK\$46,000 to HK\$60,000) 範圍由人民幣42,000元至人民幣54,000元(相當於港幣46,000元至港幣60,000元)	Ranged from RMB43,000 to RMB59,000 (equivalent to HK\$48,000 to HK\$66,000) 範圍由人民幣43,000元至人民幣59,000元(相當於港幣48,000元至港幣66,000元)

16 投資物業(續)

附註:(續)

使用重大的無法觀察輸入數據進行公平值計量(第三級)(續)

- (a) 位於香港的工業物業單位
位於香港的工業物業單位估值所使用的主要無法觀察輸入數據如下:

於二零二三年十二月三十一日，如果經調整每平方米市場價格上升/下降5%，則對損益的影響將為增加/減少港幣1,105,000元(二零二二年：港幣1,125,000元)。經調整每平方米市場價格越高/越低，公平值越高/越低。

- (b) 位於中國的住宅物業單位
位於中國的住宅物業單位估值所使用的主要無法觀察輸入數據如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

16 INVESTMENT PROPERTIES (continued)

Note: (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

- (b) Residential property units located in the PRC (continued)
As at 31 December 2023, if the adjusted market price per square meter increased/decreased by 5%, the impact on profit or loss would be HK\$1,081,000 (2022: HK\$1,657,000) higher/lower. The higher/lower the adjusted market price per square meter, the higher/lower the fair value.

There were no transfers of investment properties between fair value hierarchy classifications during the year (2022: same).

At 31 December 2023, the Group had no unprovided contractual obligations for future repairs and maintenance (2022: same).

The following amounts have been recognised in the consolidated statement of comprehensive income:

16 投資物業(續)

附註:(續)

使用重大的無法觀察輸入數據進行公平值計量(第三級)(續)

- (b) 位於中國的住宅物業單位(續)
於二零二三年十二月三十一日,如果經調整每平方米市場價格上升/下降5%,則對損益的影響將為增加/減少港幣1,081,000元(二零二二年:港幣1,657,000元)。經調整每平方米市場價格越高/越低,公平值越高/越低。

於本年度投資物業公平值層級分類之間並無轉撥(二零二二年:相同)。

於二零二三年十二月三十一日,本集團並無任何未經授權的合約責任以供日後維修及保養(二零二二年:相同)。

以下金額已於綜合全面收益表確認:

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Rental income (Note 5)	租金收入(附註5)	1,369	1,475
Direct operating expenses arising from investment properties that generated rental income	於本年度產生租金收入的投資物業之直接經營費用	(142)	(171)
Changes in fair values recognised in the consolidated statement of comprehensive income	已於綜合全面收益表確認之公平值變動	(2,077)	1,138

The period of leases whereby the Group leases out its investment properties under operating leases ranged from one to four years (2022: one to five years).

本集團根據經營租賃出租其投資物業的租賃期為一至四年(二零二二年:一至五年)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT

17 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇	Leasehold improvements 租賃物業 裝修	Plant and machinery 廠房及 機器	Furniture, fixtures and equipment 傢俬、裝置及 設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日							
Cost or fair value	成本或公平值	444,150	3,961	2,482,060	33,526	20,944	26,996	3,011,637
Accumulated depreciation and impairment loss	累計折舊及減值	-	(3,671)	(1,659,673)	(26,836)	(14,989)	(271)	(1,705,440)
Net carrying amount	賬面淨值	444,150	290	822,387	6,690	5,955	26,725	1,306,197
Year ended 31 December 2022	截至二零二二年 十二月三十一日止年度							
Opening net book amount	期初賬面淨值	444,150	290	822,387	6,690	5,955	26,725	1,306,197
Additions	添置	74	8	1,615	828	406	67,772	70,703
Disposals	出售	-	-	(1,162)	(58)	(458)	-	(1,678)
Transfer	轉撥	31,951	-	32,625	381	-	(64,957)	-
Depreciation (Note 9)	折舊(附註9)	(12,263)	(152)	(90,637)	(1,381)	(1,496)	-	(105,929)
Revaluation (Note)	重估(附註)	34,898	-	-	-	-	-	34,898
Impairment loss (Note 8)	減值(附註8)	-	-	(112)	-	-	-	(112)
Exchange differences	匯兌差額	(37,046)	-	(76,023)	(537)	(423)	(2,770)	(116,799)
Closing net carrying amount	期末賬面淨值	461,764	146	688,693	5,923	3,984	26,770	1,187,280
At 31 December 2022	於二零二二年十二月三十一日							
Cost or fair value	成本或公平值	462,389	3,713	2,296,076	31,047	16,605	27,018	2,836,848
Accumulated depreciation and impairment loss	累計折舊及減值	(625)	(3,567)	(1,607,383)	(25,124)	(12,621)	(248)	(1,649,568)
Net carrying amount	賬面淨值	461,764	146	688,693	5,923	3,984	26,770	1,187,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

17 物業、廠房及設備(續)

		Leasehold land and buildings 租賃土地及 樓宇	Leasehold improvements 租賃物業 裝修	Plant and machinery 廠房及 機器	Furniture, fixtures and equipment 傢俬、裝置及 設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Year ended 31 December 2023 截至二零二三年 十二月三十一日止年度								
Opening net carrying amount	期初賬面淨值	461,764	146	688,693	5,923	3,984	26,770	1,187,280
Additions	添置	-	526	2,085	2,496	947	176,585	182,639
Disposals	出售	(162)	-	(2,691)	(65)	(47)	-	(2,965)
Transfer	轉撥	84,935	-	98,419	4,482	-	(187,836)	-
Depreciation (Note 9)	折舊(附註9)	(13,404)	(170)	(85,640)	(1,443)	(1,154)	-	(101,811)
Revaluation (Note)	重估(附註)	(6,729)	-	-	-	-	-	(6,729)
Transfer from investment properties (Note 16)	從投資物業中轉撥(附註16)	9,358	-	-	-	-	-	9,358
Exchange differences	匯兌差額	(6,308)	-	(10,427)	(99)	(42)	226	(16,650)
Closing net carrying amount	期末賬面淨值	529,454	502	690,439	11,294	3,688	15,745	1,251,122
At 31 December 2023 於二零二三年十二月三十一日								
Cost or fair value	成本或公平值	529,454	4,199	2,338,662	36,765	16,967	15,989	2,942,036
Accumulated depreciation	累計折舊	-	(3,697)	(1,648,223)	(25,471)	(13,279)	(244)	(1,690,914)
Net carrying amount	賬面淨值	529,454	502	690,439	11,294	3,688	15,745	1,251,122

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policies of property, plant and equipment

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to net of their residual values at the following rates per annum:

Leasehold land and buildings	2%-4%, or over the term of the leases, whichever is shorter
Leasehold improvements	20%, or over the term of the leases, whichever is shorter
Plant and machinery	7%-20%
Furniture fixture and equipment	10%-33%
Motor vehicles	20%-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Group's policy to transfer any amounts included in property revaluation reserve in respect of those assets to accumulated losses.

Construction-in-progress represents buildings and plant and machinery under construction and pending installation, and is stated at cost less impairment losses. Costs comprises direct construction costs, the cost of plant and machinery and applicable borrowing costs incurred during the construction period. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

17 物業、廠房及設備(續)

物業、廠房及設備的會計政策

物業、廠房及設備之折舊以直線法於其估計可用年期內分配其成本或重估金額至剩餘價值。所採用年率如下：

租賃土地及樓宇	2%-4%，或按租賃年期(以較低者為準)
租賃物業裝修	20%，或按租賃年期(以較低者為準)
廠房及機器	7%-20%
辦公室傢俱及設備	10%-33%
汽車	20%-25%

資產之剩餘價值及可用年期會於各報告期末審閱及調整(如適用)。

倘資產賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售收益及虧損透過比較所得款項與有關資產賬面值釐定並包括在損益中。出售重估資產時，本集團的政策是將有關該等資產的物業重估儲備所包括的任何金額轉撥至累計虧損。

在建工程指在建或待安裝的樓宇和廠房及機器，並按成本值扣除減值虧損列賬。成本包括直接建造成本、廠房及機械成本及建造期間產生的適用借貸成本。在相關資產完工並且可以使用前，不計入在建工程的折舊。當有關資產投入使用時，成本轉移到其他物業、廠房和設備，並按照上述政策折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

Fair value measurements using significant unobservable inputs (level 3)

The leasehold land and buildings of the Group represent industrial property units located in Hong Kong, commercial property unit located in the PRC and industrial property units located in the PRC with following details.

	As at 31 December	
	於十二月三十一日	
	2023	2022
	二零二三年	二零二二年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Industrial property units located in Hong Kong 位於香港之工業物業單位	14,900	15,000
Commercial property unit located in the PRC 位於中國之商業物業單位	10,153	840
Industrial property units located in the PRC 位於中國之工業物業單位	504,401	445,924
	529,454	461,764

The leasehold land and buildings of the Group are carried at revalued amount. If the leasehold land and buildings had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation with carrying amount of HK\$408,350,000 as at 31 December 2023 (2022: HK\$345,175,000).

The revalued amount as at 31 December 2023 and 2022 were assessed by the independent and professionally qualified valuer, Vigers. The valuations were determined using either:

- Direct comparison approach: Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot/square meter; or
- Depreciated replacement cost approach: Current cost of replacement/reproduction of the properties. The most significant input into this valuation approach is replacement cost per square foot/square meter.

17 物業、廠房及設備(續)

附註：

使用重大的無法觀察輸入數據進行公平值計量 (第三級)

本集團的租賃土地及樓宇為位於香港的工業物業單位、位於中國的商業物業單位及位於中國的工業物業單位，詳情如下：

本集團的租賃土地及樓宇按重估金額列賬。倘租賃土地及樓宇尚未重估，則其於二零二三年十二月三十一日按歷史成本減累計折舊之賬面值為港幣408,350,000元(二零二二年：港幣345,175,000元)計入綜合財務報告。

於二零二三年及二零二二年十二月三十一日的重估金額由獨立且具有專業資格的估值師威格斯評估。估值採用以下任一方法釐定：

- 直接比較法：於鄰近地區可比較物業之銷售價格會就主要屬性(例如物業面積)之差異作出調整。此估值方法最重大的輸入數據為每平方尺/平方米的價格；或
- 已折舊重置成本法：當前物業重置成本/再製造成本。此估值方法最重大的輸入數據為每平方尺/平方米的的重置成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

Note: (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

Quantitative information about fair value measurements using significant unobservable inputs (level 3):

- (a) Industrial property units located in Hong Kong
The key unobservable inputs used in the valuation of the industrial property units located in Hong Kong are:

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年
Market comparable approach 市場比較方法	Adjusted market price per square foot 經調整每平方尺市場價格	HK\$5,100 港幣5,100元	HK\$5,200 港幣5,200元

As at 31 December 2023, if the adjusted market price per square foot increased/decreased by 5%, the impact on other comprehensive income would be HK\$745,000 (2022: HK\$750,000) higher/lower. The higher/lower the adjusted market price per square foot, the higher/lower the fair value.

- (b) Commercial property unit located in the PRC
The key unobservable inputs used in the valuation of the commercial property unit in the PRC are:

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年
Market comparable approach 市場比較方法	Adjusted market price per square meter 經調整每平方米市場價格	RMB16,200 to RMB42,000 (equivalent to HK\$17,800 to HK\$46,000) 人民幣16,200元至人民幣42,000元(相當於港幣17,800元至港幣46,000元)	RMB16,900 (equivalent to HK\$18,900) 人民幣16,900元(相當於港幣18,900元)

17 物業、廠房及設備(續)

附註:(續)

使用重大的無法觀察輸入數據進行公平值計量 (第三級)(續)

有關使用重大的無法觀察輸入數據之公平值計量(第三級)的定量資料:

- (a) 位於香港之工業物業單位
位於香港的工業物業單位估值所使用的主要無法觀察輸入數據如下:

於二零二三年十二月三十一日，如經調整每平方尺市場價格上升/下降5%，對其他全面收益的影響將為增加/減少港幣745,000元(二零二二年：港幣750,000元)。經調整每平方尺市場價格越高/越低，公平值越高/越低。

- (b) 位於中國之商業物業單位
位於中國的商業物業單位估值所使用的主要無法觀察輸入數據如下:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

Note: (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

- (b) Commercial property unit located in the PRC (continued)
As at 31 December 2023, if the adjusted market price per square meter increased/decreased by 5%, the impact on other comprehensive income would be HK\$508,000 (2022: HK\$42,000) higher/lower. The higher/lower the adjusted market price per square meter, the higher/lower the fair value.
- (c) Industrial property units located in the PRC
The key unobservable inputs used in the valuation of the industrial property units in the PRC are:

17 物業、廠房及設備(續)

附註:(續)

使用重大的無法觀察輸入數據進行公平值計量 (第三級)(續)

- (b) 位於中國之商業物業單位(續)
於二零二三年十二月三十一日,如經調整每平方米市場價格上升/下降5%,對其他全面收益的影響將為增加/減少港幣508,000元(二零二二年:港幣42,000元)。經調整每平方米市場價格越高/越低,公平值越高/越低。
- (c) 位於中國之工業物業單位
位於中國的工業物業單位估值所使用的主要無法觀察輸入數據如下:

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年
Depreciated replacement cost approach 已折舊重置成本方法	Unit replacement cost per square meter 每平方米單位重置成本	Ranged from RMB1,000 to RMB2,000 (equivalent to HK\$1,100 to HK\$2,200) 範圍由人民幣1,000元至人民幣2,000元(相當於港幣1,100元至港幣2,200元)	Ranged from RMB900 to RMB1,800 (equivalent to HK\$1,000 to HK\$2,000) 範圍由人民幣900元至人民幣1,800元(相當於港幣1,000元至港幣2,000元)
	Adopted depreciation rate 已採用之折舊率	Ranged from 31% to 97% 範圍由31%至97%	Ranged from 38% to 97% 範圍由38%至97%

As at 31 December 2023, if the unit replacement cost per square meter increased/decreased by 5%, the impact on other comprehensive income would be HK\$20,920,000 (2022: HK\$21,514,000) higher/lower. The lower the unit replacement cost per square meter, the higher/lower the fair value.

於二零二三年十二月三十一日,如每平方米單位重置成本上升/下降5%,對其他全面收益的影響將為增加/減少港幣20,920,000元(二零二二年:港幣21,514,000元)。每平方米單位重置成本越高/越低,公平值越高/越低。

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綜合財務報告附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

Note: (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

- (c) Industrial property units located in the PRC (continued)
As at 31 December 2023, if the adopted depreciation rate increased/decreased by 5%, the impact on other comprehensive income would be HK\$31,659,000 (2022: HK\$28,812,000) higher/lower. The higher/lower the adopted depreciation rate, the higher/lower the fair value.

There were no transfers of leasehold land and buildings between fair value hierarchy classifications during the year (2022: same).

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to the leases in respect of office premises:

17 物業、廠房及設備(續)

附註:(續)

使用重大的無法觀察輸入數據進行公平值計量 (第三級)(續)

- (c) 位於中國之工業物業單位(續)
於二零二三年十二月三十一日,如已採用之折舊率上升/下降5%,對其他全面收益的影響將為增加/減少港幣31,659,000元(二零二二年:港幣28,812,000元)。採用折舊率越高/越低,公平值越高/越低。

於本年度租賃土地及樓宇的公平值層級分類並無轉換(二零二二年:相同)。

18 資產使用權及租賃負債

此備註提供有關本集團作為承租人之租賃資料:

(a) 綜合財務狀況表內確認的金額

綜合財務狀況表列示的下列與辦公室物業租賃相關的金額:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Right-of-use assets	資產使用權		
Offices premises	辦公室物業	416	1,665
Lease liabilities	租賃負債		
Non-current	非流動	-	446
Current	流動	446	1,292
		446	1,738

No additions to the right-of-use assets during the year ended 31 December 2023 (2022: nil).

截至二零二三年十二月三十一日止年度,沒有新增資產使用權(二零二二年:零)。

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綜合財務報告附註

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to the leases in respect of office premise:

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Depreciation of right-of-use assets (Note 9)	資產使用權之折舊(附註9)	1,249	1,249
Interest expense on lease liabilities (Note 11)	租賃負債之利息支出(附註11)	60	126

The total cash outflow for leases during the year ended 31 December 2023 is HK\$1,352,000 (2022: HK\$1,352,000).

截至二零二三年十二月三十一日止年度因租賃發生的現金流出合計為港幣1,352,000元(二零二二年：港幣1,352,000元)。

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices. Rental contracts are typically made for fixed periods of 3 years (2022: 3 years).

18 資產使用權及租賃負債(續)

(b) 綜合全面收益表內確認的金額

綜合全面收益表列示的下列與辦公室物業租賃相關的金額：

(c) 本集團的租賃活動及其會計處理

本集團出租若干辦公室。租賃合同通常是三年(二零二二年：三年)之固定期限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) The Group's leasing activities and how these are accounted for (continued)

Accounting policies of leases where the Group is a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

18 資產使用權及租賃負債(續)

(c) 本集團的租賃活動及其會計處理(續)

本集團作為承租人的會計政策

租賃所產生之資產及負債初步按現值基準計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質性固定付款)減去任何應收的租賃激勵；
- 基於指數或比率並於開始日期按指數或比率初步計量按的可變租賃付款；
- 剩餘價值擔保下的本集團預期應付款項；
- 購買選擇權的行使價(倘本集團合理確定行使該選擇權)；及
- 於租賃期反映本集團會行使選擇權終止租賃時，終止租賃的相關罰款。

當本集團合理確定將行使續租選擇權時，租賃付款額也納入負債的計量中。

租賃付款額在本金和財務成本之間進行分攤。財務成本在租賃期內計入損益，以按照固定的週期性利率對各期間負債餘額計算利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) The Group's leasing activities and how these are accounted for (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

18 資產使用權及租賃負債(續)

(c) 本集團的租賃活動及其會計處理(續)

資產使用權按成本計量，包括：

- 租賃負債的初始計量金額；
- 在租賃期開始日或之前支付的租賃付款額扣除收到的租賃激勵；
- 初始直接費用；及
- 復原成本。

合約可能同時包含租賃和非租賃部分。本集團根據相對獨立價格將合同中的代價分配給租賃和非租賃部分。但是，對於本集團作為承租人的房地產租賃，選擇不將租賃和非租賃部分分開，而是將其作為一個單獨的租賃部分進行會計處理。

租賃期限應在每項租賃的基礎上進行商談，並可能包含不同的條款和條件。租賃協議不應包含出租人持有的租賃資產的擔保利息之外的任何契約。租賃資產不得用作借款擔保。

租賃付款額按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與資產使用權價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) The Group's leasing activities and how these are accounted for (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the landlord, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

18 資產使用權及租賃負債(續)

(c) 本集團的租賃活動及其會計處理(續)

為確定增量借款利率，本集團應：

- 在可能的情況下，以承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化；
- 對於近期未獲得第三方融資持有的租賃，採用以無風險利率為起點的累加法，並按照業主持有租賃的信用風險進行調整；及
- 針對租賃做出特定調整，如租賃期、國家、貨幣及抵押。

如果承租人可以使用可觀察到的攤銷貸款利率(通過最近的融資或市場數據)，其租賃情況與租賃的付款情況相似，則集團實體將以該利率為起點來確定增量借款利率。

本集團面臨潛在未來按指數或比率增加的可變租賃付款，該租賃付款未包含於租賃負債之中直至該租賃付款生效為止。當租賃付款按指數或比率發生調整時，租賃負債將會被重新評估及於資產使用權中作出調整。

資產使用權一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對資產使用權計提折舊。本集團對列報為不動產、廠房及設備的租賃土地和樓宇的價值進行重估，但未選擇重估所持有的使用權建築物的價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) The Group's leasing activities and how these are accounted for (continued)

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

18 資產使用權及租賃負債(續)

(c) 本集團的租賃活動及其會計處理(續)

與設備及汽車的短期租賃及所有低價值資產租賃的相關付款按直線法於損益確認為費用。短期租賃是指有關租賃期在12個月或以下而且是沒有購買選項的租賃。

19 FINANCIAL INSTRUMENTS BY CATEGORY

19 金融工具分類

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Financial assets at amortised cost: 按攤銷成本計算的金融資產：			
Trade receivables	應收賬款	645,519	565,447
Bills receivables	應收票據	713,917	653,069
Deposits and other receivables	按金及其他應收款	1,652	3,768
Pledged bank deposits	已抵押銀行存款	20,002	80,101
Bank balances and cash	銀行結存及現金	77,138	145,807
		1,458,228	1,448,192
Financial liabilities at amortised cost: 按攤銷成本計算的金融負債：			
Trade and bills payables	應付賬款及票據	795,445	800,885
Other payables and accruals	其他應付款及預提費用	260,762	212,341
Bank borrowings	銀行貸款	487,537	454,552
Lease liabilities	租賃負債	446	1,738
		1,544,190	1,469,516
Financial liability at fair value through profit or loss: 按公平值計入損益之金融負債：			
Convertible bonds	可換股債券	-	132,074
Cross-currency swap	交叉貨幣掉期	643	-
		1,544,833	1,601,590

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20 LAND USE RIGHTS

The Group's interests in land use rights represent the prepaid lease payments under operating leases, being a part of the right-of-use assets of the Group.

20 土地使用權

本集團於土地使用權的權益指經營租約下的預付租賃款項，屬於本集團資產使用權的一部分。

		HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日	146,264
Amortisation (Note 9)	攤銷(附註9)	(3,891)
Exchange differences	匯兌差額	(12,231)
At 31 December 2022	於二零二二年十二月三十一日	130,142
At 1 January 2023	於二零二三年一月一日	130,142
Amortisation (Note 9)	攤銷(附註9)	(3,707)
Exchange differences	匯兌差額	(1,831)
At 31 December 2023	於二零二三年十二月三十一日	124,604

During the year, amortisation expense of HK\$3,707,000 (2022: HK\$3,891,000) has been included in costs of sales.

於本年度，攤銷費用港幣3,707,000元（二零二二年：港幣3,891,000元）已計入銷售成本。

Accounting policies of land use rights

Land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Cost represents consideration paid for the right to use the land on which various plants and buildings are situated for 50 years. Amortisation of land use rights is calculated on a straight-line basis over the period of leases.

土地使用權的會計政策

土地使用權按成本值扣除累計攤銷及累計減值虧損（如有）入賬。成本值包括可於該土地上興建多類達50年的廠房和樓宇的已付土地使用權代價。土地使用權攤銷是按照租賃期間以直線法計算。

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綜合財務報告附註

21 INVENTORIES

21 存貨

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Raw materials	原材料	184,557	152,790
Work in progress	在製品	70,997	77,068
Finished goods	製成品	111,124	209,562
		366,678	439,420
Less: provision for inventories	減：存貨撥備	(16,665)	(17,117)
		350,013	422,303

The cost of inventories included in cost of sales during the year amounted to HK\$2,108,550,000 (2022: HK\$2,123,045,000).

於本年度銷售成本中的存貨成本為港幣2,108,550,000元(二零二二年：港幣2,123,045,000元)。

22 TRADE RECEIVABLES AND BILLS RECEIVABLES

22 應收賬款及應收票據

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Trade receivables (Note (a))	應收賬款(附註(a))	667,322	587,033
Less: provision for impairment losses on trade receivables (Note (c))	減：應收賬款減值損失撥備(附註(c))	(21,803)	(21,586)
		645,519	565,447
Bills receivables (Note (b))	應收票據(附註(b))	713,917	653,069
		1,359,436	1,218,516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

22 TRADE RECEIVABLES AND BILLS RECEIVABLES (continued)

The carrying amounts of the trade receivables and bills receivables are denominated in the following currencies:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
RMB	人民幣	1,222,681	994,520
US\$	美元	106,034	150,163
EUR	歐元	29,365	73,697
Others	其他貨幣	1,356	136
		1,359,436	1,218,516

(a) Trade receivables

The Group's credit terms to trade debtors range from 30 to 90 days. The aging analysis of the trade receivables based on invoice date was as follows:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Up to 90 days	上至90日	512,979	317,331
91 to 180 days	91至180日	111,399	202,979
Over 180 days	多於180日	42,944	66,723
		667,322	587,033

22 應收賬款及應收票據(續)

應收款項及應收票據的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
RMB	人民幣	1,222,681	994,520
US\$	美元	106,034	150,163
EUR	歐元	29,365	73,697
Others	其他貨幣	1,356	136
		1,359,436	1,218,516

(a) 應收賬款

本集團一般授予其貿易客戶30日至90日的信貸賬期。應收賬款主要根據發票日期編製之賬齡分析呈列如下：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Up to 90 days	上至90日	512,979	317,331
91 to 180 days	91至180日	111,399	202,979
Over 180 days	多於180日	42,944	66,723
		667,322	587,033

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綜合財務報告附註

22 TRADE RECEIVABLES AND BILLS RECEIVABLES (continued)

(b) Bills receivables

The aging analysis of the bills receivables based on invoice date was as follows:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Up to 90 days	上至90日	80,533	34,226
91 to 180 days	91至180日	311,170	288,126
Over 180 days	多於180日	322,214	330,717
		713,917	653,069

As at 31 December 2023, the Group's bills receivables mature within one year (2022: same).

(i) Transferred receivables

The carrying amounts of the bills receivables include bills which are transferred to banks or suppliers by discounting or endorsing the bills receivables on a full recourse basis. Under these arrangements, the Group has not transferred the significant risks and rewards relating to these receivables. The Group therefore continues to recognise the transferred assets in their entirety in its consolidated statement of financial position and measuring them at amortised cost.

22 應收賬款及應收票據(續)

(b) 應收票據

應收票據主要根據發票日期編製之賬齡分析呈列如下：

於二零二三年十二月三十一日，本集團的應收票據之到期日均在一年之內(二零二二年：相同)。

(i) 應收款之轉讓

以下為本集團於報告期末按全面追索基準貼現予銀行或背書予供應商之應收票據。由於本集團並未轉讓有關該等應收票據之重大風險及回報，因此將繼續確認該等應收票據之全部賬面值及相關負債。該等轉讓資產按已攤銷成本於本集團之綜合財務狀況表內列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22 TRADE RECEIVABLES AND BILLS RECEIVABLES (continued)

(b) Bills receivables (continued)

(i) Transferred receivables (continued)

The relevant carrying amounts are as follows:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Bills receivables discounted to banks with full recourse	按全面追索基準已貼現予銀行之應收票據		
Transferred bills receivables	轉讓應收票據	17,601	335
Associated secured borrowings	相關已抵押貸款	(17,601)	(335)
Bills receivables endorsed to suppliers with full recourse	按全面追索基準已背書予供應商之應收票據		
Transferred bills receivables	轉讓應收票據	570,116	538,215
Associated trade payables	相關應付賬款	(528,543)	(450,115)
Associated other payables	相關其他應付	(25,976)	(72,590)
Associated prepayments	相關預付款	(15,597)	(15,510)

(c) Provision for impairment losses on trade receivables

The movement on the provision for impairment losses on trade receivables is as follows:

22 應收賬款及應收票據(續)

(b) 應收票據(續)

(i) 應收款之轉讓(續)

有關賬面值如下：

(c) 應收賬款減值損失撥備

應收賬款減值損失撥備的變動如下：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
At beginning of the year	年初	21,586	22,402
Net impairment losses on trade receivables for the year	本年度應收賬款減值損失淨額	518	1,114
Exchange differences	匯兌差額	(301)	(1,930)
At end of the year	年末	21,803	21,586

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綜合財務報告附註

22 TRADE RECEIVABLES AND BILLS RECEIVABLES (continued)

(c) Provision for impairment losses on trade receivables (continued)

The maximum exposure to credit risk at the reporting date is the carrying values of each class of receivables mentioned above. The Group did not hold any collateral as security for these receivables as at 31 December 2023 (2022: same).

22 應收賬款及應收票據(續)

(c) 應收賬款減值損失撥備(續)

於報告日期，最大信貸風險為上述各類應收款項的賬面值。於二零二三年十二月三十一日，本集團並無持有任何抵押品作為該等應收款項的抵押品(二零二二年：相同)。

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23 預付款、按金及其他應收款

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Current portion	流動部分		
Prepayments	預付款	40,359	20,567
Tax recoverables (Note)	可收回稅項(附註)	3,328	39,585
Deposits	按金	504	142
Other receivables	其他應收款	1,148	3,252
		45,339	63,546
Non-current portion	非流動部分		
Rental deposits	租金按金	-	374
Prepayments for the acquisition of property, plant and equipment	購買物業、廠房及設備之預付款	30,325	20,554
		30,325	20,928
		75,664	84,474

Note: Tax recoverables are mainly represent input value-added tax arisen from the acquisition of property, plant and equipment and purchase of materials.

附註：可收回稅項主要為購買物業、廠房及設備及購買材料產生的進項增值稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The carrying amounts of the prepayments, deposits and other receivables are denominated in the following currencies:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
RMB	人民幣	74,932	83,870
US\$	美元	4	4
EUR	歐元	435	11
Others	其他貨幣	293	589
		75,664	84,474

24 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for bills payables (Note 26) and bank borrowings (Note 27) are:

- (i) pledged bank deposits: HK\$20,002,000 (2022: HK\$80,101,000) (Note 25); and
- (ii) bills receivables: HK\$17,601,000 (2022: HK\$335,000) (Note 22(b)(i)).

23 預付款、按金及其他應收款(續)

預付款、按金及其他應收款的賬面值以下列貨幣計值：

24 抵押資產

已予抵押作為應付票據(附註26)及銀行貸款(附註27)的保證之資產賬面值為：

- (i) 已抵押銀行存款：港幣20,002,000元(二零二二年：港幣80,101,000元)(附註25)；
- (ii) 應收票據：港幣17,601,000元(二零二二年：港幣335,000元)(附註22(b)(i))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

25 PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

(a) Pledged bank deposits

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Pledged bank deposits	已抵押銀行存款	20,002	80,101

Pledged bank deposits represents bank deposits of the Group which were pledged to secure credit facilities on bills payables granted to subsidiaries of the Company for the purchase of raw materials. The carrying amounts of the Group's pledged deposits were denominated in RMB.

As at 31 December 2023, the effective interest rate on pledged bank deposits was ranged from 1.45% to 1.55% per annum (2022: 1.45% per annum).

(b) Bank balance and cash

25 已抵押銀行存款／銀行結存及現金

(a) 已抵押銀行存款

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Pledged bank deposits	已抵押銀行存款	20,002	80,101

已抵押銀行存款指本集團的銀行存款已抵押以就本公司之附屬公司就購買原材料之應付票據取得信貸額度。本集團已抵押存款的賬面值以人民幣計值。

於二零二三年十二月三十一日，已抵押銀行存款的實際年利率為1.45%至1.55%（二零二二年：1.45%）。

(b) 銀行結存及現金

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Bank balances and cash	銀行結存及現金	77,138	145,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

25 PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH (continued)

(b) Bank balance and cash (continued)

The carrying amounts of bank balance and cash were denominated in the following currencies:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
RMB	人民幣	46,114	41,977
HKD	港幣	5,569	2,181
US\$	美元	22,469	74,156
EUR	歐元	2,838	27,493
Others	其他貨幣	148	-
		77,138	145,807

As at 31 December 2023, funds of the Group amounting to HK\$65,481,000 (2022: HK\$141,235,000) were deposited in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

The maximum exposure to credit risk of the Group as at 31 December 2023 were HK\$77,089,000 (2022: HK\$145,755,000).

As at 31 December 2023, the effective interest rate on bank balances ranged from 0.01% to 4.99% per annum (2022: 0.01% to 4.31%).

25 已抵押銀行存款／銀行結存及現金 (續)

(b) 銀行結存及現金(續)

銀行結存及現金的賬面值以下列貨幣計值：

於二零二三年十二月三十一日，本集團為數港幣65,481,000元(二零二二年：港幣141,235,000元)存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

於二零二三年十二月三十一日，本集團的最大信貸風險為港幣77,089,000元(二零二二年：港幣145,755,000元)。

於二零二三年十二月三十一日，銀行結存實際年利率於0.01%至4.99%(二零二二年：0.01%至4.31%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

26 TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS

26 應付賬款及票據／其他應付款及預提費用

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Trade payables (Note (a))	應付賬款(附註(a))	707,608	601,058
Bills payables (Note (b))	應付票據(附註(b))	87,837	199,827
		795,445	800,885
Other payables and accruals – current	其他應付款及預提費用 – 流動		
Contract liabilities (Note (c))	合約負債(附註(c))	4,793	861
Accrued wages and salaries	預提工資及薪金	30,566	25,372
Other tax payables	其他應付稅項	8,306	7,336
Other accruals	其他預提費用	9,058	8,088
Interest payables	應付利息	2,215	847
Other payables (including payables for property, plant and equipment)	其他應付款(包括物業、廠房及設備之應付款)	249,489	203,406
		304,427	245,910
		1,099,872	1,046,795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

26 TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS (continued)

The carrying amounts of the Group's trade payables, bills payables and other payables and accruals are denominated in the following currencies:

26 應付賬款及票據／其他應付款及預提費用(續)

本集團的應付賬款、應付票據及其他應付款及預提費用的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
HKD	港幣	13,531	10,325
RMB	人民幣	1,060,471	1,004,118
US\$	美元	23,867	29,131
EUR	歐元	1,961	3,221
Others	其他貨幣	42	—
		1,099,872	1,046,795

(a) Trade payables

The Group's credit period granted by the suppliers is 30 days. The aging analysis of the trade payables based on invoice date was as follows:

(a) 應付賬款

供應商一般授予本集團30日的信貸賬期。應付賬款根據發票日期編製之賬齡分析呈列如下：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Up to 30 days	上至30日	319,356	164,146
31 to 90 days	31至90日	191,594	135,552
91 to 180 days	91至180日	169,927	232,148
181 to 365 days	181至365日	20,231	62,714
Over 365 days	多於365日	6,500	6,498
		707,608	601,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

26 TRADE AND BILLS PAYABLES/OTHER PAYABLES AND ACCRUALS (continued)

(b) Bills payables

The aging analysis of the bills payables based on invoice date was as follows:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Up to 30 days	上至30日	5,628	15,673
31 to 90 days	31至90日	33,524	37,984
91 to 180 days	91至180日	36,851	139,065
Over 180 days	多於180日	11,834	7,105
		87,837	199,827

The bills payables of the Group are secured by pledged bank deposits as disclosed in Note 25.

(c) Contract liabilities

As at 31 December 2023, the contract liabilities for the advanced payments received from the customers included in the other payables and accruals amounted to HK\$4,793,000 (2022: HK\$861,000).

Revenue recognised during the year ended 31 December 2023 that was included in the contract liabilities at the beginning of the year amounted to HK\$861,000 (2022: HK\$922,000). The Group expects to deliver the goods to satisfy the remaining performance obligations of these contract liabilities within one year or less.

26 應付賬款及票據／其他應付款及預提費用(續)

(b) 應付票據

應付票據根據發票日期編製之賬齡分析呈列如下：

本集團之應付票據以已抵押銀行存款作擔保並於附註25披露。

(c) 合約負債

於二零二三年十二月三十一日，合約負債之預收客戶款項於其他應付款及預提費用共計港幣4,793,000元(二零二二年：港幣861,000元)。

截至二零二三年十二月三十一日止年度已確認的收入，包括合約負債的年初結餘，共計港幣861,000元(二零二二年：港幣922,000元)。本集團預計在一年或更短時間內交付貨物，以履行上述合約負債的剩餘履約責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

27 BANK BORROWINGS

27 銀行貸款

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Bank loans	銀行貸款	469,936	454,217
Discounted bills with recourse (Note 22(b)(i))	附追索權的已貼現票據 (附註22(b)(i))	17,601	335
		487,537	454,552
Current portion	流動部分	487,537	454,552
Secured	已抵押	17,601	335
Unsecured	無抵押	469,936	454,217
		487,537	454,552

The Group's bank borrowings were repayable as follows:

本集團的銀行貸款款項償還如下：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Within 1 year	一年內	487,537	454,552

The carrying amounts of the bank borrowings approximate their fair values.

銀行借款的賬面值與其公平值相若。

As at 31 December 2023, the carrying amount of fixed rate borrowings and variable rate borrowings are HK\$122,432,000 (2022: HK\$274,552,000) and HK\$365,105,000 (2022: HK\$180,000,000) respectively.

於二零二三年十二月三十一日，固定利率貸款及浮息利率貸款之賬面值分別為港幣122,432,000元（二零二二年：港幣274,552,000元）及港幣365,105,000元（二零二二年：港幣180,000,000元）。

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27 BANK BORROWINGS (continued)

During the year ended 31 December 2023, bank borrowings of HK\$17,601,000 (2022: HK\$335,000) are secured by bills receivables as disclosed in Note 24.

As at 31 December 2023, total undrawn facilities amounted to HK\$261,755,000 (2022: HK\$167,824,000).

The range of effective interest rates (which are also equal to contractual interest rates) on bank borrowings are as follows:

27 銀行貸款(續)

截至二零二三年十二月三十一日止年度，本集團的銀行貸款港幣17,601,000元(二零二二年：港幣335,000元)是以應收票據作為抵押並於附註24披露。

於二零二三年十二月三十一日，未提取融資總額為港幣261,755,000元(二零二二年：港幣167,824,000元)。

銀行貸款之實際利率(亦相等於訂約利率)的範圍如下：

		As at 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年
Effective interest rate per annum: 實際年利率：			
Fixed rate borrowings	固定利率貸款	2.40% to 5.00% 2.40%至5.00%	0.65% to 6.47% 0.65%至6.47%
Variable rate borrowings	浮息利率貸款	4.50% to 7.02% 4.50%至7.02%	3.22% to 8.15% 3.22%至8.15%

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

本集團銀行貸款的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
EUR	歐元	-	23,175
US\$	美元	-	390
RMB	人民幣	187,537	250,987
HKD	港幣	300,000	180,000
		487,537	454,552

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

28 FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

On 11 February 2019 (the “Issuance Date”), the Company issued convertible bonds in the principal amount of HK\$150,000,000 (the “Convertible Bonds”) to Jingxi Holdings Limited (“Jingxi Holdings”), a wholly owned subsidiary of Shougang Group Co., Ltd (“Shougang Group”, which is the substantial shareholder with significant influence of the Company). The consideration for the Convertible Bonds was HK\$150,000,000. The Convertible Bonds are interest bearing at a coupon rate of 4% per annum.

The holder of the Convertible Bonds has:

- (i) the option to demand the Company to redeem the Convertible Bonds on 11 February 2022 (the “Original Maturity Date”) at 100% of the principal amount outstanding plus any accrued and unpaid interest;
- (ii) the option to convert the Convertible Bonds into ordinary shares of the Company at a conversion price derived on certain conditions at the date of conversion falling 6 months from the Issuance Date and up to the maturity date of the Convertible Bonds; and
- (iii) the option to extend the Original Maturity Date twice by one year each to the date falling on 11 February 2024.

The Convertible Bonds, together with the abovementioned options, were designated as a financial liability at fair value through profit or loss.

The Convertible Bonds are initially recognised at the fair value as financial liability at fair value through profit or loss. The fair value of the Convertible Bonds as at 31 December 2022 was valued by the independent and professionally qualified valuer, Greater China Appraisal Limited. The valuation was determined using Black-Scholes model with Trinomial Tree method.

28 按公平值計入損益之金融負債

於二零一九年二月十一日(「發行日」), 本公司向京西控股有限公司(「京西控股」)(首鋼集團有限公司(「首鋼集團」, 本公司具有重大影響力之主要股東)的全資附屬公司)發行本金額為港幣150,000,000元的可換股債券(「可換股債券」)。可換股債券的代價為港幣150,000,000元。可換股債券按每年4%的票面利率計息。

可換股債券持有人擁有：

- (i) 於二零二二年二月十一日(「原始到期日」)要求本公司按100%尚未償還本金額另加任何應計未付利息贖回可換股債券的選擇；
- (ii) 按換股價(根據自可換股債券發行日6個月起至到期日止的轉換日的若干條件)將可換股債券轉換為本公司普通股的選擇；及
- (iii) 延長原始到期日兩次, 每次一年至二零二四年二月十一日止的選擇。

可換股債券, 連同上述選擇, 被指定為按公平值計入損益之金融負債。

可換股債券初步按公平值確認為按公平值計入損益之金融負債。於二零二二年十二月三十一日, 可換股債券的公平值由獨立及具專業資格的估值師漢華評值有限公司進行估值。該估值的釐定採用布萊克•斯科爾斯模型與三叉樹法。

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28 FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

During the year ended 31 December 2022, the Company received from the holder of the Convertible Bond an extension notice to extend the maturity date to 11 February 2023 and a conversion notice to convert the Convertible Bonds in the principal amount of HK\$24,000,000 at the conversion price of HK\$0.33 per share. The conversion shares were issued on 7 February 2022. As a result of conversion and revaluation of the remaining extended Convertible Bonds, a gain on fair value of HK\$21,700,000 was recorded in profit or loss during the year ended 31 December 2022.

The Convertible Bonds were matured in February 2023 and the Company has made full redemption of outstanding principal amount of HK\$126,000,000 of the Convertible Bonds. As a result of redemption of the remaining extended Convertible Bonds, a gain on fair value of HK\$3,554,000 was recorded in profit or loss during the year ended 31 December 2023.

The movements of the financial liability at fair value through profit or loss during the year are as below:

28 按公平值計入損益之金融負債(續)

截至二零二二年十二月三十一日止年度，本公司收到可換股債券持有人發出的延期通知以延長到期日至二零二三年二月十一日，並且收到轉換通知以按換股價為每股股份港幣0.33元轉換本金額為港幣24,000,000元之可換股債券。換股股份於二零二二年二月七日發行。由於換股及重估剩餘的已延期可換股債券，截至二零二二年十二月三十一日止年度之計入損益的公平值收益為港幣21,700,000元。

可換股債券於二零二三年二月到期，本公司已悉數贖回未償還本金額港幣126,000,000元之可換股債券。由於贖回剩餘的已延期可換股債券，截至二零二三年十二月三十一日止年度之計入損益的公平值收益為港幣3,554,000元。

本年度按公平值計入損益之金融負債的變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
At beginning of the year	年初	132,074	183,278
Settlement	償付	(128,520)	(5,504)
Conversion	換股	-	(24,000)
Fair value gain recognised in profit or loss (Note 8)	已於損益確認之公平值收益 (附註8)	(3,554)	(21,700)
At end of the year	年末	-	132,074

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

28 FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Note:

Fair value measurements using significant unobservable inputs (level 3)

The key unobservable inputs used in the valuation of the financial liability at fair value through profit or loss are:

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	2022 二零二二年
Black-Scholes model with Trinomial Tree method 布萊克•斯科爾斯模型與三叉法	Dividend yield 股息收益率		6.82%
	Volatility 波動率		55.32%

As at 31 December 2022, if the dividend yield shifted upward by 1%, the impact on profit would be HK\$221,000 higher. The higher the dividend yield, the lower the fair value.

As at 31 December 2022, if the volatility shifted upward by 5%, the impact on profit would be HK\$1,502,000 lower). The higher the volatility, the higher the fair value.

There were no transfers of financial liability at fair value through profit or loss between fair value hierarchy classifications during the year (2022: same).

28 按公平值計入損益之金融負債(續)

附註：

使用重大的無法觀察輸入數據進行公平值計量(第三級)

採用主要無法觀察輸入數據評估按公平值計入損益之金融負債為：

As at 31 December
於十二月三十一日

Valuation technique 估值方法	Unobservable inputs 無法觀察輸入數據	As at 31 December 於十二月三十一日	2022 二零二二年
Black-Scholes model with Trinomial Tree method 布萊克•斯科爾斯模型與三叉法	Dividend yield 股息收益率		6.82%
	Volatility 波動率		55.32%

截至二零二二年十二月三十一日止年度，倘股息收益率上升1%，其影響將增加利潤港幣221,000元。股息收益率越高，公平值越低。

截至二零二二年十二月三十一日止年度，倘波動率上升5%，其影響將減少利潤約港幣1,502,000元。波動率越高，公平值越高。

於本年度按公平值計入損益之金融負債公平值層級分類之間並無轉撥(二零二二年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

29 DEFERRED INCOME TAX

29 遞延所得稅項

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Deferred income tax assets	遞延所得稅項資產	(10,026)	(1,505)
Deferred income tax liabilities	遞延所得稅項負債	27,733	28,007
		17,707	26,502

The movements of deferred income tax during the year are as follows:

遞延所得稅項於本年度之變動如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
At beginning of the year	年初	26,502	22,981
Credited to profit or loss	計入損益	(7,636)	(705)
(Credited)/charged to other comprehensive income	(計入)/扣減其他全面收益	(1,051)	5,225
Exchange differences	匯兌差額	(108)	(999)
At end of the year	年末	17,707	26,502

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset tax recoverable against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

倘若存在法定可執行之權利以將可收回稅項與當期所得稅負債抵銷，而遞延所得稅項與同一財政機關相關時，遞延所得稅項資產及負債可予以抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

29 DEFERRED INCOME TAX (continued)

The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred income tax assets

		Decelerated tax depreciation	Provision for impairment loss on trade receivables	Provision for inventories	Tax losses	Total deferred tax assets
		減速稅務折舊	應收賬款 減值損失 撥備	存貨撥備	稅務虧損	遞延稅項 資產總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日	(13,638)	(29)	(2,166)	(8,698)	(24,531)
(Credited)/charged to profit or loss	(計入)/扣減損益	(72)	(17)	66	(4,117)	(4,140)
Exchange differences	匯兌差額	1,065	6	177	596	1,844
At 31 December 2022	於二零二二年十二月三十一日	(12,645)	(40)	(1,923)	(12,219)	(26,827)
At 1 January 2023	於二零二三年一月一日	(12,645)	(40)	(1,923)	(12,219)	(26,827)
(Credited)/charged to profit or loss	(計入)/扣減損益	(118)	12	34	(8,305)	(8,377)
Exchange differences	匯兌差額	233	(73)	24	229	413
At 31 December 2023	於二零二三年十二月三十一日	(12,530)	(101)	(1,865)	(20,295)	(34,791)

29 遞延所得稅項(續)

遞延所得稅項資產及負債於本年度之變動如下：

遞延所得稅項資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

29 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

29 遞延所得稅項(續)

遞延所得稅項負債

		Revaluation of properties 物業重估 HK\$'000 港幣千元	Withholding tax on distributable profit of subsidiaries in the PRC 於中國附屬公司 之可分配利潤 之預提稅項 HK\$'000 港幣千元	Total deferred tax liabilities 遞延稅項 負債總額 HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日	36,633	10,879	47,512
Charged to profit or loss	扣減損益	309	3,126	3,435
Charged to other comprehensive income	扣減其他全面收益	5,225	-	5,225
Exchange differences	匯兌差額	(2,843)	-	(2,843)
At 31 December 2022	於二零二二年十二月三十一日	39,324	14,005	53,329
At 1 January 2023	於二零二三年一月一日	39,324	14,005	53,329
(Credited)/charged to profit or loss	(計入)/扣減損益	(419)	1,160	741
Credited to other comprehensive income	計入其他全面收益	(1,051)	-	(1,051)
Exchange differences	匯兌差額	(521)	-	(521)
At 31 December 2023	於二零二三年十二月三十一日	37,333	15,165	52,498

As at 31 December 2023, the Group has estimated unused tax losses of HK\$122,623,000 (2022: HK\$68,780,000) which shall expire in three to ten years (2022: three to ten years) and estimated unused tax losses of HK\$303,557,000 (2022: HK\$299,119,000) are available indefinitely for offsetting against future taxable profits of the companies in which the losses arise.

於二零二三年十二月三十一日，本集團有估計未動用稅項虧損為港幣122,623,000元(二零二二年：港幣68,780,000元)，有效期為三至十年(二零二二年：三至十年)，並估算未動用稅項虧損港幣303,557,000元(二零二二年：港幣299,119,000元)可無限期用於抵銷相對於其中的有產生虧損之公司的未來應稅利潤。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

29 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities (continued)

As at 31 December 2023, the Group has deductible temporary differences of HK\$117,435,000 (2022: HK\$141,902,000) which no deferred tax asset has been recognised, as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

30 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss below.

The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The Group has the following derivative financial instruments in the following line items in the consolidated statement of financial position:

		As at 31 December	
		於十二月三十一日	
		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current liabilities	流動負債		
Cross-currency swap	交叉貨幣掉期	643	-

(i) Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives please refer to note 3.3.

29 遞延所得稅項(續)

遞延所得稅項負債(續)

於二零二三年十二月三十一日，本集團有港幣117,435,000元(二零二二年：港幣141,902,000元)的可扣減短暫性差異，因未能確定有否應課稅溢利可予以扣減，故並無確認為遞延稅項資產。

30 衍生金融工具

衍生產品只用於經濟性套期目的而不會作為投機性投資。可是，當衍生產品不符合套期會計條件的話，作為會計處理目的，它們會被歸納為「貿易性持有」並以公平值計入損益入賬如下。

當套期項目的剩餘到期日多於12個月，套期衍生產品的全部公平值會被歸納為非流動資產或負債。當套期項目的剩餘到期日少於12個月，套期衍生產品會被歸納為流動資產或負債。貿易性衍生產品會被歸納為流動資產或負債。

本集團有以下衍生金融工具列於綜合財務狀況表以下的項目中：

(i) 公平值計量

有關用於決定衍生產品公平值方法及假設的資料，請參閱附註3.3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

30 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Amount recognised in profit or loss

The following amounts were recognised in profit or loss in relation to derivatives:

30 衍生金融工具(續)

(ii) 金額於損益中確認

以下有關衍生產品的金額已於損益中確認：

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Fair value loss on derivative financial instruments	衍生金融工具的公平值損失	(643)	-

31 SHARE CAPITAL

31 股本

		Number of Shares 股份數目 Thousand 千股	HK\$'000 港幣千元
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2022	於二零二二年一月一日	1,898,653	1,191,798
Conversion of convertible bonds (Note (a))	轉換可換股債券(附註(a))	72,727	24,000
At 31 December 2022	於二零二二年十二月三十一日	1,971,380	1,215,798
At 1 January 2023	於二零二三年一月一日	1,971,380	1,215,798
Cancellation of shares (Note (b))	註銷股份(附註(b))	(2,476)	-
At 31 December 2023	於二零二三年十二月三十一日	1,968,904	1,215,798

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

31 SHARE CAPITAL (continued)

Notes:

- (a) On 7 February 2022, the Company issued 72,727,272 ordinary shares in relation to the exercise of the conversion right attaching to the convertible Bonds to convert the Convertible Bonds in the principal amount of HK\$24,000,000 at the conversion price of HK\$0.33.
- (b) During the year ended 31 December 2023, the Company repurchased 12,654,000 ordinary shares for approximately HK\$2,699,000. 2,132,000 repurchased shares for approximately HK\$380,000 were cancelled during the year ended 31 December 2023 and the remaining 10,522,000 ordinary shares for approximately HK\$2,319,000 were cancelled in January 2024 and was charged to retained earnings within shareholders' equity.

During the year ended 31 December 2022, the Company repurchased 344,000 ordinary shares. All of the repurchased shares were cancelled in February 2023. The total amount paid for the share repurchase was approximately HK\$69,000 and was charged to retained earnings within shareholders' equity.

The buy-back and cancellation were approved by shareholders at last year's annual general meeting, and the payment was made out of the Company's distributable profits with no reduction of capital in compliance with HKCO.

The shares were acquired at an average price of HK\$0.213 (2022: HK\$0.202) per share, with prices ranging from HK\$0.163 to HK\$0.243 (2022: HK\$0.190 to HK\$0.210). The total amount of HK\$2,699,000 (2022: HK\$69,000) paid to acquire the shares has been deducted from retained earnings within shareholders' equity.

31 股本(續)

附註：

- (a) 於二零二二年二月七日，本公司已根據有關行使可換股債券附帶的轉換權的轉換通知，以按換股價為每股換股股份港幣0.33元轉換本金額為港幣24,000,000元之可換股債券，發行72,727,272股普通股。
- (b) 截至二零二三年十二月三十一日止年度，本公司以約為港幣2,699,000元購回12,654,000股普通股，其中以約港幣380,000元所購回的2,132,000股已於截至二零二三年十二月三十一日止年度內註銷，其餘約以港幣2,319,000元所購回的10,522,000股普通股已於二零二四年一月註銷，並已從股東權益中的保留溢利中扣除。

截至二零二二年十二月三十一日止年度，本公司回購了344,000股普通股，所有購回股份已於二零二三年二月註銷。回購股份所支付的總額約為港幣69,000元，已從股東權益中的保留溢利中扣除。

回購及註銷股份是在去年的股東周年大會上獲得股東批准，款項從本公司的可分配利潤中扣除，而當中沒有減少資本，符合香港公司條例。

回購股份的平均價格為每股港幣0.213元(二零二二年：港幣0.202元)，價格範圍為港幣0.163元至港幣0.243元(二零二二年：港幣0.190元至港幣0.210元)。回購股份所支付的總額為港幣2,699,000元(二零二二年：港幣69,000元)，已從股東權益中的保留溢利中扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

32 COMMITMENTS

(a) Capital commitments

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Commitments in respect of the acquisition of property, plant and equipment	購買物業、廠房及設備之承擔		
– contracted for but not provided in the consolidated financial statements	– 已訂約但尚未於綜合財務報告作出撥備	78,842	119,083

(b) Operating lease commitments

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Within one year	一年內	1,035	1,103
In the second to fifth year inclusive	第二至第五年內	1,010	576
		2,045	1,679

32 承擔

(a) 資本承擔

(b) 經營租賃承擔

本集團作為出租者

於報告期末，本集團與租戶約定之未來最低應收租金總額如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

33 綜合現金流量表附註

(a) 經營業務產生之現金

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Cash flows from operating activities	經營活動產生之現金流量		
Profit before income tax	除所得稅前溢利	69,670	57,688
Adjustments for:	經調整：		
Net impairment loss on trade receivables	應收賬款淨減值損失	518	1,114
Net provision for inventories	存貨淨撥備	410	4,881
Amortisation of land use rights	土地使用權之攤銷	3,707	3,891
Changes in fair value of investment properties	投資物業公平值之變動	2,077	(1,138)
Change in fair value of a financial liability at fair value through profit or loss	按公平值計入損益之金融負債公平值之變動	(3,554)	(21,700)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	101,811	105,929
Depreciation of right-of-use assets	資產使用權之折舊	1,249	1,249
Impairment losses on property, plant and equipment	物業、廠房及設備之減值損失	-	112
Change in fair value of derivative financial instruments	衍生金融工具公平值之變動	643	-
Losses on disposal of property, plant and equipment, net	出售物業、廠房及設備之虧損，淨額	2,055	92
Finance costs	財務成本	25,917	52,861
Finance income	財務收入	(7,003)	(2,246)
Operating cash flows before movements in working capital	流動資金變動前之經營現金流量	197,500	202,733
Changes in working capital:	營運資金變動：		
Inventories	存貨	66,210	(2,600)
Trade receivables	應收賬款	(88,334)	168,504
Bills receivables	應收票據	(69,771)	90,666
Prepayments, deposits and other receivables	預付款、按金及其他應收款	17,605	7,992
Trade and bills payables	應付賬款及票據	15,814	(225,570)
Other payables and accruals	其他應付款及預提費用	23,380	(59,525)
Cash generated from operations	經營業務而產生之現金	162,404	182,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Cash generated from operations (continued)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment:

33 綜合現金流量表附註(續)

(a) 經營業務產生之現金(續)

於綜合現金流量表中，出售物業、廠房及設備之所得款項如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Net carrying amount	賬面淨值	2,965	1,678
Losses on disposals of property, plant and equipment, net	出售物業、廠房及設備之虧損，淨額	(2,055)	(92)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	910	1,586

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

33 綜合現金流量表附註(續)

(b) 由融資活動產生的負債之對賬

下表詳列本集團由融資活動產生的負債之變動，包括現金及非現金變動。由融資活動產生的負債指該等現金流量已或未來現金流量將會於本集團綜合現金流量表被分類融資活動產生現金流量的負債。

		Bank borrowings	Interest payables	Loan from a related company 來自一間 關連公司 之貸款	Financial liability at fair value through profit or loss 按公平值 計入損益之 金融負債	Lease liabilities	Total
		銀行貸款 HK\$'000 港幣千元 (Note 27) (附註27)	應付利息 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note 28) (附註28)	租賃負債 HK\$'000 港幣千元 (Note 18) (附註18)	合計 HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日	479,838	463	24,570	183,278	2,964	691,113
Cash inflow	現金流入	805,766	-	-	-	-	805,766
Cash outflow	現金流出	(799,063)	(19,031)	(23,377)	(5,504)	(1,352)	(848,327)
Exchange differences	匯兌差額	(32,378)	(52)	(2,242)	-	-	(34,672)
Non-cash movement	非現金流動	389	19,467	1,049	(45,700)	126	(24,669)
At 31 December 2022	於二零二二年十二月三十一日	454,552	847	-	132,074	1,738	589,211
At 1 January 2023	於二零二三年一月一日	454,552	847	-	132,074	1,738	589,211
Cash inflow	現金流入	778,903	-	-	-	-	778,903
Cash outflow	現金流出	(744,087)	(14,808)	-	(128,520)	(1,352)	(888,767)
Exchange differences	匯兌差額	(1,831)	(6,812)	-	-	-	(8,643)
Non-cash movement	非現金流動	-	22,988	-	(3,554)	60	19,494
At 31 December 2023	於二零二三年十二月三十一日	487,537	2,215	-	-	446	490,198

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

34 SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme

A share option scheme (the "2002 Scheme") was adopted by the shareholders of the Company at the annual general meeting held on 7 June 2002. Under the 2002 Scheme, the board of directors (the "Board") of the Company shall, subject to and in accordance with the provisions of the 2002 Scheme and the Listing Rules, grant share options to any eligible participant to subscribe for shares in the capital of the Company. A new share option scheme (the "2012 Scheme") was adopted and the 2002 Scheme was terminated by the shareholders of the Company at the annual general meeting held on 25 May 2012.

The 2012 Scheme became effective on 29 May 2012 upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any shares falling to be issued and allotted upon the exercise of the share options granted.

The share options which have been granted and remained outstanding under the 2002 Scheme remain valid and exercisable in accordance with their terms of issue.

The Company operates the 2002 Scheme (subsequently replaced by the 2012 Scheme) for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group or potential contribution to the Group. Eligible participants of the 2002 Scheme include any director (including executive and non-executive), executive, officer, employee or shareholder of the Company or any of the subsidiaries or any of the associates or any of the joint ventures and any supplier, customer, consultant, adviser, agent, partner or business associate who will contribute or has contributed to the Group.

34 以股份支付支出之交易

本公司之購股權計劃

本公司之購股權計劃本公司股東於二零零二年六月七日舉行之股東周年大會上採納了購股權計劃(「二零零二計劃」)。根據二零零二計劃,本公司董事會(「董事會」)可根據及按照二零零二計劃的條款及上市規則授予任何合資格人士購股權以認購本公司之股份。本公司股東並於二零一二年五月二十五日舉行之股東周年大會上採納了新購股權計劃(「二零一二計劃」)及終止了二零零二計劃。

繼聯交所上市委員會批准授出之購股權獲行使而將予發行及分配之任何股份上市及買賣,二零一二計劃於二零一二年五月二十九日起生效。

根據二零零二計劃項下已授出但尚未行使的購股權仍然有效,並可根據其發行條款予以行使。

本公司設立二零零二計劃(其後被二零一二計劃取代)旨在鼓勵及獎勵合資格人士對本集團所作出之貢獻或可能作出之貢獻。二零零二計劃之合資格人士包括本公司或其任何附屬公司或其任何聯營公司或其任何共同控制企業之任何董事(包括執行及非執行)、行政人員、高級職員、僱員或股東及任何供應商、客戶、諮詢人、顧問、代理人、合夥人或業務關連人士,該等將會或已向本集團作出貢獻之人士。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

34 SHARE-BASED PAYMENT TRANSACTIONS (continued)

The Company's share option scheme (continued)

Qualifying grantees of the 2012 Scheme include any director (including executive, non-executive and independent non-executive), executive, officer, employee, shareholder of the Company or any of the subsidiaries or any of the associated companies or any of the joint ventures and any supplier, customer, consultant, adviser, agent, partner or business associate, who will contribute or has contributed to the development and growth of the Group. Unless otherwise cancelled or amended, the 2012 Scheme will remain in force for a period of ten years from 29 May 2012. The 2012 Scheme has expired on 28 May 2022.

The offer of a grant of share options under the 2012 Scheme may be accepted within 60 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. An option may be exercised under the 2002 Scheme and 2012 Scheme at any time within 10 years from the date of grant of the options or may be determined by the Board at its absolute discretion. The minimum period for which an option must be held before it can be exercised will be determined by the Board at its discretion.

The exercise price per share in relation to an option under the 2002 Scheme and 2012 Scheme shall be a price to be determined by the Board and shall be no less than the highest of (a) the official closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange on the date on which the option is offered to an eligible participant/a qualifying grantee, which must be a business day; or (b) the official average closing price of the shares of the Company as stated in the daily quotation sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of offer of option to an eligible participant/a qualifying grantee.

34 以股份支付支出之交易(續)

本公司之購股權計劃(續)

二零一二計劃之合資格承授人包括本公司或其任何附屬公司或其任何聯營公司或其任何共同控制企業之任何董事(包括執行、非執行及獨立非執行)、行政人員、高級職員、僱員或股東及任何供應商、客戶、諮詢人、顧問、代理人、合夥人或業務關連人士，該等將會或已向本集團發展及增長作出貢獻之人士。除非被註銷或修改以外，二零一二計劃由二零一二年五月二十九日起計十年內有效。二零一二計劃已於二零二二年五月二十八日屆滿。

根據二零一二計劃獲授予購股權人士可於獲授予購股權日期起計六十日內接納，並須支付港幣1元之象徵式代價。根據二零零二計劃及二零一二計劃，購股權可於購股權授出日期起計十年內或董事會全權酌情決定購股權可予行使之期限內行使。董事會可酌情決定購股權可獲行使前必須持有之最短期限。

有關二零零二計劃及二零一二計劃購股權之股份之每股行使價將由董事會釐訂，及並不得低於下列兩項中最高(a)於向合資格人士／合資格承授人授出購股權當日(必須為營業日)的收市價，即於聯交所刊發之報告所載本公司股份之官方收市價；或(b)緊接向合資格人士／合資格承授人授出購股權日期前五個營業日於聯交所刊發之報告所載本公司股份之平均官方收市價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

34 SHARE-BASED PAYMENT TRANSACTIONS (continued)

The Company's share option scheme (continued)

Pursuant to the 2002 Scheme and 2012 Scheme, share options held by any eligible participant/qualifying grantee will lapse automatically upon their termination of employment but the Board is empowered to extend the exercise period of the concerned share options at its discretion. Relevant exercise period of share options held by the eligible participant whose employment terminated during the previous years was extended and approved by the Board. Such change does not constitute modification of the 2002 Scheme.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

Since the adoption of the 2012 Scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder until it expired on 28 May 2022. No new share option scheme has been adopted after the expiration of the 2012 Scheme.

35 RELATED PARTY TRANSACTIONS AND BALANCES

The Company's substantial shareholder with significant influence is Shougang HK, which is a wholly owned subsidiary of Shougang Group Co., Ltd., a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission. Shougang Group Co., Ltd., together with its associates (as defined in the Listing Rules) other than the Group, will hereinafter be referred to as the "Shougang Group". Accordingly, the Group is significantly influenced by Shougang Group, which is part of a larger group of companies ultimately controlled by the PRC government.

Apart from the transactions with Shougang Group, the Group also conducts businesses with other PRC government-related entities in the ordinary course of business.

34 以股份支付支出之交易(續)

本公司之購股權計劃(續)

根據二零零二計劃及二零一二計劃，任何合資格人士／合資格承授人當終止僱傭合約，其持有之購股權將自動失效，但董事會有權延長該購股權的行使期限。有關任何合資格人士於過往年度終止僱傭合約時持有之購股權期限已被董事會延長及批准。該修改並不會構成二零零二計劃之修改。

購股權之持有人並不授予收取股息或於股東大會上投票之權利。

自採納二零一二計劃以來，直至其於二零二二年五月二十八日屆滿，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。於該計劃屆滿後，概無採納新的購股權計劃。

35 關連人士之交易及結餘

本公司有重要影響的主要股東是首控香港(乃首鋼集團有限公司(北京國有資產監督管理委員會直接監督之國有企業)的全資附屬公司)。除本集團外，首鋼集團有限公司及其聯繫人(根據上市規則定義)以下將被稱為「首鋼集團」。因此，本集團受首鋼集團之重大影響。首鋼集團為中國政府最終控制之一系列大型企業之一部份。

除與首控香港集團的交易，本集團在日常業務過程中亦與其他中國政府關連實體進行業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

35 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(i) Transactions and balances with PRC government-related entities

(a) Transactions and balances with Shougang Group

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Consultancy fees paid and payables	已支付及應付顧問費	2,760	2,760
Settlement of convertible bonds	償付可換股債券	128,520	5,504
Conversion of convertible bonds	轉換可換股債券	-	24,000
Loans repayment	償還貸款	-	22,390
Interest expenses on loans	貸款之利息支出	-	1,049
Amount placed with Shougang Group Finance Co. Ltd.	於首鋼集團財務有限公司存置之金額	17,104	-

As at 31 December 2023, amount due to Shougang Group was approximately HK\$2,530,000 (2022: HK\$2,531,000). The balance was interest-free, unsecured, repayable on demand, and denominated in HK\$.

(b) Transactions with other PRC government-related entities

The Group has entered into various transactions, including sales to, purchases from and other operating expenses paid to other PRC government-related entities. In the opinion of the directors of the Company, these transactions are considered as individually insignificant to the operation of the Group during the reporting period.

35 關連人士之交易及結餘(續)

(i) 與中國政府關連實體之交易及結餘

(a) 與首鋼集團之交易及結餘

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Consultancy fees paid and payables	已支付及應付顧問費	2,760	2,760
Settlement of convertible bonds	償付可換股債券	128,520	5,504
Conversion of convertible bonds	轉換可換股債券	-	24,000
Loans repayment	償還貸款	-	22,390
Interest expenses on loans	貸款之利息支出	-	1,049
Amount placed with Shougang Group Finance Co. Ltd.	於首鋼集團財務有限公司存置之金額	17,104	-

於二零二三年十二月三十一日，結欠首鋼集團之金額約為港幣2,530,000元(二零二二年：港幣2,531,000元)。該結餘為免息、無抵押、按通知償還及以港元為單位。

(b) 與其他中國政府關連實體之交易

本集團與其他中國政府關連實體訂立多項交易，包括銷售予、採購自及支付其他經營費用予其他中國政府關連實體。本公司董事認為，該等交易個別地被視為對本集團於報告期內的營運並不顯著。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

35 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(i) Transactions and balances with PRC government-related entities (continued)

(b) Transactions with other PRC government-related entities (continued)

In addition, the Group has entered into various banking transactions, including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are state-controlled entities in its ordinary course of business. In view of the nature of those banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful.

(ii) Transactions and balances with non-PRC government-related entities

(a) Transaction and balance with a shareholder

As at 31 December 2023, amount due to a shareholder was approximately HK\$944,000 (2022: HK\$1,345,000). The balance was interest-free, unsecured, repayable on demand, and denominated in RMB.

35 關連人士之交易及結餘(續)

(i) 與中國政府關連實體之交易及結餘(續)

(b) 與其他中國政府關連實體之交易(續)

此外，本集團與屬於國家控制的若干銀行及財務機構於日常業務過程中訂立多項交易，包括存款、借貸及其他一般銀行融資。鑒於該等銀行交易之性質，本公司董事認為獨立披露並無意義。

(ii) 與非中國政府關連實體之交易及結餘

(a) 與一位股東的交易

Year ended 31 December
截至十二月三十一日止年度

	2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Royalty expenses 專利費用	3,882	2,177

於二零二三年十二月三十一日，結欠一位股東之金額約為港幣944,000元(二零二二年：港幣1,345,000元)。該結餘為免息、無抵押、按通知償還及以人民幣為單位。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

35 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(ii) Transactions and balances with non-PRC government-related entities (continued)

(b) Compensation of key management personnel

The key management of the Group comprises all executive directors of the Company, details of their emoluments are disclosed in Notes 10 and 37, and share-based payment transactions are disclosed in Note 34, respectively. The emoluments of the directors of the Company are decided by the remuneration committee of the Company having regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

35 關連人士之交易及結餘(續)

(ii) 與非中國政府關連實體之交易及結餘(續)

(b) 主要管理人員之報酬

本集團之主要管理人員包括本公司所有執行董事，其酬金及以股份支付支出之交易詳情已分別於附註10及37與附註34作出披露。本公司董事之酬金由本公司之薪酬委員會按照個人表現，本集團之業績及盈利狀況，亦以業界之薪酬基準及當時市場環境而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position of the Company

36 本公司的財務狀況表及儲備

本公司財務狀況表

		As at 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元
Assets	資產		
Non-current asset	非流動資產		
Interests in subsidiaries	於附屬公司之權益	1,811,636	1,852,405
Current assets	流動資產		
Prepayments and other receivables	預付款及其他應收款	80	349
Amounts due from subsidiaries	應收附屬公司款項	429,062	353,777
Bank balances and cash	銀行結存及現金	11,321	3,907
Total current assets	流動資產總額	440,463	358,033
Total assets	資產總額	2,252,099	2,210,438
Equity and liabilities	權益及負債		
Equity attributable to owners of the company	歸屬於本公司擁有人權益		
Share capital	股本	1,215,798	1,215,798
Reserves	儲備	590,382	641,113
Total equity	權益總額	1,806,180	1,856,911

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Statement of financial position of the Company (continued)

36 本公司的財務狀況表及儲備(續)

本公司財務狀況表(續)

		As at 31 December	
		於十二月三十一日	
		2023	2022
		二零二三年	二零二二年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current liabilities	流動負債		
Other payables and accruals	其他應付款及預提費用	2,926	7,869
Derivative financial instruments	衍生金融工具	643	–
Bank borrowing	銀行貸款	442,350	213,584
Financial liability at fair value through profit or loss	按公平值計入損益之金融負債	–	132,074
Total current liabilities	流動負債總額	445,919	353,527
Total equity and liabilities	權益及負債總額	2,252,099	2,210,438

The statement of financial position of the Company was approved by the Board of Directors on 18 March 2024 and was signed on its behalf:

本公司財務狀況表已於二零二四年三月十八日獲董事會批准，並由以下董事代為簽署：

Su Fanrong

蘇凡榮

Director

董事

Yang Junlin

楊俊林

Director

董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

36 本公司的財務狀況表及儲備(續)

本公司儲備的變動

		Capital reserve 資本儲備 HK\$'000 港幣千元	Translation reserve 匯兌儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2022	於二零二二年一月一日	23,990	151,223	447,338	622,551
Comprehensive income	全面收益				
Profit for the year	本年度利潤	-	-	164,318	164,318
Other comprehensive loss	其他全面收益				
Exchange difference arising on translation into presentation currency	因換算呈列貨幣而產生的匯兌差額	-	(116,116)	-	(116,116)
Total comprehensive (loss)/income for the year	本年度全面(虧損)/收益總額	-	(116,116)	164,318	48,202
Share repurchase	股份購回	-	-	(69)	(69)
Dividend paid	已付股息	-	-	(29,571)	(29,571)
At 31 December 2022	於二零二二年十二月三十一日	23,990	35,107	582,016	641,113
At 1 January 2023	於二零二三年一月一日	23,990	35,107	582,016	641,113
Comprehensive loss	全面虧損				
Loss for the year	本年度虧損	-	-	(14,743)	(14,743)
Other comprehensive loss	其他全面虧損				
Exchange difference arising on translation into presentation currency	因換算呈列貨幣而產生的匯兌差額	-	(18,900)	-	(18,900)
Total comprehensive loss for the year	本年度全面虧損總額	-	(18,900)	(14,743)	(33,643)
Share repurchase	股份購回	-	-	(2,699)	(2,699)
Dividend paid	已付股息	-	-	(14,389)	(14,389)
At 31 December 2023	於二零二三年十二月三十一日	23,990	16,207	550,185	590,382

Note: The capital reserve of the Company represents the benefit of acquiring a shareholder's loan from a previous shareholder upon the acquisition of a subsidiary in previous years.

附註：本公司之資本儲備指於以前年度收購一間附屬公司時，向一位前股東購入股東貸款之收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES)

37 董事福利及權益(香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及上市規則規定的披露)

(a) Directors' emoluments

The emoluments of each director of the Company is set out as below:

(a) 董事之酬金

每名董事之酬金載列如下：

For the year ended 31 December 2023:

截至二零二三年十二月三十一日止年度：

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
就個人擔任董事(不論是否為本公司或其附屬公司業務)職務已付或應收酬金

		Fees	Salaries	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Total
		袍金	薪金	津貼及實物福利	僱主的退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors	執行董事					
Su Fanrong	蘇凡榮	-	2,641	37	18	2,696
Yang Junlin (Note a)	楊俊林(附註a)	-	2,401	74	18	2,493
Li Jinping	李金平	-	-	-	-	-
Ye Qian (Note b)	葉芊(附註b)	-	-	-	-	-
Zhang Dan (Note c)	張丹(附註c)	-	-	-	-	-
Non-executive directors	非執行董事					
Adam Touhig	Adam Touhig	150	-	-	-	150
Independent non-executive directors	獨立非執行董事					
Yip Kin Man, Raymond (Note d)	葉健民(附註d)	160	-	-	-	160
Lam Yiu Kin	林耀堅	240	-	-	-	240
Feng Yaoling	馮耀嶺	240	-	-	-	240
Ho Suk Ying, Sabrina (Note e)	何淑瑛(附註e)	80	-	-	-	80
		870	5,042	111	36	6,059

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37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES) (continued)

(a) Directors' emoluments (continued)

For the year ended 31 December 2022:

37 董事福利及權益(香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及上市規則規定的披露)(續)

(a) 董事之酬金(續)

截至二零二二年十二月三十一日止年度：

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking
就個人擔任董事(不論是否為本公司或其附屬公司業務)職務已付或應收酬金

		Fees	Salaries	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Total
		袍金	薪金	津貼及實物福利	僱主的退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors	執行董事					
Su Fanrong	蘇凡榮	-	2,641	37	18	2,696
Yang Junlin (Note a)	楊俊林(附註a)	-	1,200	35	9	1,244
Li Jinping	李金平	-	-	-	-	-
Ye Qian (Note b)	葉芊(附註b)	-	-	-	-	-
Non-executive directors	非執行董事					
Adam Touhig	Adam Touhig	150	-	-	-	150
Independent non-executive directors	獨立非執行董事					
Yip Kin Man, Raymond (Note d)	葉健民(附註d)	240	-	-	-	240
Lam Yiu Kin	林耀堅	240	-	-	-	240
Feng Yaoling	馮耀嶺	240	-	-	-	240
		870	3,841	72	27	4,810

None of the directors received or will receive any emoluments in respect of a person accepting office as a director during the year (2022: Nil).

年內，概無任何董事就接納董事職位而收取或將收取任何酬金(二零二二年：無)。

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37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES) (continued)

(a) Directors' emoluments (continued)

Note:

- (a) Mr. Yang Junlin was appointed as an executive director on 1 July 2022.
- (b) Mr. Ye Qian was resigned as an executive director on 1 August 2023.
- (c) Mr. Zhang Dan was appointed as an executive director on 1 August 2023.
- (d) Mr. Yip Kin Man, Raymond was resigned as an independent non-executive director on 1 September 2023
- (e) Ms. Ho Suk Ying, Sabrina was appointed as an independent non-executive director on 1 September 2023.

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2022: same).

(c) Consideration provided to or receivable by third parties for making available directors' services

During the year ended 31 December 2023, the Company does not pay consideration to any third parties for making available directors' services (2022: same).

37 董事福利及權益(香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及上市規則規定的披露)(續)

(a) 董事之酬金(續)

附註：

- (a) 楊俊林先生於二零二二年七月一日獲委任為執行董事。
- (b) 葉芊先生於二零二三年八月一日辭任執行董事。
- (c) 張丹先生於二零二三年八月一日獲委任為執行董事。
- (d) 葉健民先生於二零二三年九月一日辭任獨立非執行董事。
- (e) 何淑瑛女士於二零二三年九月一日獲委任為獨立非執行董事。

(b) 董事退休福利及離職福利

年內，概無董事已經或將會收取任何退休福利或離職福利(二零二二年：相同)。

(c) 就獲取董事服務第三方支付之代價

截至二零二三年十二月三十一日止年度，本公司並無就獲取董事服務而向任何第三方支付代價(二零二二年：相同)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND LISTING RULES) (continued)

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2023, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2022: same).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 35, no transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2022: same).

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Shougang Century Holdings Limited and its subsidiaries.

37 董事福利及權益(香港公司條例(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及上市規則規定的披露)(續)

(d) 有關以董事、該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易之資料

於二零二三年十二月三十一日，概無以董事、或該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易安排(二零二二年：相同)。

(e) 董事於交易、安排或合約之重大權益

除附註35所披露者外，本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或年內任何時間仍然存續的重大交易、安排或合約(二零二二年：相同)。

38 其他潛在重大會計政策概要

本附註提供編製此等綜合財務報告時所採用的一系列其他潛在重大會計政策。除另有所指外，該等政策於呈報之所有年度貫徹採用。財務報表乃為本集團(包括首佳科技製造有限公司及其附屬公司)而作出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.1 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 38.2).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

38 其他潛在重大會計政策概要(續)

38.1 綜合原則

(a) 附屬公司

附屬公司指本集團對其有控制權的所有實體。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其指導體活動的權力影響上述回報。附屬公司在控制權轉移至本集團當日悉數綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團的業務合併使用收購會計法入賬(參閱附註38.2)。

集團內公司間交易、結餘及集團公司間交易的未變現收益均予以抵銷。未變現虧損亦會抵銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

於附屬公司業績及權益的非控股權益分別於綜合全面收益表、綜合權益變動表及綜合財務狀況表內列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.1 Principles of consolidation (continued)

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

38 其他潛在重大會計政策概要(續)

38.1 綜合原則(續)

(b) 擁有權權益變動

本集團將不會引致失去控制權的非控股權益交易視為與本集團權益持有者間的交易。擁有權權益變動會導致控股及非控股權益賬面值調整，以反映各自於附屬公司的相對權益。非控股權益調整金額與任何已付或已收代價間的任何差額，乃於本公司擁有人應佔權益內確認為獨立儲備。

倘本集團因喪失控制權而停止對一筆投資綜合入賬，於實體的任何保留權益按公平值重新計量，而有關賬面值變動於損益內確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額，按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重分類至損益或根據適用香港財務報告準則所訂明／准許者，轉撥至另一權益類別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

38 其他潛在重大會計政策概要(續)

38.2 業務合併

所有業務合併均以收購會計法入賬，無論所收購者為權益工具或其他資產。收購一間附屬公司所轉讓的代價包括：

- 所轉讓資產的公平值，
- 所收購對象先前擁有人產生的負債，
- 本集團發行的股權，
- 或然代價安排產生的任何資產或負債的公平值，及
- 任何先前存在的附屬公司股權的公平值。

除有限例外情況外，於業務合併收購的可識別資產以及承擔的負債及或然負債，初步按收購日期的公平值計量。本集團根據個別收購交易按公平值或非控股權益應佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時計入費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.2 Business combination (continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

38 其他潛在重大會計政策概要(續)

38.2 業務合併(續)

以下項目：

- 所轉讓代價，
- 於被收購實體的任何非控股權益金額，及
- 任何先前於被收購實體的權益於收購日期的公平值

超出已收購可識別資產淨值的公平值的差額按商譽列賬。倘上述金額低於所收購業務可識別資產淨值的公平值，有關差額會作為一項議價收購直接於損益中確認。

倘現金代價任何部分的結算被延期，則把將來應付的款項折現至其在交換之日的現值。而使用的貼現率是實體的增量借款利率，即在可比較的條款和條件下可以從獨立金融機構獲得類似借款的利率。應付或然代價歸類為權益或金融負債。歸類為金融負債的金額其後重新計量至公平值，公平值變動於損益中確認。

倘業務合併分階段完成，收購方過往於收購對象所持股權於收購日期的賬面值重新計量至收購日期的公平值。該項重新計量所產生的任何收益或虧損，於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

38.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's managing director that make strategic decisions.

38.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Group's presentation currency. The functional currency of the Company is Renminbi ("RMB").

38 其他潛在重大會計政策概要(續)

38.3 獨立財務報告

於附屬公司的投資按成本值扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收及應收股息入賬。

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報告中投資賬面值超出綜合財務報告所示投資對象資產淨值(包括商譽)的賬面值，則須於自該投資收取股息時，對該等附屬公司的投資進行減值測試。

38.4 分部報告

經營分部以向主要營運決策者提交的內部報告一致的方式呈報。本公司之董事總經理乃視為作出策略決策的主要營運決策者，並負責分配資源及評估經營分部的表現。

38.5 外幣換算

(a) 功能及呈報貨幣

本集團旗下各實體之財務報告所列項目均採用有關實體營業所在主要經濟環境通用之貨幣(「功能貨幣」)為計算單位。本綜合財務報告以港元(「港元」)呈報，港元為本集團之呈報貨幣。人民幣(「人民幣」)為本公司之功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.5 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and financial liability at fair value through profit or loss are presented in the consolidated statement of comprehensive income, within “finance costs, net”. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair values are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

38 其他潛在重大會計政策概要(續)

38.5 外幣換算(續)

(b) 交易及結餘

外幣交易按交易當日適用之匯率或重新計量項目之估值換算為功能貨幣。因結算交易及按年結日之匯率換算以外幣計值的貨幣資產及負債而產生的外匯收益及虧損，均於損益中確認。

與借貸及按公平值計入損益之金融負債有關之外匯收益及虧損於綜合全面收益表之「財務成本，淨額」內呈列。所有其他外匯收益及虧損於綜合全面收益表之內按淨額呈列。

按公平值計量並以外幣計值之非貨幣項目使用釐定公平值當日之匯率換算。按公平值列賬之資產及負債之匯兌差額均呈報為公平值損益之一部分。例如，非金融資產及負債，如經損益表以公平值計量且其變化計入損益的持有之股權，其匯兌差額於損益中確認為公平值收益或虧損之一部份，以及非金融資產，如分類為以公平值計量且其變化計入其他全面收益之股權，其匯兌差額於其他全面收益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.5 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that end of the reporting period;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

38 其他潛在重大會計政策概要(續)

38.5 外幣換算(續)

(c) 集團公司

海外業務(全部均非高通脹經濟的貨幣)如持有與呈報貨幣不相同的功能貨幣,其業績及財務狀況均按以下方式換算為呈報貨幣:

- (i) 各財務狀況表期末所呈列之資產及負債,均按報告期末的收市匯率換算;
- (ii) 各全面收益表之收入及支出,均按平均匯率換算,(惟此平均值並非該等交易日期當時匯率具累積效果之合理約數除外。在此情況下,收入及支出將按交易日期匯率換算);及
- (iii) 所有由此產生之匯兌差額確認為其他全面收益。

於編製綜合賬目時,換算於海外實體任何投資淨額以及借款產生之匯兌差額均列入於其他全面收益。當出售海外業務或償還構成該投資淨額部分之任何借款時,相關匯兌差額於損益中重新歸類為出售收益或虧損的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.5 Foreign currency translation (continued)

(c) Group companies (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

38.6 Impairment of non-financial assets

Goodwill that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38 其他潛在重大會計政策概要(續)

38.5 外幣換算(續)

(c) 集團公司(續)

因收購海外業務而產生之商譽及公平值調整，均視作為該海外業務之資產及負債，並按收市匯率換算。

38.6 非金融資產之減值

商譽沒有確定可使用年期而毋須攤銷，惟須每年進行減值測試，當有事件或情況改變顯示可能出現減值時更頻繁地進行減值測試。倘有事件或情況改變顯示賬面值可能無法收回時，將檢討須攤銷資產是否減值。減值虧損按資產賬面值超過其可收回金額的差額確認。可收回金額為資產公平值扣除出售成本及使用價值兩者間之較高者。於評估減值時，資產按可獨立識別現金流入的最低分類組合(現金產生單位)分類，其所產生的現金流入基本上獨立於其他資產或資產組別。商譽以外出現減值之非金融資產則會於各報告期結束時檢討可否減值撥回的可能性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.7 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

38 其他潛在重大會計政策概要(續)

38.7 投資和其他金融資產

(a) 分類

本集團將其金融資產分類為以下計量類別：

- 隨後以公平值計量(計入其他全面收益或計入損益)，及
- 隨後以攤銷成本計量。

該分類取決於實體管理其金融資產的業務模式和現金流量的合約條款。

就按公平值計量的資產而言，其收益及虧損將記錄於損益。

僅當其管理這些資產的業務模式發生變化時，本集團才會對債務投資進行重分類。

(b) 確認及終止確認

以常規方式買賣之金融資產於交易日確認，交易日為本集團承諾購買或出售資產之日期。倘收取金融資產現金流量之權利已屆滿或轉移，且本集團已將所有權絕大部分風險及所有回報轉移，金融資產即終止確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.7 Investments and other financial assets

(continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies all of its debt instruments at amortised cost.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

38 其他潛在重大會計政策概要(續)

38.7 投資和其他金融資產(續)

(c) 計量

就所有並非按公平值計入損益之金融資產而言，本集團按公平值加上可直接歸屬於獲得該項金融資產的交易成本進行初始確認。與以公平值計量且其變動計入損益的金融資產的交易成本計入損益。

債務工具

債務工具的隨後計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其所有債務工具分類為攤銷成本。

攤銷成本：對於持有以收取合約現金流量的資產，如果這些現金流量僅代表本金和利息的支付，則按攤銷成本計量。這些金融資產的利息收入採用實際利率法計入財務收入，終止確認時產生的任何收益或虧損直接於損益中確認。減值虧損於綜合全面收益表中以獨立項目列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.7 Investments and other financial assets

(continued)

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b)(ii) for further details.

38.8 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

38 其他潛在重大會計政策概要(續)

38.7 投資和其他金融資產(續)

(d) 減值

本集團按前瞻性基準評估按攤銷成本入賬之債務工具之相關預期信貸虧損。所採用的減值方法取決於信貸風險是否顯著增加。

就業務應收賬款而言，本集團採用香港財務報告準則第9號允許的簡化方法，該方法規定於初始確認應收款項時確認預期存續期虧損，進一步資料見附註3.1(b)(ii)。

38.8 衍生工具及對沖活動

衍生工具最初於訂立衍生工具合約之日按公平值確認，其後於各報告期結束時按公平值重新計量。公平值後續變動的會計處理取決於衍生工具是否指定為對沖工具，如屬對沖工具則須取決對沖項目性質。本集團指定若干衍生工具為：

- 對沖已確認資產或負債或確實承擔的公平值(公平值對沖)
- 對沖與已確認資產和負債的現金流量以及極有可能發生的預測交易有關的特定風險(現金流量對沖)，或
- 海外業務淨投資對沖(淨投資對沖)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

38.8 Derivatives and hedging activities (continued)

At the inception of the hedging, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedges items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

(i) *Cash flow hedge that qualifies for hedge accounting*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other gains, net.

Where option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

38 其他潛在重大會計政策概要(續)

38.8 衍生工具及對沖活動(續)

本集團會於對沖發生時記錄對沖工具與對沖項目之經濟關係，包括預期對沖工具現金流量變動是否可抵銷對沖項目現金流量變動。本集團記錄風險管理目的以及進行對沖交易時所採取策略。

(i) *符合對沖會計要求的現金流量對沖*

被指定並符合資格作現金流量對沖的衍生工具，其公平值變動的有效部分計入權益中的現金流量對沖儲備。與無效部分有關的收益或虧損即時於損益中的其他收入或其他收益淨額內確認。

當期權合約被用作對沖預測交易時，本集團僅以指定期權的內在價值為對沖工具。

與期權內在價值變動有效部分相關的收益或虧損，於權益中的現金流量對沖儲備內確認。與被對沖項目有關的期權時間價值變動(「校準時間值」)於權益內的對沖儲備成本中的其他全面收益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.8 Derivatives and hedging activities

(continued)

(i) *Cash flow hedge that qualifies for hedge accounting (continued)*

When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

38 其他潛在重大會計政策概要(續)

38.8 衍生工具及對沖活動(續)

(i) *符合對沖會計要求的現金流量對沖(續)*

使用遠期合約對預測交易進行對沖時，本集團通常僅指定與即期要素有關的遠期合約公平值變動為對沖工具。與遠期合約即期要素變動的有效部分相關的收益或虧損，計入權益中的現金流量對沖儲備。被對沖項目有關合約的遠期要素變動（「校準遠期元素」）於權益內的對沖儲備成本中的其他全面收益內確認。在某些情況下，實體可將遠期合約的公平值變動（包括遠期要素）全部指定為對沖工具。在這樣的情況下，與整個遠期合約公平值變動的有效部分相關的收益或虧損於權益中的現金流量對沖儲備內確認。

權益中的累計金額在被對沖項目影響損益的期間內進行以下重分類：

- 如果被對沖項目其後導致確認一項非財務資產（如存貨），遞延對沖收益及虧損以及遞延的期權合約時間價值或遞延的遠期要素（如有），計入該資產的初始成本。由於被對沖項目影響了損益（譬如通過銷售成本影響），遞延金額最終計入損益。

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綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

38.8 Derivatives and hedging activities (continued)

(i) *Cash flow hedge that qualifies for hedge accounting (continued)*

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(ii) *Net investment hedges*

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains, net.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

38 其他潛在重大會計政策概要(續)

38.8 衍生工具及對沖活動(續)

(i) *符合對沖會計要求的現金流量對沖(續)*

- 對於以利率互換掉期對浮動利率借款的對沖，其有效部分相關的收益或虧損，與被對沖借款的利息費用一同計入損益中的財務成本。

在對沖工具到期、出售或終止時，或對沖不再符合對沖會計處理要求時，權益中的累計對沖遞延收益或虧損以及遞延成本仍留在權益，直至預測交易發生而確認一項非財務資產（如存貨）為止。當預測交易預計不再發生時，權益中累計的對沖收益或虧損以及遞延成本立即重分類至損益。

(ii) *淨投資對沖*

海外業務淨投資對沖的會計處理與現金流量對沖類似。

對於與有效部分相關的對沖工具所產生的任何收益或虧損，應在其他綜合收益中確認，並在權益儲備中累計。與無效部分有關的收益或虧損即時於損益中的其他收益淨額內確認。

當海外業務部分處置或出售時，在權益中累積的損益將重分類到損益中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.8 Derivatives and hedging activities

(continued)

(iii) *Derivatives that do not qualify for hedge accounting*

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains, net.

38.9 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

38.10 Trade receivables, bills receivables and other receivables

Trade receivables, bills receivables and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables, bills receivables and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

38 其他潛在重大會計政策概要(續)

38.8 衍生工具及對沖活動(續)

(iii) *不符合對沖會計條件之衍生工具*

某些衍生工具不符合對沖會計的條件。任何不符合對沖會計條件的衍生工具的公平值變化都會立即在損益中確認，並計入其他收益淨額。

38.9 存貨

原材料、在製品和製成品以成本值及可變現淨值兩者中較低者列賬，成本包括直接材料、直接人工和適當比例的變動和固定間接費用，後者根據正常營運能力進行分配。成本根據加權平均成本分配給各個庫存項目。購買庫存的成本在扣除回扣和折扣後確定。可變現淨值為日常業務過程中的估計售價減去估計完工成本及進行銷售所需的估計成本。

38.10 應收賬款、應收票據及其他應收款

應收賬款、應收票據及其他應收款初步按無條件代價金額確認，除非其包含重大融資成份以公平值確認。本集團持有應收賬款、應收票據及其他應收款，目的是收取合約現金流量，因此，其後採用實際利率法按攤餘成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

38.13 Trade payables, bills payables and other payables

Trade payables, bills payables and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and bills and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

38 其他潛在重大會計政策概要(續)

38.11 現金及現金等值項目

為了在綜合現金流量表中列報，現金及現金等價物包括庫存現金、金融機構通知存款、原有期限為三個月或以下且可隨時轉換為已知金額並且價值變動的風險很小的其他短期，高流動性投資。

38.12 股本

普通股分類為權益。

因發行新股份而直接產生的增量成本於權益內列作所得款項的扣減項目(扣除稅項)。

38.13 應付賬款、應付票據及其他應付款

應付賬款、應付票據及其他應付款是在財政年度末之前向集團提供的商品和服務的未償債務。該金額是無抵押的，通常在確認後30日內支付。應付賬款及票據及其他應付款在流動負債中列報，除非於報告期後12個月內未到期付款。應付賬款及票據及其他應付款初步按公平值確認，其後利用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as “finance costs, net”.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

38 其他潛在重大會計政策概要(續)

38.14 借貸

借貸初步以公平值扣除所產生的交易成本予以確認。借貸隨後按攤銷成本計量。所得款項(經扣除交易成本)與贖回金額之間的任何差額，使用實際利率法於借貸期間在損益內確認。在貸款融資將可能部分或全部被提取的情況下，就設立貸款融資而支付的費用乃確認為貸款交易成本。在此情況下，該費用將被遞延，直至提取貸款時為止。在並無證據表明其將可能部分或全部被提取的情況下，該費用會作為流動資金服務的預付款項被撥充資本，並於其相關融資期間內予以攤銷。

當合約中規定的責任獲解除、取消或屆滿時，會將借貸從綜合財務狀況表中移除。已消除或轉移至另一方的金融負債的賬面值與已付代價(包括所轉讓的非現金資產或所承擔的負債)之間的差額，乃於損益中確認為「財務成本，淨額」。

除非本集團有無條件權利，將償付負債遞延至報告期後至少12個月，否則借貸會被分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

38.16 Financial liability at fair value through profit or loss

The Group has convertible bonds which are classified entirely as liabilities because they were issued in a currency other than the functional currency of the Company. As the instrument contains an embedded derivative, it has been designated as at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as at fair value through profit or loss are expensed as incurred.

Subsequent to initial recognition, the convertible bonds are carried at fair value with changes in fair value recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss.

38 其他潛在重大會計政策概要(續)

38.15 借貸成本

直接歸屬於購買、建造或生產合資格資產的一般和特定借貸成本在完成和準備資產用於其預定用途或銷售所需的時間段內資本化。合資格資產是必須花費相當長的一段時間才能為其預期用途或銷售做好準備的資產。

而將該借貸用於合資格資產前所作短期投資賺取之投資收入，乃自可用作資本化之借貸成本中扣除。

其他借貸成本於產生期間計入費用。

38.16 按公平值計入損益之金融負債

由於本集團持有可換股債券以本公司功能貨幣以外的貨幣發行，因此全部被分類為負債。由於該工具包含嵌入式衍生工具，因此已在初步確認時指定為按公平值計入損益，嵌入式轉換功能未被分離。與指定為按公平值計入損益的金融工具相關的所有交易成本均於產生期間計入費用。

初步確認後，可換股債券以公平值列賬，並在損益中確認公平值的變動，本集團因自身信貸風險產生的收益或虧損除外，這些收益或虧損於其他全面收益中呈列，而其後並無重分類至損益。

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綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable or recoverable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

38 其他潛在重大會計政策概要(續)

38.17 當期及遞延所得稅

本期間的所得稅費用或減免是按當期應納稅所得額的應付或可回收稅，是根據各個司法管轄區的適用所得稅率計算，並根據由於暫時差異及未動用稅項虧損而導致的遞延稅項資產和負債變動作出調整。

(a) 當期所得稅

當期所得稅支出根據本公司及其附屬公司營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表狀況，並考慮稅務機構是否有可能接受不確定的稅收待遇。本集團根據最可能的金額或預期價值計量其稅收結餘，具體取決於哪種方法可以更好地預測不確定性的解決方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.17 Current and deferred income tax

(continued)

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred income tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

38 其他潛在重大會計政策概要(續)

38.17 當期及遞延所得稅(續)

(b) *遞延所得稅*

遞延所得稅乃就資產與負債之稅基及資產與負債於綜合財務報告中賬面值兩者之暫時差額，以負債法悉數撥備。然而，倘遞延稅項負債乃產生自商譽之初始確認，則不會確認遞延稅項負債。倘遞延所得稅乃產生自於初步確認交易(業務合併除外)資產或負債而得之商譽，且當時之交易並無影響會計處理或應課稅溢利或虧損，則亦不會予以確認。遞延所得稅乃以於結算日已訂明或實質訂明之稅率(及法例)釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

就公平值模式計量投資物業之遞延稅項負債，投資物業之賬面值乃假定為透過銷售全部收回。

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.17 Current and deferred income tax

(continued)

(b) *Deferred income tax (continued)*

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

38 其他潛在重大會計政策概要(續)

38.17 當期及遞延所得稅(續)

(b) *遞延所得稅(續)*

遞延稅項資產僅在未來很可能有應課稅利潤用作抵銷該等暫時差額及虧損，方會予以確認。

倘本集團能夠控制撥回暫時差額之時間，且該等差額可能不會於可見將來撥回，則不會就海外業務之投資賬面值與稅基之間之暫時差額確認遞延稅項負債及資產。

倘有法定可執行權利將當期稅項資產與負債相互抵銷而遞延稅項結餘涉及同一稅務機構，則遞延稅項資產與負債可予相互抵銷。倘有關實體有法定可執行權利可抵銷及有意按淨值基準結算，或有意同時變現資產及結算負債，則當期稅項資產及負債可相互抵銷。

當期及遞延稅項於損益中確認，惟倘其與在其他全面收益中或直接於權益中確認之項目相關，則當期及遞延稅項亦分別於其他全面收益或直接於權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.18 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(b) Post-employment obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Pension Scheme") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the Pension Scheme. The assets of the Pension Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed to the Pension Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the Pension Scheme.

38 其他潛在重大會計政策概要(續)

38.18 僱員福利

(a) 短期責任

工資和薪金的負債，包括非貨幣福利、年假和累積病假，預計將在僱員提供相關服務期間結束後的十二個月內全部結清，並確認為僱員服務截至報告期末並按負債結算時預期支付的金額計量。負債於綜合財務狀況表呈列為現時僱員福利責任。

(b) 退休金責任

本集團為其所有香港僱員運作一個根據強制性公積金計劃條例設立之定額供款強制性公積金退休福利計劃（「退休計劃」）。供款按僱員基本薪金之某個百分比計算，並於根據退休計劃規則應支付供款時在損益扣除。退休計劃之資產與本集團資產分開持有，並由獨立管理基金保管。本集團之僱主供款在向退休計劃作出供款時悉數歸屬僱員，惟本集團作出之僱主自願供款，會按照退休計劃之規則在僱員於有關供款全數歸屬前離職時退回本集團。

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.18 Employee benefits (continued)

(b) Post-employment obligations (continued)

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 6% to 21% of the wages for the year of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to profit or loss as incurred.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

38 其他潛在重大會計政策概要(續)

38.18 僱員福利(續)

(b) 退休金責任(續)

本集團於支付供款後即無其他付款責任。供款於到期時確認為僱員福利支出，並扣減僱員於供款全數歸屬前離職而被沒收之供款。預付供款於退回現金或扣減未來供款時確認為資產。

此外，根據中華人民共和國（「中國」）政府之規例，本集團須按中國僱員該年度之工資約6%至21%就若干退休福利計劃作出供款，由當地市政府承擔該等本集團僱員之退休福利責任。就該等退休福利計劃作出之供款於產生時計入損益。

(c) 溢利分享及花紅計劃

本集團按照特定計算方法就花紅及溢利分享確認負債及開支，該計算方法於作出若干調整後已計入本公司股東應佔溢利。當出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

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38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.19 Share-based payments

Up to 2022, the Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for share options of the Group. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and nonmarket performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

38 其他潛在重大會計政策概要(續)

38.19 以股份為基礎支付

至二零二二年，本集團推行一項按股本結算、以股份為基礎支付的酬金計劃，據此，實體從其僱員獲得服務作為換取本集團權益工具(購股權)的代價。為換取授出購股權而獲得僱員服務的公平值乃確認為開支，並相應增加權益。將列作開支的總金額，乃參照已授出的購股權的公平值釐定：

- 包括任何市場表現狀況；
- 不包括任何服務及非市場表現的歸屬條件所產生之影響(例如有關人士於一段特定期間內是否仍為該實體的僱員)；及
- 包括任何非歸屬條件所產生之影響。

總開支於歸屬期間內確認，即指所有特定歸屬條件均獲滿足之期間。於各報告期末，本集團會修訂其對根據非市場表現及服務條件預期將歸屬的購股權數目作出的估計。並在損益內確認對原來估計作出修訂的影響(如有)，並在權益作出相應調整。

於購股權獲行使時，本公司發行新股份。收取的所得款扣除任何直接應佔的交易成本後撥入股本。

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綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

38 其他潛在重大會計政策概要(續)

38.20 撥備

當本集團因已發生的事件須承擔現有之法律或推定性的責任，而解除責任時很有可能導致資源流出，且有關金額能夠可靠地作出計算的情況下，便會確認撥備。

倘承擔若干類似責任，於釐定解除責任是否導致資源流出時，將以整類責任類別為考慮。即使在同類責任當中任何一項導致相關資源流出的可能性甚低，亦會確認撥備。

撥備按管理層於報告期末結算現時責任所需支出之最佳估計現值計量，用於確定現值之貼現率是稅前利率，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

38.22 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

38 其他潛在重大會計政策概要(續)

38.21 每股盈利

(i) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於本公司擁有人之溢利，不包括普通股以外之任何支付權益成本；及
- 除以於財政年度內已發行普通股之加權平均數，並就年內發行之普通股之紅利元素作出調整。

(ii) 每股攤薄盈利

每股攤薄盈利對用於釐定每股基本盈利時所使用之數字進行了調整，以將以下因素考慮在內：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股獲轉換，則將為已發行之額外普通股加權平均數。

38.22 利息收入

利息收入以實際利率法按時間比例確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.23 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

38.24 Government grants

Grants from the government are recognised in “other income” in the consolidated statement of comprehensive income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

38.25 Research and development costs

Research expenditure and development expenditure are recognised as an expense as incurred if they do not meet the criteria: (a) it is technically feasible to complete the intangible asset so that it will be available for use or sales; (b) management intends to complete the intangible asset and use or sell it; (c) there is an ability to use or sell the intangible asset; (d) it can be demonstrated how the intangible asset will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and (f) the expenditure attributable to the intangible asset during its development can be reliably measured. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

38 其他潛在重大會計政策概要(續)

38.23 股息分派

對於宣佈的任何經適當授權，不再由實體酌情決定並在報告期結束時或之前，但未在報告期末分發的股息金額作撥備。

38.24 政府補貼

倘有合理保證可收到政府補貼而本集團亦將會遵行所有附帶條件時，該政府補貼將會按公平值於綜合全面收益表「其他收入」中確認。

與成本有關的政府補貼遞延入賬，並於有關期間的損益中確認，以將該等補貼與其擬補償的相關成本匹配。

38.25 研發費用

研發開支於產生時確認為費用如它們未能符合標準：(a)在技術上可行地完成無形資產，以使其可供使用或出售；(b)管理層有意完成該無形資產並將之使用或出售；(c)有能力使用或出售該無形資產；(d)能顯示該無形資產如何產生可能出現的未來經濟利益；(e)有足夠的技術、財務及其他資源完成開發並可使用或出售該無形資產；及(f)該無形資產在開發期內應佔開支能可靠地計量。過往確認為費用之研發成本不會於往後期間確認為資產。

SUMMARY OF INVESTMENT PROPERTIES

投資物業摘要

Particulars of the investment properties held by the Group as at 31 December 2023 are as follows:

本集團於二零二三年十二月三十一日持有之投資物業詳情如下：

	Properties 物業	Use 用途	Group interest 本集團之權益	Category of lease 租賃契約類別
1.	House 5 – 18 and carport District 5, Legend Garden Villas No. 89 Capital Airport Road Chaoyang District, Beijing PRC 中國北京市 朝陽區首都機場路89號 麗京花園別墅第5區 5-18號屋連車位	Residential 住宅	100%	Medium-term lease 中期租賃契約
2.	Workshop Nos. 16, 17 and 18 on 12th Floor Honour Industrial Centre No. 6 Sun Yip Street Chai Wan, Hong Kong 香港柴灣新業街6號 安力工業中心12樓 16, 17及18室	Industrial 工業	100%	Long-term lease 長期租賃契約
3.	Apartment Unit 4-14-5, Level 2 Block 4-8, District 4 Legend Garden Villas No. 89 Capital Airport Road Chaoyang District, Beijing PRC 中國北京市 朝陽區首都機場路89號 麗京花園別墅第4區 第4-8座2樓 4-14-5號室	Residential 住宅	100%	Medium-term lease 中期租賃契約

DEFINITIONS

釋義

In this report, unless the context otherwise requires, the following terms shall have the meaning set out below: 在本報告中，除文義另有所指，下列詞彙具有如下涵義：

“Articles” 「章程細則」	the Articles of Association of the Company 本公司組織章程細則
“Bekaert” 「Bekaert」	NV Bekaert SA, a company incorporated under the laws of Belgium, a substantial shareholder (as defined under the SFO) of the Company NV Bekaert SA，根據比利時法律註冊成立之公司，為本公司之主要股東（根據證券及期貨條例定義）
“Bekaert Combustion” 「Bekaert Combustion」	Bekaert Combustion Technology B.V., a wholly owned subsidiary of Bekaert, is a substantial shareholder (as defined under the SFO) of the Company Bekaert Combustion Technology B.V., Bekaert之全資附屬公司，為本公司之主要股東（根據證券及期貨條例定義）
“Board” 「董事會」	the board of Directors 本公司董事會
“Board Diversity Policy” 「董事會成員多元化政策」	Shougang Century Holdings Limited’s Board Diversity Policy adopted on 26 August 2013 and revised from time to time thereafter 首佳科技製造有限公司之董事會成員多元化政策自二零一三年八月二十六日採納並於隨後不時修訂
“Capital Industrial Financial” 「首惠產融」	Capital Industrial Financial Services Group Limited (Stock Code: 730), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange 首惠產業金融服務集團有限公司（股份代號：730），於百慕達註冊成立之有限公司，其股份在聯交所主板上市
“Corporate Governance Code” 「企業管治守則」	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules 上市規則附錄C1所載之《企業管治守則》
“Companies Ordinance” 「公司條例」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 香港法例第622章公司條例
“Company”/“Shougang Century” 「本公司」／「首佳科技」	Shougang Century Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange 首佳科技製造有限公司，一間於香港註冊成立之有限公司及其股份於聯交所主板上市

DEFINITIONS

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“Continuous Disclosure Obligation Policy” 「持續披露責任政策」	Shougang Century Holdings Limited’s Continuous Disclosure Obligation Policy adopted on 28 March 2011 and revised from time to time thereafter 首佳科技製造有限公司之持續披露責任政策自二零一一年三月二十八日採納並於隨後不時修訂
“Conversion Price” 「換股價」	HK\$0.33 per Conversion Share (subject to adjustment) 每股換股股份港幣0.33元（可予調整）
“Conversion Rights” 「轉換權」	the rights to convert the Convertible Bonds into Conversion Shares 將可換股債券轉換為換股股份的權利
“Conversion Share(s)” 「換股股份」	the Share(s) to be issued by the Company upon the holder(s) of the Convertible Bonds exercising its/their Conversion Rights attached to the Convertible Bonds in accordance with the terms and conditions of the instrument constituting the Convertible Bonds 本公司於可換股債券持有人根據構成可換股債券工具的條款及條件行使彼或彼等可換股債券附帶的轉換權後將予發行的股份
“Convertible Bonds” 「可換股債券」	the 4% unsecured fixed coupon convertible bonds in the aggregate principal amount of HK\$150,000,000 due 2022 (extendable to 2024) issued by the Company to Jingxi Holdings pursuant to the Subscription Agreement 本公司根據認購協議發行予京西控股的本金總額為港幣150,000,000元於二零二二年到期（可延長至二零二四年）的4%無抵押固定票息可換股債券
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Employment Ordinance” 「僱傭條例」	the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) 香港法例第57章僱傭條例
“EUR” 「歐元」	Euros, the lawful currency of the participating states within the European Union 歐元，歐盟成員國的法定貨幣
“Fair Union” 「Fair Union」	Fair Union Holdings Limited, a wholly owned subsidiary of Shougang HK Fair Union Holdings Limited，首控香港之全資附屬公司
“Group” 「本集團」	the Company and its subsidiaries 本公司及其附屬公司

DEFINITIONS

釋義

“HKD/HK\$” 「港元」／「港幣」	Hong Kong dollars, the lawful currency of Hong Kong 港幣，香港法定貨幣
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Internal Control Manual” 「內部監控指引」	Shougang Century Holdings Limited’s internal management and control manual adopted in 1999 and revised from time to time thereafter 首佳科技製造有限公司之內部管理及監控指引自一九九九年採納並於隨後不時修訂
“JESC” 「嘉興東方」	Jiaying Eastern Steel Cord Co., Ltd., a company incorporated under the laws of the PRC and an indirect wholly owned subsidiary of the Company 嘉興東方鋼簾線有限公司，根據中國法律註冊成立之公司，為本公司之間接全資附屬公司
“Jingxi Holdings” 「京西控股」	Jingxi Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Shougang Fund 京西控股有限公司，一間根據香港法例註冊成立的有限公司，為首鋼基金的全資附屬公司
“Li Ka Shing Foundation” 「李嘉誠基金會」	Li Ka Shing Foundation Limited, a “charitable body” within the meaning of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), a substantial shareholder (as defined under the SFO) of the Company 李嘉誠基金會有限公司，為香港法例第112章稅務條例所界定之「慈善團體」，為本公司之主要股東（根據證券及期貨條例定義）
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules 上市規則附錄C3《上市發行人董事進行證券交易的標準守則》
“Policy for Nomination of a Director of the Company” 「提名公司董事政策」	Shougang Century Holdings Limited’s Policy for Nomination of a Director of the Company adopted on 18 December 2018 and revised from time to time thereafter 首佳科技製造有限公司之提名公司董事政策於二零一八年十二月十八日採納並於隨後不時修訂

DEFINITIONS

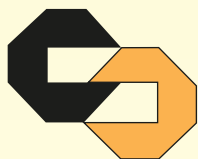
釋義

“pp” 「百分點」	percentage point(s) 百分點
“PRC” 「中國」	the People’s Republic of China, which for the purpose of this report shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，就本報告而言，不包括香港、中國澳門特別行政區及台灣
“RMB” 「人民幣」	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
“SCHL Code” 「首佳科技守則」	Shougang Century Holdings Limited’s Model Code for Securities Transactions by Directors and Specified Individuals adopted in 2004 and revised from time to time thereafter 首佳科技製造有限公司之董事及特定人士進行證券交易的標準守則自二零零四年採納並於隨後不時修訂
“SCHL Corporate Governance Code” 「首佳科技企業管治守則」	Shougang Century Holdings Limited’s Code on Corporate Governance (revised from time to time) 首佳科技製造有限公司之企業管治守則（不時修訂）
“SFO” 「證券及期貨條例」	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	ordinary share(s) of the Company 本公司之普通股
“Shareholder(s)” 「股東」	holder(s) of the Share(s) 股份持有人
“Shougang Finance” 「首鋼財務」	Shougang Group Finance Co. Ltd., a company established in the PRC with limited liability and is a wholly-owned subsidiary of Shougang Group 首鋼集團財務有限公司，一間於中國註冊成立的有限責任公司，為首鋼集團的全資附屬公司
“Shougang Fund” 「首鋼基金」	Beijing Shougang Fund Co., Ltd., a company established in the PRC with limited liability and a wholly-owned subsidiary of Shougang Group 北京首鋼基金有限公司，一間於中國成立的有限責任公司，為首鋼集團的全資附屬公司

DEFINITIONS

釋義

“Shougang Group” 「首鋼集團」	Shougang Group Co., Ltd. (a state-owned enterprise under the direct supervision of the Beijing State-owned Assets Supervision and Administration Commission), a controlling shareholder (as defined under the Listing Rules) of the Company 首鋼集團有限公司（一間於中國成立的國有企業，受北京國有資產監督管理委員會直接監督），為本公司一名控股股東（根據上市規則定義）
“Shougang HK” 「首控香港」	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, a substantial shareholder (as defined under the SFO) of the Company 首鋼控股（香港）有限公司，於香港註冊成立之有限公司，為本公司之主要股東（根據證券及期貨條例定義）
“Stock Exchange/HKEX” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Subscription” 「認購事項」	the subscription for the Convertible Bonds by Jingxi Holdings pursuant to the terms and subject to the conditions of the Subscription Agreement 京西控股根據認購協議的條款並受其條件規限認購可換股債券
“Subscription Agreement” 「認購協議」	the subscription agreement dated 18 December 2018 entered into between the Company and Jingxi Holdings in relation to the Subscription 本公司及京西控股就認購事項訂立的日期為二零一八年十二月十八日的認購協議
“TESC” 「滕州東方」	Tengzhou Eastern Steel Cord Co., Ltd., a company incorporated under the laws of the PRC and an indirect wholly owned subsidiary of the Company 滕州東方鋼簾線有限公司，根據中國法律註冊成立之公司，為本公司之間接全資附屬公司
“TESC Phase II Project” 「滕州東方二期項目」	the construction project of production lines 生產線建設項目
“USD” 「美元」	United States dollars, the lawful currency of the United States of America 美元，美國之法定貨幣
“%” 「%」	per cent 百分比



SHOUGANG CENTURY HOLDINGS LIMITED
首佳科技製造有限公司

股份代號 Stock Code : 103