

Harbour Equine Holdings Limited 維港育馬控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8377



ANNUAL REPORT
年報

2023



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. Chan Yiu Tung, Enoch
Mr. Leung King Yue, Alex
Mr. Ma Pok Man Josiah
(resigned on 29 February 2024)
Mr. Shane McGrath

Independent Non-executive Directors

Mr. Sung Alfred Lee Ming
Mr. Chan Tsun Choi, Arnold
Mr. Chow Chin Hang, Joel

COMPLIANCE OFFICER

Mr. Chan Yiu Tung, Enoch

AUTHORISED REPRESENTATIVES

Mr. Leung King Yue, Alex
Mr. Hui Man Ho, Ivan

COMPANY SECRETARY

Mr. Hui Man Ho, Ivan

AUDIT COMMITTEE

Mr. Sung Alfred Lee Ming (*Chairman*)
Mr. Chan Tsun Choi, Arnold
Mr. Chow Chin Hang, Joel

董事會

執行董事

黃國偉先生 (主席)
陳耀東先生
梁景裕先生
馬博文先生
(於二零二四年二月二十九日辭任)
Shane McGrath先生

獨立非執行董事

宋理明先生
陳進財先生
周展恒先生

合規主任

陳耀東先生

授權代表

梁景裕先生
許文浩先生

秘書

許文浩先生

審核委員會

宋理明先生 (主席)
陳進財先生
周展恒先生

Corporate Information (Continued)

公司資料(續)

REMUNERATION COMMITTEE

Mr. Chow Chin Hang, Joel (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. Chan Tsun Choi, Arnold

NOMINATION COMMITTEE

Mr. Wong Kwok Wai, Albert (*Chairman*)
Mr. Sung Alfred Lee Ming
Mr. Chow Chin Hang, Joel
Mr. Chan Tsun Choi, Arnold

AUDITOR

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

薪酬委員會

周展恒先生 (*主席*)
宋理明先生
陳進財先生

提名委員會

黃國偉先生 (*主席*)
宋理明先生
周展恒先生
陳進財先生

核數師

華融(香港)會計師事務所有限公司
執業會計師
註冊公眾利益實體核數師

主要往來銀行

香港上海滙豐銀行有限公司

註冊辦事處

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Corporate Information (Continued)

公司資料(續)

PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 386 Zeng Nan Road
Zeng Jiao Cun
Fang Cun
Liwan District
Guangzhou
China

中國主要營業地點

中國
廣州市
荔灣區
芳村
增滘村
增南路386號

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Caltex House
258 Hennessy Road
Wan Chai, Hong Kong

總部及香港主要營業地點

香港灣仔
軒尼詩道258號
德士古大廈5樓

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

主要股份過戶登記處

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

COMPANY'S WEBSITE

www.harbourequine.com

公司網址

www.harbourequine.com

STOCK CODE

8377

股份代號

8377

Chairman's Statement

主席致辭

Dear Shareholders,

On behalf of the board of Directors (the “**Board**”), I am delighted to present the annual report of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023.

BUSINESS REVIEW

For the year ended 31 December 2023, the Group's revenue decreases to approximately HK\$69.1 million, representing a decrease of approximately 9.5%, as compared to revenue of approximately HK\$76.3 million for the year ended 31 December 2022. The Group's net loss increases to approximately HK\$46.8 million for the year ended 31 December 2023 from approximately HK\$22.9 million for the year ended 31 December 2022, representing an increase of approximately 104.4%. Such increase is primarily due to the significant loss increased by segment of equine services and the segment of manufacturing and trading of threads.

The Group is principally engaged in the manufacturing and selling of sewing threads and board categories of garment accessories, provision of interior design, interior decoration and furnishing services, and provision of trading of bloodstock, stallion services and equine handling services, provision of securities, advising on corporate finance and assets management.

The Group currently manufactures polyester sewing threads, which are mainly used for garments. The major product of the Group is 100% spun polyester sewing threads. Other types of sewing threads are also offered, including textured polyester series, elastic filament sewing threads and weft yarn. The Group's customers are located in the People's Republic of China (the “**PRC**”), Hong Kong as well as overseas countries, including but not limited to the Middle East and Mauritius. While the Group's customers in the PRC and Hong Kong are mainly garment manufacturers, its overseas customers are mainly wholesalers. The production facilities of the Group, where the sewing threads manufacturing process is conducted, are located in Liwan, Guangzhou (the “**Guangzhou Production Facilities**”).

各位股東：

本人謹代表董事會（「**董事會**」）欣然提呈本公司及其附屬公司（統稱「**本集團**」）截至二零二三年十二月三十一日止年度之年度報告。

業務回顧

截至二零二三年十二月三十一日止年度，本集團的收益下降至約69,100,000港元，降幅約為9.5%，而截至二零二二年十二月三十一日止年度的收益則約為76,300,000港元。截至二零二三年十二月三十一日止年度，本集團的虧損淨額由截至二零二二年十二月三十一日止年度約22,900,000港元上升至約46,800,000港元，升幅約為104.4%。該增加主要是由於馬匹服務分部及縫紉線生產及貿易分部增加的重大虧損所致。

本集團主要從事縫紉線和各類服裝輔料生產及銷售，提供室內設計、室內裝飾及室內陳設服務、提供純種馬買賣、種馬服務及馬匹管理服務、提供證券、就企業融資提供意見及資產管理。

本集團現時生產主要用於服裝的滌綸線。本集團的重點產品為100%滌綸線。本集團亦提供其他類型的縫紉線，包括滌綸長絲系列、高彈絲縫紉線及低彈絲。本集團的客戶位於中華人民共和國（「**中國**」）、香港及世界各地，包括但不限於中東及毛里裘斯。本集團位於中國及香港的客戶主要為服裝製造商，而海外客戶則主要為批發商。本集團的生產設施位於廣州荔灣區（「**廣州生產基地**」），縫紉線的製造流程均於該設施中進行。

Chairman's Statement (Continued)

主席致辭(續)

For the business line of interior design, fitting out and decoration services, the Group considers that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. Hence, the Group expects this line of business can diversify its existing business portfolio and to increase source of income.

For the segment of the equine business, we have taken the opportunities to dispose of certain non performing and out of flavour stock in order to reduce our future upkeeping and maintenance costs. A certain level of loss has been recorded as a result.

On the other hand, the mare Kinky Boom who was sold at the Inglis Chairmans Sale for AU\$400,000 to the bid of Lime Country, we had purchased her for AU\$320,000 two years ago. Unfortunately, she failed to conceive in her first season at stud but still maintained and in fact increased her value in that period. The good-looking mare Ridicule, who was sold in May for AU\$200,000 was another highlight at the Magic Millions National Sale along with a strong colt by Street Boss from the imported mare "Belveeta" who sold for AU\$90,000 to the bid of Sullivan Bloodstock.

An opportunity to trade privately was identified and capitalized when 2 foals, by Farnan and Deep Field respectively, were sold for AU\$145,000 and AU\$182,000. This is a low risk play given there is much less purchaser scrutiny from buyers given the age of the stock purchased. An early sale eliminates the risk of developmental issues for the seller, avoids sales commission due when sold through traditional markets and of course provides quick turnover and cashflow necessary for any business.

The management team looked to consolidate our portfolio as we seek to identify and eliminate underperforming stock which in turn positively impacts on day to day operational costs. The entire portfolio is reviewed weekly and assets are selected to be retained or disposed.

就室內設計、裝修及裝飾服務業務線而言，本集團認為，香港及大灣區追求個性與品味室內設計、裝修及裝飾的商業、居民及公共部門日益增加。因此，本集團預期該業務線將促進當前業務組合多樣性，增加收入來源。

就馬匹服務業務，我們亦藉機出售若干表現不良及不受歡迎的種畜，以減少未來的維護保養成本，因此已入賬一定數額的虧損。

此外，母馬Kinky Boom於Inglis Chairmans Sale上以400,000澳元出售，由Lime Country拍得，兩年前我們以320,000澳元的價格買下這匹雌馬。遺憾的是，此馬於去年繁殖季節未能懷孕，但在此期間仍然維持狀態並事實上提高了價值。五月以200,000澳元出售的漂亮母馬Ridicule，是Magic Millions National Sale上的又一亮點，同時還有Street Boss與進口母馬「Belveeta」(以90,000澳元拍賣並由Sullivan Bloodstock拍得)生下的一匹強壯小馬。

我們發現並利用了一次私人交易的機會，將Farnan及Deep Field的2匹小馬駒分別以145,000澳元及182,000澳元出售。鑑於買家考慮所購馬匹的年齡而極少會進行買方審查，此舉的風險較低。而早期的銷售消除了賣方發展問題的風險，免於通過傳統市場銷售應付的銷售佣金，當然還提供了任何業務所需的快速週轉資金及現金流。

管理團隊希望整合我們的種馬組合，因為我們尋求識別及排除表現不佳的馬匹，繼而對日常營運成本產生積極影響。種馬組合每週進行整體審查，並選擇保留或出售資產。

Chairman's Statement (Continued)

主席致辭(續)

The breeding and racing industry in Australia has shown a level of resilience against the macroeconomic environment in Australia, where the Reserve Bank of Australia has tightened monetary policy. Huge Prize money boosts for both New South Wales and Victoria has seen participation at an all time high. More and more international players are getting involved, racing is going from strength to strength and the reputation of the Australian galloper, particularly the sprinter is the envy of the world.

APPRECIATION

I wish to take this opportunity to extend my sincere thanks to our shareholders, business partners, customers and suppliers for their continuous support. I would also like to express my deep gratitude to my fellow Directors and the Group's management team and staff for their efforts and dedication to the Group during the past year.

HARBOUR EQUINE HOLDINGS LIMITED

Wong Kwok Wai, Albert

Chairman, chief executive officer and executive Director

Hong Kong, 28 March 2024

於澳洲儲備銀行收緊貨幣政策的情況下，澳洲育馬及賽馬行業克服澳洲宏觀經濟環境，展現出一定的韌性。新南威爾士州和維多利亞州的大額獎金大幅增加，參與人數創下歷史新高。越來越多的國際選手參與進來，賽事越發壯大，澳洲騎師，尤其是短跑騎師，取得世界矚目的成績。

致謝

本人謹藉此機會真誠感謝股東、業務夥伴、客戶及供應商的持續支援。本人亦謹此感激董事及本集團管理層團隊及員工於過往年度的努力及對本集團的貢獻。

維港育馬控股有限公司

主席、行政總裁兼執行董事

黃國偉

香港，二零二四年三月二十八日

Management Discussion and Analysis

管理層討論及分析

INTRODUCTION

The Group is principally engaged in the manufacturing and trading of sewing threads and board categories of garment accessories, the provision of interior design, fitting out and decoration services and equine services business during the year. The business review are set out in the above Chairman's Statement.

FINANCIAL REVIEW

Revenue

The revenue was generated from the segment of manufacturing and trading of threads product, interior design and decoration, and equine services. The following table sets out a breakdown of the Group's revenue attributable to three segments of the Group of the year ended 31 December 2023 and 2022:

		Year ended 31 December 截至十二月三十一日止年度				Rate of change 變動比率
		2023 二零二三年		2022 二零二二年		
		HK\$'000 千港元	% of total revenue 佔總收益%	HK\$'000 千港元	% of total revenue 佔總收益%	%
Manufacturing and trading of threads	縫紉線生產及貿易	21,196	30.7	50,972	66.8	-58.4
Interior design and decoration	室內設計及裝修	16,450	23.8	17,600	23.1	-6.5
Equine services	馬匹服務	31,413	45.5	7,702	10.1	+307.9
		69,059	100.0	76,274	100.0	-9.5

Manufacturing and trading of threads

The revenue attributable to the manufacturing and trading of threads decreased to approximately HK\$21.2 million for the year ended 31 December 2023 from approximately HK\$51.0 million for the year ended 31 December 2022, representing a decrease of approximately 58.4%. The revenue decrease was mainly attributable to the decrease in sales both the overseas market and local PRC market. The keen competition of thread industry was deteriorating the profit margin of PRC local market, therefore, the group slowed down the local PRC market during the second half of 2023 and will focus for the overseas market afterward.

緒言

本集團年內主要從事縫紉線和各類服裝輔料生產及貿易，提供室內設計、裝修及裝飾服務及馬匹服務。業務回顧載於上文主席致辭。

財務回顧

收益

該收益乃由縫紉線生產及貿易、室內設計及裝修以及馬匹服務分部產生。下表載列本集團於截至二零二三年及二零二二年十二月三十一日止年度本集團三個分部應佔收益明細：

縫紉線生產及貿易

縫紉線生產及貿易應佔收益減少至截至二零二三年十二月三十一日止年度的約21,200,000港元，較截至二零二二年十二月三十一日止年度的約51,000,000港元減少約58.4%。收益下降乃主要由於海外市場及中國本地市場的銷售減少所致。縫紉線行業的激烈競爭令中國本地市場的利潤率不斷下降，因此，本集團於二零二三年下半年放緩中國本地市場，其後將專注於海外市場。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Interior design and decoration

The revenue attributable to the interior design and decoration decreased to approximately HK\$16.5 million for the year ended 31 December 2023 from approximately HK\$17.6 million for the year ended 31 December 2022, representing a decrease of approximately 6.5%. The revenue decrease is mainly due to the group mainly focus on the higher profit margin customer under the existing resources during the year. The Group will release more resources to expand this segment on 2024.

Equine Services

The revenue attributable to the equine services increased to approximately HK\$31.4 million for the year ended 31 December 2023 from approximately HK\$7.7 million for the year ended 31 December 2022, representing an increase of approximately 307.9%. The revenue increase is mainly due to the management seen price weakness in selected segments of the thoroughbreds market. As a result, decision has been made to accelerate to disposal of certain bloodstock to keep future operating expenses at a management level.

Cost of sales

The Group's cost of sales primarily consists of direct material costs, processing fees, direct labour costs, welfare and social insurance agistment costs, bloodstock insurance and direct cost of bloodstock. The following table sets out a breakdown of the Group's cost of sales attributable to three segments of the Group for the year ended 31 December 2023 and 2022:

		Year ended 31 December 截至十二月三十一日止年度		Rate of change 變動比率
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	%
Manufacturing and trading of threads	縫紉線生產及貿易	19,019	42,768	-55.5
Interior design and decoration	室內設計及裝修	12,237	11,418	-7.2
Equine services	馬匹服務	41,103	8,707	372.1
		72,359	62,893	15.1

室內設計及裝修

室內設計及裝修應佔收益減少至截至二零二三年十二月三十一日止年度的約16,500,000港元，較截至二零二二年十二月三十一日止年度的約17,600,000港元減少約6.5%。收益減少主要由於年內本集團主要專注於現有資源下利潤率較高的客戶。本集團將於二零二四年投放更多資源以擴大此分部。

馬匹服務

馬匹服務應佔收益增加至截至二零二三年十二月三十一日止年度的約31,400,000港元，較截至二零二二年十二月三十一日止年度的約7,700,000港元增加約307.9%。收益增加乃主要由於管理層注意到純種馬市場中所選細分市場價格疲軟。因此，管理層已作出決定加快處置若干純種馬以保有未來經營開支。

銷售成本

本集團的銷售成本主要包括直接材料成本、加工費及直接勞工成本、福利及社會保險代理成本、純種馬保險及純種馬直接成本。下表載列本集團於截至二零二三年及二零二二年十二月三十一日止年度本集團三個分部應佔銷售成本明細：

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Manufacturing and trading of threads

The cost of sales attributable to the manufacturing and trading of threads decrease to approximately HK\$19.0 million for the year ended 31 December 2023 from approximately HK\$42.8 million for the year ended 31 December 2022, representing a decrease of 55.5%. The cost of sales for the manufacturing and trading of threads decreased was in line with the decrease in sale for the year.

Interior design and decoration

The cost of sales attributable to the interior design and decoration increase to approximately HK\$12.2 million for the year ended 31 December 2023 from approximately HK\$11.4 million for the year ended 31 December 2022 representing an increase of 7.2%. The cost of sales for the interior design and decoration increased is mainly due to increase of the direct material cost for the year.

Equine services

The cost of sales attributable to the equine services increase to approximately HK\$41.1 million for the year ended 31 December 2023 from approximately HK\$8.7 million for the year ended 31 December 2022 representing an increase of 372.1%. The increase of cost of sales for equine services is mainly due to the significant agistment cost generated from the bloodstock and the direct cost of bloodstock generated compared with the preceding year.

縫紉線生產及貿易

縫紉線生產及貿易應佔銷售成本減少至截至二零二三年十二月三十一日止年度的約19,000,000港元，較截至二零二二年十二月三十一日止年度的約42,800,000港元減少55.5%。縫紉線生產及貿易銷售成本減少乃符合年內銷售減少。

室內設計及裝修

室內設計及裝修應佔銷售成本增加至截至二零二三年十二月三十一日止年度的約12,200,000港元，較截至二零二二年十二月三十一日止年度的約11,400,000港元增加7.2%。室內設計及裝修銷售成本增加乃主要由於年內直接材料成本增加。

馬匹服務

馬匹服務應佔銷售成本增加至截至二零二三年十二月三十一日止年度的約41,100,000港元，較截至二零二二年十二月三十一日止年度的約8,700,000港元增加372.1%。馬匹服務的銷售成本增加主要是由於純種馬產生的重大代理成本及純種馬較去年產生的直接成本。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Gross (loss) profit and gross (loss) profit margin

The Group recorded a gross loss of HK\$3.3 million for the year ended 31 December 2023 as compared with the a gross profit HK\$13.4 million for the year ended 31 December 2022, which representing a decrease of HK\$16.7 million of gross profit compared with the last year. The gross margin deteriorated to negative 4.8% for the year end 31 December 2023 from 17.5% for the year ended 31 December 2022. The gross profit margin of the threads segment decreased to 10.3% for the year ended 31 December 2023 from 16.1% for the year ended 31 December 2022 and the gross profit margin for the decoration segment is decreased to 25.6% for the year ended 31 December 2023 from 35.1% for the year ended 31 December 2022. However, the segment of the equine services recorded a gross loss of HK\$9.7 million and a gross loss margin of 30.9% for the year ended 31 December 2023 totally offset the gross profit of another two segments. The Australian economy is feeling the impact from repeated interest rate increase by the Reserve Bank of Australia. The management seen price weakness in selected segments of the thoroughbreds market. As a result, decision has been made to disposal of certain bloodstock at loss in order to keep future operating expenses at a management level.

Other income and gain/(losses and expenses), net

The Group's record other losses and expenses, net of approximately HK\$9.0 million for the year ended 31 December 2023 as compared with other income and gain, net of approximately HK\$2.0 million for the year ended 31 December 2022. Such change was main due to the significant increase of fair value loss on the biological and decrease of the exchange gain compared with last year.

Selling and distribution expenses

Selling and distribution expenses mainly consist of staff costs and transportation expenses for the segment of manufacturing and trading of threads. Selling expenses decreased to approximately HK\$3.3 million for the year ended 31 December 2023 from approximately HK\$5.2 million for the year ended 31 December 2022, representing a decrease of approximately 35.8%. Such decrease was mainly due to the decrease in the staff cost and transportation expenses.

毛(損)利及毛(損)利率

本集團於截至二零二三年十二月三十一日止年度錄得毛損3,300,000港元，而截至二零二二年十二月三十一日止年度則錄得毛利13,400,000港元，較去年毛利減少16,700,000港元。毛利率由截至二零二二年十二月三十一日止年度的17.5%惡化至截至二零二三年十二月三十一日止年度的負4.8%。縫紉線分部的毛利率由截至二零二二年十二月三十一日止年度的16.1%減少至截至二零二三年十二月三十一日止年度的10.3%，而裝修分部的毛利率由截至二零二二年十二月三十一日止年度的35.1%減少至截至二零二三年十二月三十一日止年度的25.6%。然而，馬匹服務分部於截至二零二三年十二月三十一日止年度錄得毛損9,700,000港元及毛損率30.9%，完全抵銷另外兩個分部的毛利。澳大利亞經濟正受到澳大利亞儲備銀行多次加息的影響。管理層發現，純種馬的經選定分部市場價格疲軟。因此，決定虧本出售若干純種馬，以將未來的營運開支保持在管理水平。

其他收入及收益／(虧損及開支)淨額

本集團於截至二零二三年十二月三十一日止年度錄得其他虧損及開支淨額約9,000,000港元，而截至二零二二年十二月三十一日止年度則錄得其他收入及收益淨額約2,000,000港元。該變動主要由於生物公允值虧損較去年大幅增加及匯兌收益減少所致。

銷售及分銷開支

銷售及分銷開支主要包括縫紉線生產及貿易分部員工成本及運輸費。銷售開支由截至二零二二年十二月三十一日止年度約5,200,000港元，下跌至截至二零二三年十二月三十一日止年度約3,300,000港元，降幅約為35.8%。有關下跌乃主要由於勞工成本及運輸費減少所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Administrative expenses

Administrative expenses primarily consist of staff costs, Directors' remuneration and legal and professional fees. Administrative expenses decreased to approximately HK\$21.5 million for the year ended 31 December 2023 from approximately HK\$29.5 million for the year ended 31 December 2022, representing a decrease of approximately 27.0%. Such decrease was mainly attributable to the decrease in staff costs and the share option expenses recognised on the preceding years.

Finance costs

The Group's finance costs increased to approximately HK\$5.0 million for the year ended 31 December 2023 from approximately HK\$2.6 million for the year ended 31 December 2022, representing an increase of approximately 90.0%. Such increase was mainly due to the new borrowings to support the segment of equine services.

Loss before income tax

As a result of the aforesaid, the Group recorded a loss before income tax of approximately HK\$46.6 million for the year ended 31 December 2023 from approximately HK\$22.9 million for the year ended 31 December 2022, representing an increase of approximately 103.1%.

Income tax expense

The Group recorded income tax expenses of approximately HK\$0.3 million for the year ended 31 December 2023. There was no income tax expenses record for the year ended 31 December 2022. The income tax expenses is generated from the decoration segment and the tax loss for decoration segment is fully utilised during the year.

Total comprehensive expenses attributable to the owners of the parent

The total comprehensive expenses attributable to the owners of the parent increased to approximately HK\$48.5 million for the year ended 31 December 2023 from approximately HK\$27.6 million for the year ended 31 December 2022, representing an increase of approximately 75.7%. Such increase was mainly due to the significant loss recorded by the equine segment and manufacturing and trading of threads segments compare with the preceding year.

行政開支

行政開支主要包括員工成本、董事酬金以及法律及專業費用。行政開支由截至二零二二年十二月三十一日止年度約29,500,000港元，減少至截至二零二三年十二月三十一日止年度約21,500,000港元，降幅約為27.0%。有關減少乃主要由於過往年度確認的員工成本及購股權開支減少所致。

融資成本

本集團的融資成本由截至二零二二年十二月三十一日止年度約5,000,000港元，上升至截至二零二三年十二月三十一日止年度約2,600,000港元，升幅約為90.0%。有關上升乃主要由於支持馬匹服務分部的新借款。

除所得稅前虧損

由於前述各項，本集團於截至二零二三年十二月三十一日止年度錄得除所得稅前虧損約46,600,000港元，而截至二零二二年十二月三十一日止年度則錄得約22,900,000港元，升幅約為103.1%。

所得稅開支

本集團於截至二零二三年十二月三十一日止年度錄得所得稅開支約300,000港元。截至二零二二年十二月三十一日止年度並無所得稅開支記錄。所得稅開支來自裝修分部，而裝修分部的稅項虧損已於年內悉數動用。

母公司擁有人應佔全面開支總額

母公司擁有人應佔全面開支總額由截至二零二二年十二月三十一日止年度約27,600,000港元，增加至截至二零二三年十二月三十一日止年度約48,500,000港元，升幅約為75.7%。有關上升乃主要由於馬匹分部錄得重大虧損及縫紉線製造及貿易分部較去年增加所致。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Basic and diluted loss per share

The Company's basic and diluted loss per share for the year ended 31 December 2023 was approximately HK11.44 cents (2022: HK5.60 cents), representing an increase of approximately 104.3%, which was mainly due to the increase in loss attributable to the owners of the parent.

Final dividend

The board did not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 December 2023, the Group's operations were primarily financed through its operating and financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating activities and financing activities.

The Group's cash and bank balances amounted to approximately HK\$4.1 million and approximately HK\$2.2 million as at 31 December 2023 and 2022, respectively. The functional currency of the Group is the Hong Kong dollar. As at 31 December 2023, 93.4% of the Group's cash and bank balances were denominated in the Group's functional currency (31 December 2022: 35.5%) and the remaining 6.6% (31 December 2022: 64.5%) in other currencies, mainly the Renminbi and Australian Dollars.

As at 31 December 2023, the Group has net current liabilities of approximately HK\$10.5 as compared with net current assets of approximately HK\$29.9 million compared as at 31 December 2022. The current assets included trade receivables, contract assets, deposit and other receivables, inventories, biological assets, tax recoverable and cash and cash equivalents. The Group's current ratio decreased from approximately 1.4 as at 31 December 2022 to approximately 0.8 as at 31 December 2023.

每股基本及攤薄虧損

截至二零二三年十二月三十一日止年度，本公司每股基本及攤薄虧損約為11.44港仙(二零二二年：5.60港仙)，升幅約為104.3%，乃主要由於母公司擁有人應佔虧損增加所致。

末期股息

董事會不建議就截至二零二三年十二月三十一日止年度派付末期股息(二零二二年：無)。

流動資金及財務資源

截至二零二三年十二月三十一日止年度，本集團主要透過其經營及融資活動為其營運提供資金。董事相信，長遠而言本集團將繼續以本集團經營活動及融資活動所產生現金的組合為其營運提供資金。

本集團於二零二三年及二零二二年十二月三十一日的現金及銀行結餘分別約為4,100,000港元及約為2,200,000港元。本集團的功能貨幣為港元。於二零二三年十二月三十一日，本集團93.4%(二零二二年十二月三十一日：35.5%)的現金及銀行結餘以本集團功能貨幣計值，而餘下6.6%(二零二二年十二月三十一日：64.5%)則以其他貨幣計值，主要為人民幣及澳元。

於二零二三年十二月三十一日，本集團的流動負債淨值約為10.5港元，而二零二二年十二月三十一日的流動資產淨值則約為29,900,000港元。流動資產包括應收交易款項、合約資產、按金及其他應收款項、存貨、生物資產、可收回稅項以及現金及現金等價物。本集團的流動比率由二零二二年十二月三十一日約1.4下降至二零二三年十二月三十一日約0.8。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

GEARING RATIO

The Group's gearing ratio is calculated based on net debt (including borrowings, trade payables, other payables and accruals, and lease liabilities, and retirement benefit obligation less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio is approximately 73.5% and approximately 48.8% as at 31 December 2023 and 2022, respectively. The increase of the gearing ratio was mainly attributable to the loss incurred during the year.

CAPITAL COMMITMENTS

As at 31 December 2023, the Group did not have any capital commitments (as at 31 December 2022: nil).

CAPITAL STRUCTURE

During the year ended 31 December 2023, there was no change in the capital structure of the Group and the share capital of the Group only comprises ordinary shares of the Company (the "Shares").

As at 31 December 2023, the Company's issued share capital amounted to approximately HK\$20.5 million, divided by 409,141,860 Shares of HK\$0.05 each.

SIGNIFICANT INVESTMENTS

There were neither significant investment held as at 31 December 2023 nor material acquisitions during the year ended 31 December 2023.

資產負債比率

本集團的資產負債比率乃以各報告日期的淨債務(包括借款、應付交易款項、其他應付款項及應計費用、租賃負債及退休金福利責任，減現金及現金等價物)除以權益總額加淨債務之和計算。於二零二三年及二零二二年十二月三十一日，資產負債比率分別約為73.5%及48.8%。資產負債比率上升主要由於年內產生虧損所致。

資本承擔

於二零二三年十二月三十一日，本集團並無任何資本承擔(於二零二二年十二月三十一日：無)。

資本架構

截至二零二三年十二月三十一日止年度，本集團的資本架構並無變動，且本集團的股本僅包括本公司普通股(「股份」)。

於二零二三年十二月三十一日，本公司的已發行股本約為20,500,000港元，分為409,141,860股每股面值0.05港元的股份。

重大投資

於二零二三年十二月三十一日並無持有重大投資，截至二零二三年十二月三十一日止年度亦無重大收購。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

For the year ended 31 December 2023, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

There is no plan for material investment or capital assets as at 31 December 2023.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have material contingent liabilities (as at 31 December 2022: Nil).

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

重大收購或出售附屬公司及聯屬公司

截至二零二三年十二月三十一日止年度，本集團並無任何重大收購或出售附屬公司及聯屬公司。

重大投資及資本資產的未來計劃

於二零二三年十二月三十一日，並無重大投資或資本資產計劃。

或然負債

於二零二三年十二月三十一日，本集團並無重大或然負債(於二零二二年十二月三十一日：無)。

庫務政策

本集團採納審慎庫務政策。本集團致力透過對其客戶財務狀況進行持續信貸評估及對本集團貸款組合進行信貸評估，以減少信貸風險。為管理流動資金風險，董事會會密切監測本集團之流動資金水平，以確保本集團資產、負債及承擔之流動資金架構可符合其資金需求。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency risk when it enters into transactions which are not denominated in the Group's functional currency. Such exposure mainly relates to the distribution and sale of the Group's products and purchases of raw materials in the PRC and the acquisition and disposal of broodmares and stallions and the equine services income in Australia. The Group currently does not have a foreign currency hedging policy. Yet, the Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise. The sensitivity analysis of the Group's exposure to foreign exchange risk and other financial risks are set out in Note 36 to the consolidated financial statements of this annual report.

PLEDGE OF ASSETS

As at 31 December 2023 and 31 December 2022, the Group's assets were pledged to lenders to secure certain borrowings granted to the Group. For details thereof please refer in Notes 29 and 39 to the consolidated financial statements.

外匯風險

本集團於訂立未以本集團功能貨幣計值的交易時承受外幣風險。有關風險主要與於中國分銷及銷售本集團的產品及購買原材料以及於澳洲收購及出售育種母馬及種馬以及馬匹服務收入有關。本集團目前並無外幣對沖政策。然而，本集團管理層會密切監察外匯風險，並於有需要時將考慮對沖重大外幣風險。本集團外匯風險及其他金融風險的敏感度分析載於本年度報告綜合財務報表附註36。

資產抵押

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，本集團的資產已質押予貸款人，以擔保本集團獲授的若干借款。有關詳情請參閱綜合財務報表附註29及39。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group employed a total of 123 employees (as at 31 December 2022: 141), of whom 105 were located in the PRC and 18 were located in Hong Kong. The Group's staff costs mainly comprised wages and salaries, social insurance, housing provident fund and severance payments. For the two years ended 31 December 2023, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$14.2 million and HK\$18.6 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staff. For the workers at the Guangzhou Production Facilities, the Group offers them salaries above the minimum wage, promotion opportunities and budgets for social events.

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in defined contribution retirement benefit scheme (the "**Retirement Benefit Scheme**") organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the year. Contributions to the Retirement Benefit Scheme vest immediately.

僱員及薪酬政策

於二零二三年十二月三十一日，本集團共僱用123名僱員(於二零二二年十二月三十一日：141名)，當中105人位於中國，18人位於香港。本集團的員工成本主要包括工資及薪金、社會保險、住房公積金及遣散費。截至二零二三年十二月三十一日止兩個年度，本集團的總員工成本(不包括董事酬金)分別約為14,200,000港元及18,600,000港元。本集團向其管理層及辦公室員工所提供的薪酬組合包括基本薪金、酌情花紅及津貼。至於廣州生產設施的工人，本集團給予彼等高於最低工資的薪金及晉升機會，亦會向彼等提供津貼舉辦社交活動。

根據強制性公積金計劃條例(香港法例第485章)，本集團對在僱傭條例(香港法例第57章)司法權區內僱傭的僱員實行一項強制性公積金計劃(「**強積金計劃**」)。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須向強積金計劃作出僱員有關收入5%之供款，每月有關收入之上限為30,000港元。向強積金計劃作出的供款即時歸屬。

根據中國相關勞動法律、規則及規例，本集團參與由中國相關地方政府機構組織的定額供款退休福利計劃(「**退休福利計劃**」)，據此本集團須按年內中國有關部門釐定的標準工資的一定比率向退休福利計劃作出供款。向退休福利計劃作出的供款即時歸屬。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

There was no forfeited contribution under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

The remuneration committee of the Company is responsible for reviewing and determining the remuneration packages of the Directors and senior management members with reference to the salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group and the desirability of performance-based remuneration. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The existing share option scheme of the Company (the **“Share Option Scheme”**) was adopted by the Company at the extraordinary general meeting of the Company held on 8 February 2023 and the previous share option scheme of the Company adopted on 24 November 2017 (the **“Old Share Option Scheme”**) was terminated on the same date. Under the Old Share Option Scheme and the Share Option Scheme the Company may grant options to, among others, any employees (full-time or part-time) or Directors with a view to rewarding them for their contributions to the Group, giving incentive to them for optimising their performance and efficiency and attracting as well as retaining those whose future contributions are important to the long-term growth and profitability of the Group. Since the adoption of the Share Option Scheme and up to the date of this annual report, no share options have been granted pursuant to the Share Option Scheme. Details of share granted under the Old Share Option Scheme are set out in Note 32 to the consolidated financial statement of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has in all material respects complied with all relevant laws, rules and regulations that have a significant impact on the Group and its operations in Hong Kong, PRC and Australia.

強積金計劃及退休福利計劃項下並無已沒收供款，本集團可用於減少未來年度應付的供款。

本公司薪酬委員會負責審閱及釐定董事及高級管理層成員的薪酬組合，當中會參考可資比較公司所支付的薪金、所投放的時間及責任、本集團內其他職位的僱用條件，以及職效掛鈎酬金是否合適。任何酌情花紅及其他獎勵報酬乃與本集團的溢利表現及董事和高級管理層成員的個人表現掛鈎。本公司於二零二三年二月八日舉行的本公司股東特別大會上採納本公司現有購股權計劃(「**購股權計劃**」)，而本公司於二零一七年十一月二十四日採納的舊購股權計劃(「**舊購股權計劃**」)於同日終止。根據舊購股權計劃及購股權計劃，本公司可向(其中包括)任何僱員(全職或兼職)或董事授出購股權，以就彼等對本集團所作出的貢獻給予獎勵、激勵彼等提升表現及效率，並吸引及挽留日後可對本集團的長遠增長及盈利能力作出重大貢獻的僱員及董事。自採納購股權計劃起及直至本年度報告日期，概無根據購股權計劃授出購股權。有關舊購股權計劃授出股份詳情載於本年報綜合財務報表附註32。

遵守法例及法規

就董事於作出一切合理查詢後所深知、全悉及確信，本集團於所有重大方面均已遵守所有對本集團及其於香港、中國及澳洲的營運有重大影響的相關法律、規則及法規。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

ENVIRONMENTAL POLICIES AND PERFORMANCE

In order to better integrate the concept of social responsibility into the Group's strategy and decision-making and to further guide the Group to develop a socially responsible practice, the Group has established an environmental, social and governance ("ESG") report preparation team. While preparing the report, the Group strives to incorporate the notion of sustainable development into its daily operations.

Meanwhile, the Group has established a systematic stakeholder communication channel with the aim to facilitate positive interactions with the Group's stakeholders, actively respond to relevant litigation issues and promote quality, effective and sustainable growth. Throughout the year ended 31 December 2023, the Group has maintained its business integrity and dedication to environmental protection, while continuously striving to improve quality management and employee care.

For further information in relation to the Group's ESG practices, please refer to the Group's separate ESG report, which is published on the websites of the Stock Exchange and the Company.

RELATIONSHIP WITH STAKEHOLDERS

Employees are considered to be one of the most important factors that contribute to the productivity of the Group. Employees of the Group are mainly provided with on-the-job training as well as remuneration packages and allowances.

The Group also communicates closely with its customers to obtain valuable feedback and provides them with information about the Group's products and trends in the sewing threads market. The Group has maintained business relationships with its five largest customers for a period ranging from approximately five to twenty years, respectively. Likewise, the Group has also established stable relationships with its suppliers. As such, the Directors believe that the Group has developed a trustworthy and reliable reputation as well as a strong partnership with its customers and suppliers.

環境政策及表現

為了更好地將社會責任理念融入本集團策略與決策，進一步指導本集團社會責任工作實踐，本集團建立了環境、社會及管治(「ESG」)報告編製小組。在報告編製的同時，本集團努力將可持續發展理念貫穿到日常營運中。

同時，本集團建立了系統化的持份者溝通機制，以實現與本集團持份者的良性互動、積極響應相關訴求，並促進有品質、有效益、可持續的增長。截至二零二三年十二月三十一日止整個年度內，本集團始終保持業務誠信，並致力於環境保護，同時不斷努力提升質量管理及僱員關懷。

有關於本集團ESG實踐的進一步資料，請參閱本集團的獨立ESG報告，該報告在聯交所和本公司的網站刊登。

與持份者的關係

僱員被視為本集團生產力其中一個最重要的貢獻元素。本集團僱員主要獲提供在職培訓，以及薪酬組合及津貼。

本集團亦與客戶緊密聯繫以取得寶貴的反饋意見，並向彼等提供有關本集團產品及縫紉線市場趨勢的資料。本集團分別與五大客戶維持約五至二十年期間不等的業務關係。同樣，本集團亦與供應商建立穩定關係。因此，董事相信本集團已在客戶及供應商之間建立具信譽及可靠的聲譽，並與彼等建立穩建的合作關係。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FUTURE PLANS AND PROSPECTS

For the existing principal business of manufacturing and selling of sewing threads, the Group has experienced some difficulties and uncertainties due to the ongoing trade conflict between the People's Republic of China (the "PRC") and the United States of America ("U.S.") as well as the gradual slowdown of the PRC economy. In coming year, we expect that the trade conflict between the PRC and the US and the high interest rate environment will still continue impacting our business. The Group will continue to pay close attention to the trade conflict and high interest rate environment and to evaluate its impact on the financial position, cashflows and operating result of this business line.

For the business line of interior design, fitting out and decoration services, the Group consider that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. Hence, the Group expected the new line of business can diversify its existing business portfolio and to increase source of income.

For the equine services segment, the management approach the most exciting period for Autumn racing we are excited to have our 3 years old Group 3 winner Raikoke heading to Sydney for the A\$1M Arrowfield sprint on day 2 of the Sydney Championships. The headline race for the 3 years old which goes a long way to deciding Champion 3 years old. Raikoke, who was purchased at the Inglis Premier sale, will be a live chance to be partnered by regular jockey Ben Melham.

Moreover, 3 years old colt Transatlantic, was most impressive winning over 1500m last start and will target the G2 Queensland Guineas. Queensland's champion trainer affirmed his strong opinion of this colt by Snitzel post race saying "he has taken a little time but he is a serious colt who will play a leading role throughout the Queensland carnival. If successful, given his pedigree, one would think a career in the stallion barn beckons.

未來計劃及展望

就現有縫紉線製造及銷售主要業務而言，由於中華人民共和國(「中國」)與美利堅合眾國(「美國」)之間持續的貿易衝突及中國經濟逐漸放緩導致出現不確定因素，本集團的業務因而遇上一些困難。來年，我們預期中美貿易衝突及高利率環境將繼續影響我們的業務。本集團將持續密切關注貿易衝突及高利率環境形勢，並評估該等事件對該業務線的財務狀況、現金流及營運業績之影響。

有關室內設計、裝修及裝飾服務業務，本集團認為，香港及大灣區追求個性與品味室內設計、裝修及裝飾的商業、居民及公共部門日益增加。因此，本集團預期新業務線將促進當前業務組合多樣性，增加收入來源。

對於馬匹服務分部，管理接近秋季比賽最激動人心的時期，很高興我們3歲的第三組冠軍Raikoke於悉尼錦標賽第二天前往悉尼參加的A\$1M Arrowfield sprint賽事。3歲馬駒參與主角比賽對決定3歲馬駒的冠軍有很大幫助。Raikoke購買於Inglis Premier拍賣會，將有機會與職業賽馬騎師Ben Melham搭檔。

此外，3歲馬駒Transatlantic於上一場1500米比賽中表現出色，並將目標鎖定於G2昆士蘭幾內亞。昆士蘭州冠軍馴馬師通過賽後發言肯定了其對這匹Snitzel之馬駒的強烈看法：「雖然花了一點時間，但它是一匹認真的馬駒，將在整個昆士蘭嘉年華中發揮主導作用。若成功，考慮到其血統，人們會認為它有望於種馬棚開啟職業生涯。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

For the stallion, Jacquinot, who we retired to the famous Widden stud in the Hunter Valley, was most popular amongst the key Australian breeders and will have a first crop of over 130 goals hit the ground come Springtime (Aug onwards). His fellow barn mate Portland Sky, himself the only Group 1 winning sire at stud by HK favourite Deep Field, will see his first weanlings hit the sales ring in May. A favourable market reception will further enhance his stallion prospects.

We have a number of exciting breeding prospects heading to the sales highlighted by the smashing Wooton Basset colt x Slypheed at the Inglis weanling sales. Sylpheed herself will also grace the sales ring when offered by Segenhoe Stud with an exciting early service to the aforementioned Portland Sky.

The Directors would continue to review the existing businesses of the Group from time to time with a view to improving the business operation and financial position of the Group. The Board considers that it is beneficial for the Group to seek suitable investment and disposal opportunities with a view to increasing the value of the Group and maximising returns to the Shareholders.

對於種馬 Jacquinot，我們年退役並遷至 Hunter Valley 的著名 Widden stud，在主要澳洲育馬人中最受歡迎，將於春天(八月起)擁有第一批超過130匹子嗣。其種馬棚同伴 Portland Sky，自身即為香港最受歡迎的 Deep Field 之種馬中唯一的一級賽獲勝公馬，其第一批斷奶幼崽將於五月份進入銷售圈。良好的市場接受度將進一步提高其種馬前景。

我們有很多振奮人心的育種前景，以 Inglis 斷奶銷售中優秀的 Wooton Basset 馬駒 x Slypheed 為突出代表。當 Segenhoe Stud 為上述 Portland Sky 提供激動人心的早期服務時，Sylpheed 自身也將為銷售環增光添彩。

董事將持續不時檢討本集團現有業務，以改進本集團業務營運及財務狀況。董事會認為這有利於本集團尋覓合適的投資及出售機會，以提升本集團價值及為股東帶來最大回報。

Biographical Details of Directors and Senior Management

董事及高級管理層的履歷詳情

EXECUTIVE DIRECTORS

Mr. Wong Kwok Wai, Albert (黃國偉), aged 64, was appointed as a Director and the chairman of the Board on 18 August 2016 and re-designated as an executive Director on 23 June 2017. He is also the chief executive officer, the chairman of the nomination committee of the Company, one of the Group's controlling shareholders. Mr. Wong is primarily responsible for the management and overall strategic planning and development of the Group. Mr. Wong has over 30 years of experience in accounting and assurances.

Mr. Wong obtained his higher diploma in accountancy from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in November 1982. Mr. Wong was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants and as an associate of the Institute of Chartered Accountants in England and Wales in November 1992 and February 2008, respectively. From April 2019 to May 2020, Mr. Wong is an independent non-executive director of JBB Builders International Limited (stock code: 1903), a company listed on the Main Board of the Stock Exchange. From May 2019 to January 2020, Mr. Wong served as an independent non-executive director of Yi Hua Holdings Limited (stock code: 2213), a company delisted on the Main Board of the Stock Exchange on 21 March 2022.

Save as disclosed above, Mr. Wong did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

執行董事

黃國偉先生，64歲，於二零一六年八月十八日獲委任為董事兼董事會主席，並於二零一七年六月二十三日調任為執行董事。彼亦為本公司的行政總裁、提名委員會主席、本集團控股股東之一。黃先生主要負責本集團的管理和整體策略規劃及發展。黃先生有逾30年會計及鑑證經驗。

黃先生於一九八二年十一月獲得香港理工學院(現稱香港理工大學)會計高級文憑。黃先生於一九九二年十一月及二零零八年二月先後獲認可為香港會計師公會資深會員及英格蘭及威爾士特許會計師公會會員。自二零一九年四月至二零二零年五月黃先生為JBB Builders International Limited (股份代號：1903，聯交所主板上市公司)獨立非執行董事。於二零一九年五月至二零二零年一月，黃先生擔任益華控股有限公司(股份代號：2213，於二零二二年三月二十一日從聯交所主板除牌)獨立非執行董事。

除上文披露者外，黃先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市或公眾公司擔任其他董事職務。

Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

Mr. Chan Yiu Tung, Enoch (陳耀東), aged 57, was appointed as the company secretary, compliance officer and an executive Director of the Company on 18 August 2016, 23 June 2017 and 19 February 2020, respectively. Mr. Chan resigned as the company secretary on 31 August 2022. Mr. Chan obtained his bachelor's degree of art in accountancy from City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) in November 1992 and was admitted as a member of the Hong Kong Institute of Certified Public Accountants in February 1997 and a fellow of the Association of Chartered Certified Accountants in April 2001, respectively. From June 2006 to December 2011, Mr. Chan served as an executive director of the tax department of Ernst & Young, an international accounting firm, where he was primarily responsible for providing tax and business advisory services to both international and domestic companies operating in the PRC. Further, Mr. Chan served as a partner in the tax department of the Guangzhou Branch of Grant Thornton, an international accounting firm, from October 2012 to October 2015 where he was primarily responsible for developing the tax practice in Guangzhou. Mr. Chan has also been serving as an independent director of Natural Health Trends Corp. (stock code: NHTC), an international direct-selling and e-commerce company listed on the NASDAQ Stock Market LLC, since December 2015, and is responsible for supervising and providing independent advice to the board of the company.

Save as disclosed above, Mr. Chan did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

陳耀東先生，57歲，於二零一六年八月十八日、二零一七年六月二十三日及二零二零年二月十九日先後獲委任為本公司公司秘書、合規主任及執行董事。陳先生於二零二二年八月三十一日辭任公司秘書。陳先生於一九九二年十一月取得香港城市大學(前稱香港城市理工學院)會計學文學士學位，並先後於一九九七年二月獲認可為香港會計師公會會員及於二零零一年四月獲認可為特許公認會計師公會資深會員。自二零零六年六月至二零一一年十二月，陳先生擔任國際會計師事務所安永會計師事務所稅務部門執行主管，主要負責為於中國經營的國際及國內公司提供稅務及業務諮詢服務。此外，陳先生自二零一二年十月至二零一五年十月擔任國際會計師事務所致同會計師事務所廣州分所稅務部門合夥人，主要負責發展廣州稅務業務。陳先生自二零一五年十二月起亦一直擔任 Natural Health Trends Corp. (股份代號：NHTC，於NASDAQ Stock Market LLC上市的國際直銷及電子商務公司)獨立董事，負責監督並向該公司董事會提供獨立意見。

除上文披露者外，陳先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市或公眾公司擔任其他董事職務。

Biographical Details of Directors and Senior Management (Continued)

董事及高級管理層的履歷詳情(續)

Mr. Leung King Yue, Alex (梁景裕), aged 46, obtained his bachelor's degree in commerce specialising in economics and finance from the University of Melbourne in Australia in 1999. Mr. Leung has over 20 years of experience in financial services sector, mainly in compliance and asset management. From July 2014 to December 2020, Mr. Leung served as an executive director of DT Capital Limited, whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 356).

Save as disclosed above, Mr. Leung did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

Mr. Ma Pok Man Josiah (馬博文), aged 44, has over 15 years of experience in the horse racing and breeding industry in Hong Kong and Australia. Mr. Ma set foot in the horse racing industry as a horse owner in Hong Kong in 2005. Since 2009, he has also been involved in the horse breeding industry and is a shareholder of various stallions in Australia and manages various syndicates which own broodmares, yearlings and racehorses in Australia. Mr. Ma is also the Hon Secretary (Racing) of the Hong Kong Racehorse Owners Association. Apart from his experience in the horse racing and breeding industry, Mr. Ma has over 20 years of experience as an engineer in the construction industry. Mr. Ma is currently a director and shareholder of JM & Associates Limited (天進顧問有限公司), a company principally engaged in the provision of architectural and engineering consultancy services in respect of property development in Hong Kong, which he acted as the Authorised Person, Registered Structural Engineer and design engineer for various construction projects. Mr. Ma obtained his bachelor's degree in civil engineering from the University of New South Wales, Australia in May 2002 and a master's degree in business administration from the Chinese University of Hong Kong in September 2011. He was admitted as a member of the Hong Kong Institution of Engineers ("**HKIE**") in 2007, a Registered Professional Engineer in 2008, a Registered Structural Engineer in 2009 and an Authorised Person (List of Engineers) in 2010. Mr. Ma is also a director of Wai Ji Christian Service and a Professional Assessment Assessor to the HKIE.

Mr. Ma did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

梁景裕先生(「梁先生」), 46歲, 於一九九九年於澳洲墨爾本大學畢業, 持有商學士學位, 主修經濟及金融學。梁先生在金融業領域(主要於合規及資產管理方面)擁有逾20年經驗。於二零一四年七月至二零二零年十二月, 梁先生擔任鼎立資本有限公司的執行董事, 其股份於香港聯合交易所有限公司(「聯交所」)主板上市(股份代號: 356)。

除上文披露者外, 梁先生緊接最後實際可行日期前三年內並無於證券於香港或海外任何證券市場上市之任何其他上市或公眾公司擔任任何其他董事職務。

馬博文先生, 44歲, 於香港及澳洲賽馬及育種行業擁有逾15年經驗。馬先生於二零零五年涉足賽馬行業, 成為香港馬主。自二零零九年以來, 彼亦涉足馬匹育種行業, 乃澳洲各種種馬的股東, 並於澳洲管理擁有育種母馬、一歲馬及賽馬的各種組織。馬先生亦為香港馬主協會的義務秘書(賽馬事務)。馬先生除擁有賽馬及育種行業的經驗外, 亦於建築行業擁有逾20年的工程師經驗。馬先生現為天進顧問有限公司(一間主要從事就香港房地產開發提供建築及工程諮詢服務的公司)的董事及股東, 並曾擔任各種建築項目的認可人士、註冊結構工程師及設計工程師。馬先生於二零零二年五月取得澳洲新南威爾斯大學土木工程學士學位, 並於二零一一年九月取得香港中文大學工商管理碩士學位。彼於二零零七年獲接納為香港工程師學會(「香港工程師學會」)會員, 於二零零八年獲接納為註冊專業工程師, 於二零零九年獲接納為註冊結構工程師及於二零一零年獲接納為認可人士(工程師名單)。馬先生亦為基督教懷智服務處董事及香港工程師學會專業評估評估員。

馬先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市或公眾公司擔任其他董事職務。

Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

Mr. Shane McGrath, aged 46, has over 20 years of experience in the horse racing and breeding industry in Australia. Mr. McGrath has been the chief executive officer of Aquis Farm since May 2017 and will resign from such position with effect from 31 December 2021. He was a bloodstock sales manager at Coolmore Australia from November 2009 to May 2017 and a general manager at Eliza Park Stud from March 2000 to March 2009. At Eliza Park Stud, in addition to the development of a successful pre-training and racing division, Mr. McGrath oversaw the stallion operation from a three-stallion roster to 12 during his tenure. Under his leadership, Eliza Park Stud became one of the most recognized stud farms in Victoria, Australia with participation from local and international partners Mr. McGrath introduced. At Coolmore Australia, Mr. McGrath promoted successfully the syndication concept with an aim to achieve risk sharing and capital participation in its stallion portfolio and assisted in raising fresh capital for expansion. Two of the most famous stallion syndicates promoted by Mr. McGrath were retired champion racehorses "Pierro" and "So You Think". During his tenure at Aquis Farm, Mr. McGrath was the chief executive officer and oversaw a team of approximately 150 staff. He led the team and established stud bases in different states across eastern Australia, most notably a Hunter Valley base in the state of New South Wales, in partnership with Emirates Park in which the stallion careers of Invader and Spieth were launched. In addition, at the Canungra headquarters in the state of Queensland, inaugural stallion "Spill The Beans" served a record number of mares in his first season and also subsequently became the champion first season sire in Queensland. Mr. McGrath was also instrumental in selecting high calibre racehorses for Aquis Farm including Farnan, Anders, Prague, Sunlight, Fundamentalist, Houtzen, Away Game, Osamu and Holyfield. Under Mr. McGrath's leadership, Invader, The Mission, Divine Prophet, Spieth have commenced their stallion careers.

Mr. McGrath did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

Shane McGrath 先生，46歲，於澳洲賽馬及育種行業擁有逾20年經驗。McGrath先生自二零一七年五月起一直擔任Aquis Farm的行政總裁並將自二零二一年十二月三十一日起辭任該職務。彼於二零零九年十一月至二零一七年五月擔任Coolmore Australia的純種馬銷售經理並於二零零零年三月至二零零九年三月擔任Eliza Park Stud的總經理。於Eliza Park Stud，除發展預訓練及賽馬分部外，McGrath先生負責監督種馬營運，任期內種馬候選名單由三增至十二個。在其領導下，Eliza Park Stud成為澳洲維多利亞州最富盛名的種馬場之一，McGrath引介的當地及國際合作夥伴均參與其中。在Coolmore Australia，McGrath成功推廣聯合馬主概念，以期在其種馬組合中的實現風險共擔及資本參與，並協助籌集用以擴張的新資本。McGrath先生推廣的兩個最著名的種馬團體是退休冠軍賽馬[Pierro]及[So You Think]。在Aquis Farm任職期間，McGrath先生擔任行政總裁並監督一支由約150名員工組成的團隊。彼帶領團隊並在澳洲東部不同的州建立種馬基地，最著名的為新南威爾士州的Hunter Valley基地，乃與Emirates Park合作經營，為Invader及Spieth的生涯發源地。此外，在昆士蘭州的Canungra總部，首匹種馬[Spill The Beans]交配的母馬數量在其首個賽季即創下紀錄，並隨後成為昆士蘭州首個賽季的種馬冠軍。McGrath先生亦在為Aquis Farm選擇高素質賽馬方面發揮重要作用，其中有Farnan、Anders、Prague、Sunlight、Fundamentalist、Houtzen、Away Game、Osamu及Holyfield。在McGrath先生的帶領下，Invader、The Mission、Divine Prophet、Spieth開啟了種馬生涯。

McGrath先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市或公眾公司擔任其他董事職務。

Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Sung Alfred Lee Ming (宋理明), aged 66, was appointed as an independent non-executive director on 24 November 2017. Mr. Sung is also the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of the Group. Mr. Sung has over 30 years of experience in accounting and assurances. Mr. Sung graduated from La Trobe University in Australia in March 1984 with a bachelor's degree in economics. Mr. Sung was admitted as a fellow of the Taxation Institute of Australia and a member and fellow of the Hong Kong Institute of Certified Public Accountants in November 1987, December 1987 and February 1995, respectively. He was also admitted as an associate of CPA Australia and Chartered Accountants Australia and New Zealand in March 1986 and April 1989, respectively. Mr. Sung has been the sole proprietor of Alfred Sung & Co. since 1999 and he is primarily responsible for overseeing audit and taxation works. Currently, Mr. Sung serves as an executive director and chief financial officer of Modern Living Investments Holdings Limited (stock code: 8426), a company listed on GEM.

Save as disclosed above, Mr. Sung did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

獨立非執行董事

宋理明先生，66歲，於二零一七年十一月二十四日獲委任為獨立非執行董事。宋先生亦為本集團審核委員會主席兼薪酬委員會及提名委員會各自的成員。宋先生有逾30年會計及鑑證經驗。宋先生於一九八四年三月畢業於澳洲拉籌伯大學，獲頒經濟學學士學位。宋先生先後於一九八七年十一月、一九八七年十二月及一九九五年二月獲認可為澳洲稅務學會資深會員、香港會計師公會會員及資深會員。彼亦先後於一九八六年三月及一九八九年四月獲認可為澳洲會計師公會與澳洲及新西蘭特許會計師公會會員。自一九九九年至今，宋先生擔任Alfred Sung & Co.的獨資擁有人，主要負責監察審計及稅務工作。目前，宋先生擔任雅居投資控股有限公司(股份代號：8426，GEM上市公司)執行董事兼財務總監。

除上文披露者外，宋先生於過去三年概無於證券於香港或海外任何證券市場上市的任何其他上市或公眾公司擔任其他董事職務。

Biographical Details of Directors and Senior Management (Continued) 董事及高級管理層的履歷詳情(續)

Mr. Chan Tsun Choi, Arnold (陳進財), aged 64, obtained his bachelor's degree in business administration from the Chinese University of Hong Kong in 1986, a postgraduate diploma in banking and finance from the City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) in 1990 and a master's degree in finance from City University of Hong Kong in 1995. He is a fellow member of Hong Kong Institute of Certified Public Accountants, Hong Kong Securities and Investment Institute, UK Chartered Management Institute, Certified Practising Accountants, Australia and a Chartered Financial Analyst charterholder. Mr. Chan has extensive experience in project finance and fund-raising activities for construction projects in Hong Kong and Asia Pacific. He is currently an independent non-executive director of JBB Builders International Limited (stock code: 1903) and Upbest Group Limited (stock code: 335), whose shares are listed on the main board of the Stock Exchange.

Save as disclosed above, Mr. Chan did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

Mr. Chow Chin Hang, Joel (周展恒), aged 41, obtained his bachelor of science degree in mathematics, economics and finance from The University of Hong Kong in 2004. Mr. Chow is a Chartered Financial Analyst. Mr. Chow has over 15 years of experience in managing investment funds. Prior to joining the Company, Mr. Chow served at Dah Sing Bank from October 2004 to July 2005 as a risk control assistant and he served at JK Capital Management Limited from July 2005 to December 2017 with his last position as an assistant portfolio manager. From May 2018 to May 2019, Mr. Chow served as an assistant portfolio manager at Step Capital Management (HK) Limited. From May 2019 to August 2020, Mr. Chow served as a portfolio manager at Reliance International Financial Planners Limited. From September 2020 to June 2022, Mr. Chow served as a portfolio manager at Perpetuum Wealth Management Limited, he served as a responsible officer to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. From June 2022 to September 2023, Mr. Chow served as a portfolio manager at Browen Capital (HK) Limited, he served as a responsible officer to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

陳進財先生(「陳先生」)，64歲，於一九八六年取得香港中文大學工商管理學士學位、於一九九零年取得香港城市大學(前稱香港城市理工學院)銀行及金融的深造文憑及於一九九五年取得香港城市大學金融碩士學位。彼為香港會計師公會、香港證券及投資學會、英國特許管理學會、澳洲執業會計師公會的資深會員及特許財務分析師特許持有人。陳先生在香港及亞太地區建築項目融資及集資活動方面擁有豐富經驗。彼現時為JBB Builders International Limited(股份代號:1903)及美建集團(股份代號:335)的獨立非執行董事，其股份於聯交所主板上市。

除上文披露者外，陳先生緊接最後實際可行日期前三年內並無於證券於香港或海外任何證券市場上市之任何其他上市或公眾公司擔任任何其他董事職務。

周展恒先生(「周先生」)，41歲，於二零零四年取得香港大學數學、經濟及金融理學士學位。周先生為特許金融分析師。周先生於管理投資基金方面擁有逾15年經驗。加入本公司前，周先生於二零零四年十月至二零零五年七月擔任大新銀行風險管理助理，並於二零零五年七月至二零一七年十二月於JK Capital Management Limited工作，離職前擔任助理投資組合經理。於二零一八年五月至二零一九年五月，周先生擔任Step Capital Management (HK) Limited助理投資組合經理。於二零一九年五月至二零二零年八月，周先生擔任誠智國際財經策劃有限公司投資組合經理。二零二零年九月至二零二二年六月，周先生擔任長期財富管理有限公司投資組合經理，及從事根據證券及期貨條例可從事第4類(就證券提供意見)及第9類(提供資產管理)受規管活動。二零二二年六月至二零二三年九月，周先生擔任Browen Capital (HK) Limited投資組合經理，負責開展根據證券及期貨條例可從事第4類(就證券提供意見)及第9類(資產管理)受規管活動。

Biographical Details of Directors and Senior Management (Continued)

董事及高級管理層的履歷詳情(續)

Save as disclosed above, Mr. Chow did not hold other directorship in any other listed or public companies, of which the securities are listed on any securities market in Hong Kong or overseas in the three preceding years.

SENIOR MANAGEMENT

Mr. Leung Tat Chi (梁達智), aged 50, is the director of LMP International Limited., an indirect wholly-owned subsidiary of the Company (“LMP”). Mr. Leung is primarily responsible for the management of business operations of LMP. Mr. Leung joined the Group in February 2021. Mr. Leung graduated from the Caledonian University with a higher national diploma in interior design. Mr. Leung has over 24 years experience in interior design and project management. Mr. Leung was a member of Hong Kong General Chamber of Young Entrepreneurs and also the Vice President of Hong Kong Bio-Environment Energy Association (HKBEE) between 2017 to 2018. Mr. Leung had also been appointed Junior Police Call Honorary President for Tseung Kwan O District by the Hong Kong Police Force.

Ms. Liu Jinghui (劉敬慧), aged 50, is the financial controller of Guangzhou Xinhua Thread Co., Ltd., an indirect wholly-owned subsidiary of the Company (“Guangzhou Xinhua”). Ms. Liu is primarily responsible for the financial control of Guangzhou Xinhua. Ms. Liu joined the Group in August 1994. Ms. Liu received her associate degree in polymer chemical engineering from the South China University of Technology (華南理工大學) in the PRC in July 1994. She also obtained qualifications as a registered tax adviser from the Department of Personnel of the Guangdong Province (廣東省人事廳) in October 2004.

Mr. Lui Hak Kong (呂克剛), aged 59, is the production manager of Guangzhou Xinhua. Mr. Lui is primarily responsible for the production management as well as quality control of Guangzhou Xinhua. Mr. Lui joined the Group in June 1996. Prior to joining the Group, Mr. Lui worked for Dik Sun Dyeing Factory Ltd. as a person-in-charge for its laboratory and quality control from June 1990 to April 1996. From June 1983 to March 1990, Mr. Lui worked as a merchandiser and site leader of Fang Brothers Knitting Limited, which was a knitting company.

除上文披露者外，周先生緊接最後實際可行日期前三年內並無於證券於香港或海外任何證券市場上市之任何其他上市或公眾公司擔任任何其他董事職務。

高級管理層

梁達智先生，50歲，為本公司間接全資附屬公司沛銘國際有限公司(「沛銘」)董事。梁先生主要負責管理沛銘的業務營運。梁先生於二零二一年二月加入本集團。梁先生畢業於卡利多尼安大學，獲得室內設計方面的國家高級文憑。梁先生於室內設計及項目管理方面擁有逾24年經驗。梁先生曾為香港青年創業家總商會會員，亦於二零一七年至二零一八年期間為香港生物及環保能源業協會副會長。梁先生亦獲香港警務處任命為將軍澳區少年警訊名譽會長。

劉敬慧女士，50歲，為本公司間接全資附屬公司廣州新華線業有限公司(「廣州新華」)的財務總監。劉女士主要負責廣州新華的財務監控。劉女士於一九九四年八月加入本集團。劉女士於一九九四年七月取得中國華南理工大學高分子化學工程大專學歷。彼亦於二零零四年十月獲廣東省人事廳授予註冊稅務師資格。

呂克剛先生，59歲，廣州新華生產經理。呂先生於一九九六年六月加入本集團，主要負責廣州新華的生產管理及質量監控。加入本集團前，呂先生自一九九零年六月至一九九六年四月擔任智能化工(香港)有限公司實驗室及質量監控主管。自一九八三年六月至一九九零年三月，呂先生曾擔任肇豐針織有限公司(一家針織公司)銷售員及廠長。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board believes that cultivating and maintaining a culture focused on good corporate governance is essential to effect strong business growth and continue the efficient management of the Company. The Directors are of the view that strong corporate governance practices can safeguard the interests of and ensure accountability to the Shareholders as a whole.

The corporate governance code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules has been adopted by the Board. Nevertheless, the Directors are committed to regularly reviewing its corporate governance practices to ensure conformity with the standard set out in the CG Code, as well as meeting the rising expectation of the Shareholders and other stakeholders of the Company.

Except for the deviation from code provision A.2.1 of the CG Code, details of which are set out in the section headed “Chairman and Chief Executive Officer” in this corporate governance report, the Board is of the view that the Company has complied with the code provisions for the year ended 31 December 2023.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the standard of dealings regarding securities transactions by the Directors equivalent to the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have all confirmed, having been made specific enquiry by the Company, that they have complied with the required standard of dealings and the required standard concerning securities transactions by the Directors during the year ended 31 December 2023.

企業管治常規

董事會相信，為使本公司業務穩健增長及延續管理效益，有必要培養及維持專注良好企業管治的文化。董事認為穩健的企業管治常規可保障股東的整體利益，並確保對整體股東的問責性。

董事會已採納GEM上市規則附錄十五所載的企業管治守則（「**企管守則**」）。儘管如此，董事承諾會定期檢討企業管治常規，確保遵循企管守則所載的標準，以及符合股東及本公司其他持份者不斷上升的期望。

除偏離企管守則的守則條文A.2.1條（詳情載於本企業管治報告「主席及行政總裁」一節）外，董事會認為本公司於截至二零二三年十二月三十一日止年度一直遵守守則條文。

董事進行證券交易的標準守則

本公司已採納關於董事進行證券交易的交易標準，有關標準相當於GEM上市規則第5.48至5.67條所載的交易規定標準。在本公司作出特定查詢後，全體董事均已確認彼等於截至二零二三年十二月三十一日止年度內一直遵守交易規定標準及關於董事進行證券交易的規定標準。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD OF DIRECTORS

Composition of the Board

The Board currently comprises:

Executive Directors

執行董事

Mr. Wong Kwok Wai, Albert
(Chairman and chief executive officer)

黃國偉先生(主席兼行政總裁)

Mr. Chan Yiu Tung, Enoch
陳耀東先生

Mr. Leung King Yue, Alex
梁景裕先生

Mr. Ma Pok Man, Josiah
馬博文先生

Mr. Shane McGrath
Shane McGrath先生

(resigned as an Executive Director on 29 February 2024)
(於二零二四年二月二十九日辭任執行董事)

Independent non-executive Directors

獨立非執行董事

Mr. Sung Alfred Lee Ming
宋理明先生

Mr. Chan Tsun Choi, Arnold
陳進財先生

Mr. Chow Chin Hang, Joel
周展恒先生

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

Except as disclosed in the section headed “Biographical Details of Directors and Senior Management”, there has been no financial, business, family or other material relationship among the Directors.

董事會

董事會的組成

董事會現時包括：

董事履歷詳情載於本年度報告「董事及高級管理層的履歷詳情」一節。

除「董事及高級管理層的履歷詳情」一節所披露者外，董事之間概無財務、業務、親屬或其他重大關係。

Corporate Governance Report (Continued)

企業管治報告(續)

Each of the independent non-executive Directors has provided a written confirmation of his independence and the Company regards them as independent pursuant to rule 5.09 of the GEM Listing Rules.

各名獨立非執行董事已提供書面獨立性確認書，而本公司根據GEM上市規則第5.09條將其視為獨立。

The Board will hold regular board meetings at least four times a year at approximately quarterly intervals. Such meetings are expected to involve active participation, either in person or through electronic means of communication, of a majority of the Directors entitled to be present.

董事會將每年召開至少四次定期董事會會議，約每季度一次。預期有權出席之大部分董事將積極親身或透過電子通訊方式參與有關會議。

Below is the attendance record of each Director at the Board meetings held during the year ended 31 December 2023:

以下為各名董事於截至二零二三年十二月三十一日止年度舉行的董事會會議的出席紀錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數/ 舉行會議次數
Mr. Wong Kwok Wai, Albert	黃國偉先生	3/4
Mr. Chan Yiu Tung, Enoch	陳耀東先生	4/4
Mr. Leung King Yue, Alex	梁景裕先生	4/4
Mr. Ma Pok Man, Josiah	馬博文先生	4/4
Mr. Shane McGrath	Shane McGrath先生	3/4
Mr. Sung Alfred Lee Ming	宋理明先生	4/4
Mr. Chan Tsun Choi, Arnold	陳進財先生	4/4
Mr. Chow Chin Hang, Joel	周展恒先生	4/4

Corporate Governance Report (Continued)

企業管治報告(續)

Below is the attendance record of each Director at the general meeting of the Company during the year ended 31 December 2023:

以下為各名董事於截至二零二三年十二月三十一日止年度舉行的本公司股東週年大會的出席記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數/ 舉行會議次數
Mr. Wong Kwok Wai, Albert	黃國偉先生	1/1
Mr. Chan Yiu Tung, Enoch	陳耀東先生	1/1
Mr. Leung King Yue, Alex	梁景裕先生	1/1
Mr. Ma Pok Man, Josiah	馬博文先生	1/1
Mr. Shane McGrath	Shane McGrath先生	1/1
Mr. Sung Alfred Lee Ming	宋理明先生	1/1
Mr. Chan Tsun Choi, Arnold	陳進財先生	1/1
Mr. Chow Chin Hang, Joel	周展恒先生	1/1

RESPONSIBILITIES OF THE BOARD

The Board is primarily responsible for the overall management and strategic planning and development of the Group, which may involve convening general meetings and reporting the Board's work at a shareholders' meeting, determining business and investment plans, preparing annual financial budgets and final reports and formulating proposals for profit distributions. Day-to-day management is alternatively delegated to the executive Directors and senior management. The functions delegated to senior management are regularly reviewed by the Board to ensure that they are appropriately aligned with the Group's needs.

During the year ended 31 December 2023, the Company had three independent non-executive Directors and was at all times in compliance with the requirements of the GEM Listing Rules, which specifies that the independent non-executive Directors must represent at least one third of the Board members with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

董事會的責任

董事會主要負責本集團的整體管理及策略規劃及發展，可能涉及召開股東大會及於股東會議上報告董事會工作、確定業務及投資計劃、編製年度財務預算及最終報告及編製溢利分派建議。日常管理則另行委派予執行董事及高級管理層。委派予高級管理層的職能由董事會定期審閱，以確保適當地符合本集團需求。

截至二零二三年十二月三十一日止年度，本公司有三名獨立非執行董事，並始終遵守GEM上市規則要求，當中訂明獨立非執行董事須佔董事會成員人數至少三分之一，且其中至少一名具備適當的專業資格，或具備適當的會計或相關的財務管理專長。

Corporate Governance Report (Continued)

企業管治報告(續)

The Company has arranged appropriate insurance policies to cover the Directors' risk exposure/liabilities with respect to any legal actions against the Directors arising from corporate activities of the Company. Such insurance coverage was reviewed by the Board and shall continue to be reviewed annually.

CORPORATE GOVERNANCE FUNCTIONS

During the year ended 31 December 2023, no committee for corporate governance was established and the Board is thus responsible for performing the corporate governance functions outlined in code provision D.3.1 of the CG Code.

The Directors may hold Board meetings when necessary and include any relevant matters for discussion in the agenda as they see fit. A minimum of 14 days' notice of such Board meetings is given to all Directors. A draft agenda for each Board meeting typically accompanies the notice to give the Directors an opportunity to raise any other relevant issues for discussion in the meeting. Board papers and related materials to the meeting are circulated to each Director before each meeting for their perusal to ensure that they can make an informed decision to discharge their duty as a Director.

Draft minutes are also circulated to the Directors for their comment and review after each Board meeting is held, and the minutes of the Board and the Company's committees are kept by the company secretary of the Company. Each Board member and Director has access to the advice and service of the company secretary of the Company in order to comply with relevant procedures and applicable rules and regulations.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Directors recognise the importance of incorporating elements of good corporate governance in management structures and internal control procedures in order to achieve effective accountability.

During the year ended 31 December 2023, the Group has complied with the CG Code as set out in Appendix 15 to the GEM Listing Rules, except for the deviation from the code provision A.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

本公司已購買適當保險，承保因本公司企業活動而引起與針對董事的任何法律訴訟有關的董事風險／責任。有關承保範圍已由董事會審閱並繼續每年審閱一次。

企業管治職能

於截至二零二三年十二月三十一日止年度概無設立企業管治委員會，因此，董事會負責履行企管守則的守則條文D.3.1條概述的企業管治職能。

董事可於必要時召開董事會會議，並於其認為適當時將任何有關討論事宜納入會議議程。有關董事會會議須向全體董事發出至少14天通知。各董事會會議議程初稿通常隨通知寄發，以為董事提供一個於會上提出任何其他有關討論事宜的機會。董事會文件及會議相關材料於各會議前寄發予各名董事以供詳閱，確保其可作出知情決定以履行其董事職責。

會議記錄初稿亦遞交董事以供其於各董事會會議舉行後發表意見及審閱，董事會及本公司委員會會議記錄由本公司公司秘書保管。各董事會成員及董事已取得本公司公司秘書之建議及文件送達，以遵守有關程序及適用規則及法規。

主席及行政總裁

董事承認管理架構及內部控制程序中融入良好企業管治元素以實現有效問責的重要性。

截至二零二三年十二月三十一日止年度，本集團一直遵守GEM上市規則附錄十五所載的企管守則，惟偏離企管守則的守則條文A.2.1條除外，該條訂明主席與行政總裁的職務應有區分，不應由一人同時兼任。

Corporate Governance Report (Continued)

企業管治報告(續)

Mr. Wong, who is the chairman of the Board as well as the chief executive officer of the Company, has been involved in the daily operations and management of the Group since 2008. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Wong will ensure strong and consistent leadership, facilitate the Group's business strategies and boost the effectiveness of the Company's operation. The Board will continue to review this arrangement and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company when such role splitting is beneficial to the Group as a whole.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The articles of association of the Company (the "Articles") state that at each annual general meeting (the "AGM"), one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A Director retiring by rotation shall be eligible for re-election.

While each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company to act as a non-executive Director or independent non-executive Director for a fixed term of three years, the non-executive Directors and independent non-executive Directors appointed are also subject to retirement by rotation and re-election according to the Articles. Independent non-executive Directors are required to notify the Company as soon as practicable if there is any change that may affect their independence and each of them must provide a written confirmation of his independence every year.

黃先生為本公司董事會主席兼行政總裁，並自二零零八年起參與本集團的日常營運管理。董事認為由黃先生兼任本公司董事會主席及行政總裁的職務將可確保強大及一致的領導，有助推動本集團的業務策略及提升本公司的營運效益。董事會將繼續就此安排進行檢討，並於拆分本公司董事會主席及行政總裁的職務對本集團整體有利時考慮拆分有關職務。

董事委任及重選

本公司組織章程細則(「細則」)列明，於每屆股東週年大會(「股東週年大會」)上，當時在任的三分之一董事須輪流告退，惟各名董事須至少每三年輪席退任一次。輪席退任的董事符合資格重選連任。

雖然各名非執行董事及獨立非執行董事已與本公司訂立委任函，以於三年固定任期內擔任非執行董事或獨立非執行董事，獲委任的非執行董事及獨立非執行董事亦須根據細則輪席退任及重選連任。倘發生任何變動而可能影響其獨立性，獨立非執行董事須在切實可行的情況下儘快通知本公司，而彼等各自亦須每年提供書面獨立性確認書。

Corporate Governance Report (Continued)

企業管治報告(續)

CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure that the Directors' contribution to the Board remains relevant and informed, the Directors are to participate in continuous professional development through which their knowledge and skills can be refreshed and strengthened. As part of the Directors' continuous professional development programme, newly appointed Directors are to receive a comprehensive, formal and tailored induction upon their appointment as a Director while existing Directors receive additional training when appropriate to ensure that they are aware of and are able to comply with the obligations pursuant to the GEM Listing Rules and any other statutory requirements. The company secretary of the Company is responsible for maintaining and updating records for the Directors' training sessions.

During the year ended 31 December 2023, all the Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch, Mr. Leung King Yue, Alex, Mr. Ma Pok Man, Josiah, Mr. Shane McGrath, Mr. Sung Alfred Lee Ming, Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel, comprising the Board during the year ended 31 December 2023, participated in a training session and each Director was provided with relevant guidance materials with respect to the laws applicable to Directors, the roles and responsibilities of Directors and the Directors' duty to disclose their interest.

BOARD COMMITTEES

The Board established the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") on 24 November 2017 in order to oversee particular functions of the Company. These committees of the Board have been established with written terms of reference that clearly outline their authorities, powers and duties. These terms of reference can be found on the websites of the Stock Exchange and the Company.

持續專業發展

為確保董事對董事會的貢獻仍屬有關及知情，董事須參與持續專業發展，以更新及鞏固其知識及技能。作為董事持續專業發展計劃的一部分，新委任的董事須於獲委任為董事後取得全面、正式及度身定制的入職培訓，而現任董事則須於適當時接受額外培訓，以確保彼等知悉及能夠遵守GEM上市規則及任何其他法定要求下的責任。本公司公司秘書負責保存及更新董事培訓課程記錄。

截至二零二三年十二月三十一日止年度，全體董事(即黃國偉先生、陳耀東先生、梁景裕先生、馬博文先生、Shane McGrath先生、宋理明先生、陳進財先生及周展恒先生，彼等於截至二零二三年十二月三十一日止年度組成董事會)已參與培訓課程，而各名董事亦已獲提供與適用於董事的法律、董事職責及責任以及董事權益披露義務有關的相關指引材料。

董事委員會

董事會已於二零一七年十一月二十四日設立審核委員會(「**審核委員會**」)、薪酬委員會(「**薪酬委員會**」)及提名委員會(「**提名委員會**」)，以監督本公司的特定職能。該等董事委員會已制定書面職權範圍，清楚概述其權限、權力及職責。該等職權範圍可於聯交所及本公司網站查閱。

Corporate Governance Report (Continued)

企業管治報告(續)

AUDIT COMMITTEE

The Audit Committee was established pursuant to rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee is mainly responsible for reviewing financial information, monitoring the Company's financial reporting system and internal control procedures and maintaining the relationship with the Company's auditors.

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Sung Alfred Lee Ming (the chairman), Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel. No member of the current Audit Committee is a member of the previous independent auditor of the Company. The Audit Committee has reviewed this annual report as well as the consolidated results of the Group for the year ended 31 December 2023.

The current terms of reference state that the Audit Committee shall have at least four meetings annually. The Audit Committee held a meeting on 28 March 2024 to (i) review and approve the annual financial results in respect of the year ended 31 December 2023; (ii) discuss and consider issues significant to financial reporting, controls on operations and compliance, the effectiveness of the risk management and internal control systems; and (iii) review the appointment of the auditor and its relevant scope of work.

During the year ended 31 December 2023, the Audit Committee held five meetings, where the Audit Committee reviewed and discussed, amongst other matters, (i) the Group's consolidated results for the year ended 31 December 2022; (ii) the Group's consolidated results for the three months ended 31 March 2023; (iii) the Group's consolidated results for the six months ended 30 June 2023; (iv) the Group's consolidated results for the nine months ended 30 September 2023; (v) the financial reporting system and internal control procedures of the Group; and (vi) appointment of auditor of the Group.

審核委員會

本公司已根據GEM上市規則第5.28至5.33條及企管守則的守則條文C.3.3條成立審核委員會。審核委員會主要負責審閱財務資料、監察本公司的財務報告系統及內部控制程序，以及維持與本公司核數師的關係。

審核委員會包括三名獨立非執行董事，即宋理明先生(主席)、陳進財先生及周展恒先生。現任審核委員會成員中概無人士為本公司過往獨立核數師的成員。審核委員會已審閱本年度報告及本集團截至二零二三年十二月三十一日止年度的綜合業績。

現有職權範圍列明，審核委員會每年須召開至少四次會議。審核委員會已於二零二四年三月二十八日召開會議，以(i)審閱及批准截至二零二三年十二月三十一日止年度之年度財務業績；(ii)討論並考慮對財務報告、經營及合規控制、風險管理有效性及內部控制系統重要的問題；及(iii)審閱核數師的委任及其相關工作範圍。

截至二零二三年十二月三十一日止年度，審核委員會已舉行五次會議，而審核委員會已於會上審閱及討論(其中包括)(i)本集團截至二零二二年十二月三十一日止年度的綜合業績；(ii)本集團截至二零二三年三月三十一日止三個月的綜合業績；(iii)本集團截至二零二三年六月三十日止六個月的綜合業績；(iv)本集團截至二零二三年九月三十日止九個月的綜合業績；(v)本集團的財務報告系統及內部控制程序；及(vi)委任本集團核數師。

Corporate Governance Report (Continued)

企業管治報告(續)

Below is the attendance record of each member of the Audit Committee during the year ended 31 December 2023:

以下為截至二零二三年十二月三十一日止年度審核委員會各成員出席會議的記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數/ 舉行會議次數
Mr. Sung Alfred Lee Ming (<i>chairman</i>)	宋理明先生(主席)	5/5
Mr. Chan Tsun Choi, Arnold	陳進財先生	5/5
Mr. Chow Chin Hang, Joel	周展恒先生	5/5

REMUNERATION COMMITTEE

The Remuneration Committee currently consists of three independent non-executive Directors, namely, Mr. Chow Chin Hang, Joel (the chairman), Mr. Sung Alfred Lee Ming and Mr. Chan Tsun Choi, Arnold.

The Remuneration Committee is primarily responsible for making regular recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing the remuneration policy. The remuneration committee also responsible for reviewing and/or approving matter relation to share schemes under Chapter 23 of the GEM Listing Rules and approving the grant of options and share awards to eligible participants pursuant to the share schemes of the Company.

The current terms of reference state that the remuneration Committee shall have at least one meeting annually. During the year ended 31 December 2023, the Remuneration Committee held one meeting, where they reviewed the remuneration packages for all Directors and senior management of the Company and made recommendations to the Board.

薪酬委員會

薪酬委員會目前包括三名獨立非執行董事，即周展恒先生(主席)、宋理明先生及陳進財先生。

薪酬委員會主要負責就本公司全體董事及高級管理層的薪酬政策及架構以及設立制定薪酬政策的正式及透明程序，向董事會作出定期建議。薪酬委員會亦會負責根據GEM上市規則第23章審閱及／或批准與股份計劃有關的事宜，以及批准根據本公司股份計劃向合資格參與者授出購股權及股份獎勵。

現有職權範圍列明，薪酬委員會每年須召開至少一次會議。截至二零二三年十二月三十一日止年度，薪酬委員會已舉行一次會議，而彼等已於會上審閱本公司全體董事及高級管理層的薪酬組合，並向董事會作出建議。

Corporate Governance Report (Continued)

企業管治報告(續)

Below is the attendance record of each member of the Remuneration Committee during the year ended 31 December 2023:

以下為截至二零二三年十二月三十一日止年度薪酬委員會各成員出席會議的記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數/ 舉行會議次數
Mr. Chow Chin Hang, Joel (<i>chairman</i>)	周展恒先生(主席)	1/1
Mr. Sung Alfred Lee Ming	宋理明先生	1/1
Mr. Chan Tsun Choi, Arnold	陳進財先生	1/1

Details regarding emoluments of the Directors for the year ended 31 December 2023 are outlined in note 13 to the consolidated financial statements of this annual report.

有關董事於截至二零二三年十二月三十一日止年度的酬金詳情概述於本年度報告綜合財務報表附註13。

During the year ended 31 December 2023, the number of senior management members whose remuneration fell within the following band is as follows:

截至二零二三年十二月三十一日止年度，酬金介乎下列範圍的高級管理層成員人數如下：

Remuneration band	薪酬範圍	Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	3

NOMINATION COMMITTEE

The Nomination Committee currently consists of one executive Director, namely, Mr. Wong Kwok Wai, Albert (the chairman) and three independent non-executive Directors, namely, Mr. Sung Alfred Lee Ming, Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel.

提名委員會

提名委員會目前包括一名執行董事，即黃國偉先生(主席)及三名獨立非執行董事，即宋理明先生、陳進財先生及周展恒先生。

Corporate Governance Report (Continued)

企業管治報告(續)

The Nomination Committee is mainly responsible for regularly reviewing the structure of the Board and making recommendations to the Board regarding any proposed change to the structure of the Board. Following the establishment of the Nomination Committee, the Company has adopted a board diversity policy in order to achieve diversity on the Board. As such, Board members are selected based on a range of diverse perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service.

The current terms of reference state that the Nomination Committee shall have at least one meeting annually. During the year ended 31 December 2023, the Nomination Committee held one meeting, where they assessed the independence of the independent non-executive Directors and recommended to the Board for the re-appointment of all the retiring Directors at the annual general meeting.

Below is the attendance record of each member of the Nomination Committee during the year ended 31 December 2023:

提名委員會主要負責定期審閱董事會架構，並就任何建議董事會架構變更向董事會作出建議。於設立提名委員會後，本公司已採納董事會多樣化政策，以實現董事會多樣化。因此，董事會成員乃根據多項不同觀點(包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年限)獲選。

現有職權範圍列明，提名委員會每年須召開至少一次會議。截至二零二三年十二月三十一日止年度，提名委員會已舉行一次會議，而彼等已於會上評估獨立非執行董事的獨立性，並就於股東週年大會上重新委任所有退任董事向董事會提出建議。

以下為截至二零二三年十二月三十一日止年度提名委員會各成員出席會議的記錄：

Name of Directors	董事姓名	Attendance/ number of meetings held 出席次數/ 舉行會議次數
Mr. Wong Kwok Wai, Albert (<i>chairman</i>)	黃國偉先生(主席)	1/1
Mr. Sung Alfred Lee Ming	宋理明先生	1/1
Mr. Chan Tsun Choi, Arnold	陳進財先生	1/1
Mr. Chow Chin Hang, Joel	周展恒先生	1/1

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD DIVERSITY POLICY

The Board recognises the importance of diversity in the Board composition and has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company. In designing the Board's composition, selection of candidates has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has considered and reviewed the composition and diversity of the Board. All the executive Directors and non-executive Director possess extensive and diversified experience in management and industrial experience. The three independent non-executive Directors possess professional knowledge in management, finance, accounting and legal aspects. The Nomination Committee will review the board diversity policy, as appropriate, to ensure its effectiveness.

The Board understands a single gender board will not consider diversity to be achieved. The Board has looked forward the potential candidates and will appoint a director of a different gender no later than 31 December 2024. For the detailed gender ratio in the workforce, please refer to the environmental, social and governance report.

董事會多元化政策

董事會了解董事會成員多元化的重要性，並已採納董事會成員多元化政策，當中載列達致本公司可持續及均衡發展以及提升本公司表現質素的方針。在設計董事會的組成時，甄選候選人已從包括但不限於性別、年齡、文化及教育背景、行業經驗、技術及專業技能及／或資格、知識、服務年期及擔任董事的時間等多個角度考慮。本公司亦會不時考慮與自身業務模式及特定需求有關的因素。最終的決定乃基於甄選的候選人將給董事會帶來的業績及貢獻。

提名委員會已考慮及檢討董事會的組成及多元化。全體執行董事及非執行董事均擁有豐富及多元化的管理及行業經驗。三名獨立非執行董事均具備管理、財務、會計及法律方面的專業知識。提名委員會將檢討董事會成員多元化政策(如適用)，以確保其有效性。

董事會認識到董事會層面要實現多元化，其組成不應僅有一種性別。董事會已物色潛在候選人，並將不遲於二零二四年十二月三十一日任命一名女性董事。有關員工的性別比例詳情，請參閱環境、社會及管治報告。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD INDEPENDENCE

The Group has mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board, encouraging all directors including independent non-executive directors to express their views in an open manner during the Board/Board Committees meetings. While all independent non-executive directors are also members of the board committees to enable various and independent view in company's matter. In addition, all Directors, including independent non-executive directors, are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the company secretary (the "**Company Secretary**") and, where necessary, independent advice from external professional advisers at the Company's expense. The Board considered the said mechanisms has been operating effectively.

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors understand and recognise their responsibility to (i) prepare the consolidated financial statements of the Group; and (ii) ensure that such financial statements are prepared to give a true and accurate view of the state of affairs, results and cash flows of the Group in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, the disclosure requirements of the Hong Kong Companies Ordinance as well as any internal standards deemed appropriate and necessary by the Directors in order to prepare the Group's consolidated financial statements. Further, the Directors also strive to offer a fair and comprehensive assessment of the Group's financial position and prospects and ensure timely publication of the financial statements of the Group. The Directors confirm that as at 31 December 2023, to the best of their knowledge, information and belief, having made all reasonable enquiries, they were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

董事會獨立性

本集團設有機制確保董事會可獲得獨立觀點及意見，而董事會將每年檢討該等機制，鼓勵全體董事(包括獨立非執行董事)於董事會／董事委員會會議上公開表達意見。而所有獨立非執行董事亦為董事委員會成員，以便就公司事宜提供不同及獨立意見。此外，全體董事(包括獨立非執行董事)有權就董事會會議上討論的事項向管理層索取進一步資料及文件。彼等亦可向公司秘書(「**公司秘書**」)尋求協助，並於有需要時向外聘專業顧問尋求獨立意見，費用由本公司承擔。董事會認為上述機制一直有效運作。

問責及審核

財務報告

董事瞭解及承認其有責任(i)編製本集團綜合財務報表；及(ii)確保有關財務報表根據香港會計師公會頒佈的香港財務報告準則、香港公司條例的披露規定以及董事認為對編製本集團綜合財務報表屬適當及必要的任何內部準則編製，以反映本集團的真實及準確事務狀態、業績及現金流量。此外，董事亦致力提供本集團財務狀況及前景的公平及全面評估，並確保及時刊發本集團財務報表。董事確認，於二零二三年十二月三十一日，就其經作出一切合理查詢後所深知、盡悉及確信，其概不知悉與事件或狀況有關的任何重大不確定因素可能引起對本公司持續經營能力的重大質疑。

Corporate Governance Report (Continued)

企業管治報告(續)

The responsibility of the independent auditor of the Company is to form its independent opinion based on its audit on those consolidated financial statements prepared by the Board, and to report its opinion to the Shareholders. Further details of their reporting responsibility are set out in the independent auditor's report of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its responsibility to ensure the effectiveness of the Group's risk management and internal control systems. As such, the Directors are committed to reviewing such systems regularly. The Board, the Company's internal audit division and the Audit Committee conducted a review of the Group's risk management and internal control systems during the year ended 31 December 2023 and were satisfied with their adequacy and effectiveness. Similarly, the Board also examined the Group's internal control systems in terms of financial, operational, compliance, procedural and risk management functions and were generally satisfied with the effectiveness of the current systems in place.

本公司獨立核數師的責任為基於對董事會編製的該等綜合財務報表的審核結果提供其獨立意見，並向股東呈報其意見。有關其呈報責任的進一步詳情載於本年度報告之獨立核數師報告。

風險管理及內部控制

董事會承認其有責任確保本集團風險管理及內部控制系統的有效性，因此，董事致力定期審閱該等系統。截至二零二三年十二月三十一日止年度，董事會、本公司內部審核部門及審核委員會已審閱本集團的風險管理及內部控制系統，並對其充足性及有效性感到滿意。同樣地，董事會亦於財務、營運、合規、程序及風險管理職能方面審查本集團的內部控制系統，並普遍對現有系統的有效性感到滿意。

Corporate Governance Report (Continued)

企業管治報告(續)

The Directors understand that the enforcement of risk management and internal control systems is essential to the Group's ability to manage and minimise risks that may affect the Group's efficiency and effectiveness, or inhibit it from achieving the business objectives.

In relation to the undertakings provided by the controlling Shareholders in respect of the deed of non-competition, the details of which are outlined in the Prospectus, the independent non-executive Directors confirm that they have reviewed the enforcement of such undertakings and conclude that there are no outstanding issues regarding the undertakings that need to be raised with the Shareholders and the Company.

AUDITOR'S REMUNERATION

For the year ended 31 December 2023, the fees paid or payable to the Company's independent external auditor, Asian Alliance and subsidiaries' auditor, for the audit services for the Group are approximately as follows:

Type of service	服務類別	Amount 金額 HK\$'000 千港元
Audit services	審核服務	1,022

COMPANY SECRETARY

All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and also facilitating communications among Directors as well as with shareholders and management.

Mr. Hui Man Ho, Ivan ("Mr. Hui") was appointed as the Company Secretary on 31 August 2022. Mr. Hui had complied with the professional training requirements to update his skills and knowledge under Rule 5.15 of the GEM Listing Rules for the year ended 31 December 2023.

董事瞭解，強制執行風險管理及內部控制系統對本集團管理及減少可能影響本集團效率及有效性或阻礙其實現業務目標的能力至關重要。

就控股股東就不競爭契據(詳情概述於招股章程)提供的承諾而言，獨立非執行董事確認，其已審閱該等承諾的強制執行，並認為概無與承諾有關的未解決問題須提請股東及本公司注意。

核數師薪酬

截至二零二三年十二月三十一日止年度，就提供予本集團的審核服務而已付或應付本公司獨立外部核數師華融及附屬公司核數師的費用概約如下：

公司秘書

全體董事均取得公司秘書的意見及服務。公司秘書向主席匯報管治事宜，並負責確保董事會程序獲得遵守，以及促進董事之間以及彼等與股東及管理層之間的溝通。

許文浩先生(「許先生」)已於二零二二年八月三十一日獲委任為公司秘書。截至二零二三年十二月三十一日止年度，許先生已遵守上市規則第5.15條規則定之專業培訓要求，以提升技能及知識。

Corporate Governance Report (Continued)

企業管治報告(續)

SHAREHOLDERS' RIGHTS

In order to protect their own rights and interests, Shareholders may propose separate resolutions in regard to substantial issues at Shareholders' meetings for consideration and voting. According to the GEM Listing Rules, all resolutions presented at Shareholders' meetings will be voted by poll, and after the relevant Shareholders' meeting, the results of such a poll will be published on the websites of the Stock Exchange and the Company. Pursuant to the Articles, an AGM will be held annually in the relevant territory where the Shares are listed, or elsewhere as may be determined by the Board. Any meeting other than an AGM is deemed an extraordinary general meeting ("EGM").

PROCEDURES FOR SHAREHOLDERS TO CONVENE EXTRAORDINARY GENERAL MEETINGS

Extraordinary general meetings can be convened on the requisition of one or more Shareholders holding, at the date of the deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at the general meetings. Such requisition must be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Shareholders must send their written resolutions, together with their full name, contact details and identification, by post to the principal place of business of the Company in Hong Kong or by email for the attention of the company secretary of the Company, details of which are set out below:

Principal place of business of the Company in Hong Kong : 5/F, Caltex House
258 Hennessy Road
Wan Chai, Hong Kong

Email address : info@harbourequine.com

股東權利

為保障其本身權利及利益，股東可於股東會議上就重大問題建議單獨決議案以供考慮及投票。根據GEM上市規則，於股東大會上呈報的所有決議案將以投票方式表決，而有關投票結果將於相關股東大會後刊發於聯交所及本公司網站。根據細則，股東週年大會將每年於股份上市所在相關地區或董事會可能決定的其他地區召開。除股東週年大會外，任何會議均被視為股東特別大會（「股東特別大會」）。

股東召開股東特別大會之程序

股東特別大會可應一名或多名於遞交請求日期持有不少於本公司已繳足股本十分之一，並有權於股東大會上表決的股東召開。倘要求董事會召開股東特別大會，以處理有關請求中訂明的任何業務交易，則須以書面方式向董事會或本公司公司秘書作出有關請求。

股東須將其書面決議案連同其全名、聯絡詳情及身份，透過郵件寄發至本公司於香港的主要營業地點或透過電郵方式(收件人為本公司公司秘書)交付，詳情載列如下：

本公司於香港的主要營業地點 : 香港灣仔
軒尼詩道258號
德士古大廈5樓

電郵地址 : info@harbourequine.com

Corporate Governance Report (Continued)

企業管治報告(續)

An extraordinary general meeting must be within two months after the deposit of the requisition. If, within 21 days after the deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

RIGHT OF RAISING ENQUIRIES

For queries about shareholdings, share transfers, registrations and dividend payments, Shareholders should contact the Company's Hong Kong branch share registrar, whose details are set out in the section headed "Corporate Information" of this annual report.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

The Articles provide that Shareholders who wish to put a resolution to a vote may convene an EGM by means of requisition using the procedure set out above.

INVESTOR RELATIONS

The Company utilises various channels to communicate with its shareholders and investors, including (i) the AGM or EGM, which allows Shareholders to comment and exchange views with the Board; (ii) the publication of interim, quarterly and annual reports; (iii) notices, announcements and circulars; and (iv) the Company's website at www.harbourequine.com.

股東特別大會須於遞交請求後兩個月內召開。倘董事會未能於遞交請求後21天內召開有關會議，則請求人自行可以相同方式如此行事，而請求人因董事會未能召開會議而招致的所有合理開支須由本公司向請求人補償。

提起查詢的權利

對於有關持股、股份轉讓、登記及股息派付的查詢，股東應聯絡本公司的香港股份過戶登記分處，其詳情載於本年度報告「公司資料」一節。

股東於股東大會上遞交建議之程序

細則規定，股東如欲就決議案投票，可透過上文所載程序提出請求的方式召開股東特別大會。

投資者關係

本公司利用不同渠道與其股東及投資者溝通，包括(i)股東週年大會或股東特別大會，允許股東與董事會談論及溝通觀點；(ii)刊發中期、季度及年度報告；(iii)通告、公佈及通函；及(iv)本公司網站 www.harbourequine.com。

Report of the Directors

董事會報告

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

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 18 August 2016. On 22 June 2017, the Group completed a group reorganisation (the “**Reorganisation**”), details of which are set out in the section headed “History, Reorganisation and Corporate Structure” in the Prospectus. Through various reorganisation procedures, the Company became the holding company of the Group upon completion of the Reorganisation.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the primary activities of its principal subsidiaries are the sale and manufacture and selling of sewing threads and board categories of garment accessories, provision of interior design, interior decoration and furnishing services, trading of bloodstock, stallion services and equine handling services. The principal activities also included securities, advising on corporate finance and assets management. Details of the Group’s principal activities are set out in Note 1 to the consolidated financial statements of the Group.

RESULTS AND APPROPRIATIONS

The results for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income of this annual report. The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group’s property, plant and equipment for the year ended 31 December 2023 are set out in Note 17 to the consolidated financial statements of this annual report.

董事欣然提呈本報告連同本集團截至二零二三年十二月三十一日止年度的經審核綜合財務報表。

公司重組

本公司於二零一六年八月十八日在開曼群島註冊成立為獲豁免有限公司。於二零一七年六月二十二日，本集團完成集團重組（「**重組**」），有關詳情載於招股章程「歷史、重組及公司架構」一節。本公司透過多項重組程序，於重組完成後成為本集團的控股公司。

主要業務

本公司為投資控股公司，其主要的業務為銷售及生產及銷售縫紉線和各類服裝輔料、提供室內設計、室內裝飾及室內陳設服務以及提供純種馬買賣、種馬服務及馬匹管理服務。主要業務亦包括證券、就企業融資提供意見及資產管理。本集團主要業務詳情載於本集團綜合財務報表附註1。

業績及分配

截至二零二三年十二月三十一日止年度業績載於本年度報告綜合損益表及綜合全面收入表。董事會並無建議派付截至二零二三年十二月三十一日止年度末期股息（二零二二年：無）。

物業、廠房及設備

本集團截至二零二三年十二月三十一日止年度物業、廠房及設備的變動詳情載於本年度報告綜合財務報表附註17。

Report of the Directors (Continued)

董事會報告(續)

BUSINESS REVIEW

A business review of the Group's performance for the year ended 31 December 2023, the main issues impacting its results and financial position are set out in the section headed "Management Discussion and Analysis" of this annual report. In addition, a discussion of the likely future development of the Group's business is set out in the section headed "Chairman's Statement" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's profitability, financial position, results of operations, business operations and prospects may be affected by a variety of risks including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's risk management system and policies are shown in Note 36 to the consolidated financial statements.

Further, the Group may also be exposed to other risks that may be beyond its control. For the threads segment, the Group may experience material price fluctuations of fibre and yarn, both being raw materials principally used in the manufacturing process of sewing threads. The Group also faces business risks, including (i) failure to secure a supply as the Group does not enter into long-term supply contracts with its suppliers; (ii) any unexpected disruption in the Guangzhou Production Facilities; and (iii) any labour shortage, increase in labour costs or other factors affecting labour supply in the PRC. For the equine segment, the Group may experience material price fluctuations of the bloodstock market due to the impact from repeated interest rate increase by the Reserve Bank of Australia. Also, the performance and growth condition of the bloodstock also influence the price of the bloodstock. Each of which may materially and adversely affect the Group's operations, financial condition, results of operations and prospects.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the five years ended 31 December 2023 is set out in the section headed "Five Year Financial Summary" of this annual report.

SHARE CAPITAL

Details of the movements of the issued share capital of the Company for the year ended 31 December 2023 are set out in Note 31 to the consolidated financial statements of the Group.

業務回顧

本集團表現於截至二零二三年十二月三十一日止年度的業務回顧、影響其業績及財務狀況的主要事宜載於本年度報告「管理層討論及分析」一節。另外，有關本集團業務未來可能發展的討論載於本年度報告「主席致辭」一節。

主要風險及不確定因素

本集團的盈利能力、財務狀況、經營業績、業務營運及前景可能受多種風險影響，包括外幣風險、利率風險、信貸風險及流動資金風險。本集團風險管理系統及政策如綜合財務報表附註36所示。

另外，本集團亦可能面臨本集團或無法控制的其他風險。就縫紉線分部而言，本集團可能遭遇縫紉線製造流程所用主要原料纖維及紗線的重大價格波動。本集團亦面臨業務風險，包括(i)由於本集團並無與供應商訂立長期供應合約，從而無法獲得供應；(ii)廣州生產設施的任何意外中斷；及(iii)在中國出現任何勞動力短缺、員工成本增加或影響勞動力供應的其他因素。就馬匹分部而言，受澳大利亞儲備銀行多次加息的影響，本集團的種馬市場價格或會大幅波動。此外，種馬的表現和生長條件亦影響種馬的價格。上述各項或會對本集團營運、財務狀況、經營業績及前景有重大不利影響。

財務概要

本集團截至二零二三年十二月三十一日止五個年度的業績、資產及負債概要載於本年度報告「五年財務摘要」一節。

股本

本公司截至二零二三年十二月三十一日止年度已發行股本的變動詳情載於本集團綜合財務報表附註31。

Report of the Directors (Continued)

董事會報告(續)

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights pursuant to the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would require the Company to offer new shares on a pro-rata basis to its existing Shareholders.

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

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023 and up to the date of this annual report.

RESERVES

Details of the movements in the reserves of the Group during the year ended 31 December 2023 are set out in the consolidated statement of changes in equity of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2023, no Company's reserves available for distribution to Shareholders, calculated according to Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (2022: HK\$47.0 million).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2023, sales to the Group's largest customer and five largest customers represented approximately 11.6% (2022: approximately 22.4%) and 39.1% (2022: approximately 43.0%) of the Group's total revenue, respectively. The Group's suppliers include suppliers of raw materials and processing works. For the year ended 31 December 2023, supplies attributable to the Group's largest supplier and five largest suppliers represented approximately 6.8% (2022: approximately 11.9%) and 21.7% (2022: approximately 45.3%) of the Group's total supplies, respectively.

優先購買權

根據細則或本公司註冊成立所在司法管轄區開曼群島的法律，並無優先購買權的條文規定本公司須按比例向其現有股東發行新股份。

購買、出售或贖回本公司上市證券

截至二零二三年十二月三十一日止年度及直至本年度報告日期，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

儲備

本集團截至二零二三年十二月三十一日止年度儲備的變動詳情載於本年度報告綜合權益變動表。

可分派儲備

於二零二三年十二月三十一日，並無本公司可用於向股東分派的儲備按開曼群島法例第22章公司法(一九六一年第3號法例，經綜合及修訂)計算(二零二二年：47,000,000港元)。

主要客戶及供應商

截至二零二三年十二月三十一日止年度，向本集團最大客戶及五大客戶的銷售分別約佔本集團總收益的11.6% (二零二二年：約22.4%)及39.1% (二零二二年：約43.0%)。本集團的供應商包括原材料及工序供應商。截至二零二三年十二月三十一日止年度，本集團最大供應商及五大供應商應佔的供應額分別約佔本集團供應總額的6.8% (二零二二年：約11.9%)及21.7% (二零二二年：約45.3%)。

Report of the Directors (Continued)

董事會報告(續)

To the Directors' best knowledge, none of the Directors or any of close associates (as defined in the GEM Listing Rules) or any Shareholder who or which own more than 5% of the Company's issued share capital had any beneficial interest in any of the five largest customers and/or five largest suppliers of the Group during the year.

DIRECTORS

The Directors for the year ended 31 December 2023 and up to the date of this annual report are as follows:

Executive Directors

執行董事

Mr. Wong Kwok Wai, Albert
(Chairman and chief executive officer)

黃國偉先生(主席兼行政總裁)

Mr. Chan Yiu Tung, Enoch

陳耀東先生

Mr. Leung King Yue, Alex

梁景裕先生

Mr. Ma Pok Man, Josiah

馬博文先生

Mr. Shane McGrath

Shane McGrath先生

Independent non-executive Directors

獨立非執行董事

Mr. Sung Alfred Lee Ming

宋理明先生

Mr. Chan Tsun Choi, Arnold

陳進財先生

Mr. Chow Chin Hang, Joel

周展恒先生

據董事所知，董事或任何緊密聯繫人(定義見GEM上市規則)或擁有5%以上本公司已發行股本的股東於本年度概無在本集團五大客戶及／或五大供應商中擁有任何實益權益。

董事

於截至二零二三年十二月三十一日止年度及直至本年度報告日期，董事如下所示：

(resigned as an Executive Director on 29 February 2024)
(於二零二四年二月二十九日辭任執行董事)

Report of the Directors (Continued)

董事會報告(續)

Pursuant to Article 112 of the Articles, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in a general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Article 108(a) of the Articles, notwithstanding any other provisions in the Articles, at each annual general meeting, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

BIOGRAPHICAL DETAILS OF DIRECTORS

For the biographical details of the Directors, please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for an initial term of three years, which shall be renewed as determined by the Board or the Shareholders. Either party is entitled to give not less than one month's notice to terminate the service agreement.

根據細則第112條，董事有權不時及隨時委任任何人士為董事，以填補臨時空缺或增加現有董事，惟所委任董事人數不得超過股東於股東大會上不時釐定的人數上限。任何由董事會委任以填補臨時空缺的董事，僅可任職至其獲委任後本公司首屆股東大會為止，並須於有關大會上重選連任。任何由董事會委任加入現有董事會的董事，僅可任職至本公司下屆股東週年大會為止，且屆時符合資格重選連任。

根據細則第108(a)條，儘管細則有任何其他條文規定，在每屆股東週年大會上，當時在任的三分之一董事須輪流告退，倘人數並非三或三的倍數，則最接近但不少於三分之一的董事須輪流告退，惟各董事(包括按特定任期委任的董事)須至少每三年輪席告退一次。

董事履歷詳情

有關董事履歷詳情，請參閱本年度報告「董事及高級管理層的履歷詳情」一節。

董事服務合約

各執行董事已與本公司訂立服務協議，彼據此同意擔任執行董事，初始任期為三年，須由董事會或股東釐定重續。任何一方有權發出不少於一個月的通知，藉此終止服務協議。

Report of the Directors (Continued)

董事會報告(續)

Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company to which he has agreed to act as a non-executive Director or an independent non-executive Director for a fixed term of three years, which shall be renewed as determined by the Board or the Shareholders. Except for the Director's fees, no independent non-executive Director is to receive any other emolument for acting as an independent non-executive Director.

Save as disclosed above, none of the Directors has proposed or entered into any service agreement or letter of appointment with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than the statutory compensation.

CONFIRMATION OF INDEPENDENCY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has provided the Company with a confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules. As such, the Company considers all the independent non-executive Directors to be independent as at the date of this annual report.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles, a Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may incur or sustain in or about the execution of the duties of his office or otherwise in relation thereto.

Appropriate directors' and officers' liability insurance coverage has been arranged for the Directors and officers of the Company.

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals are set out in Notes 13 and 14 to the consolidated financial statements of this annual report.

各非執行董事及獨立非執行董事已與本公司訂立委任函，彼據此同意擔任非執行董事或獨立非執行董事，固定任期為三年，須由董事會或股東釐定重續。除董事袍金外，獨立非執行董事概無就擔任獨立非執行董事收取任何其他酬金。

除上文披露者外，董事概無與本公司或其任何附屬公司提議或訂立不可由本集團於一年內免付賠償(法定賠償除外)而終止的任何服務協議或委任函。

確認獨立非執行董事的獨立性

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條作出的獨立性確認書。因此，本公司認為，所有獨立非執行董事於本年度報告日期屬獨立。

獲准許的彌償條文

根據細則，董事有權從本公司資產中獲得彌償，以彌償其在執行職務或其他與執行職務有關的事宜時可能招致或蒙受的所有損失或責任。

本公司已為本公司董事及高級人員投購適當的董事及高級人員責任保險。

董事及五名最高薪酬人士的酬金

董事及五名最高薪酬人士的酬金詳情載於本年度報告綜合財務報表附註13及14。

Report of the Directors (Continued)

董事會報告(續)

EMOLUMENT POLICY

The Directors receive compensation in the form of an annual director's fee while members of the senior management receive compensation in the form of salaries, discretionary bonuses and other allowances. The Group also reimburses the Directors and senior management for expenses which are necessarily and reasonably incurred in relation to the Group's operations or in the course of discharging their duties to the Group. The Remuneration Committee regularly reviews and determines the remuneration packages of the Directors and the senior management, taking into account factors including, salaries payable by comparable companies, employment conditions, responsibilities and the individual performance of the Directors and senior management.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 31 December 2023, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), which were (a) required 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 they were taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

薪酬政策

董事以年度董事袍金形式收取報酬，而高級管理層成員以薪金、酌情花紅及其他補貼形式收取報酬。本集團亦會就董事及高級管理層因本集團營運或執行彼等對本集團的職能而必需及合理產生的開支，向彼等作出補償。薪酬委員會定期檢討及釐定董事及高級管理層的薪酬組合，當中參考(其中包括)可資比較公司所支付薪金、就業環境、董事及高級管理層的責任及個人表現等因素。

董事及主要行政人員於本公司及任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零二三年十二月三十一日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的有關條文彼等被當作或視作擁有的權益及淡倉);或(b)須記入證券及期貨條例第352條規定須存置的登記冊的權益或淡倉;或(c)根據GEM上市規則第5.46至5.67條須另行知會本公司及聯交所的權益或淡倉如下:

Report of the Directors (Continued)

董事會報告(續)

Long position in the Shares and underlying Shares

於股份及相關股份之好倉

(a) Ordinary shares of the Company

(a) 本公司普通股

Name of Director	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1)
董事姓名	權益性質／持股身份	所持普通股數目	佔本公司 已發行股本的 百分比(附註1)
Mr. Wong Kwok Wai, Albert 黃國偉先生	Interest of a controlled corporation 受控制法團權益	120,000,000 (L) (Notes 2) 120,000,000股股份(L) (附註2)	29.33%
Mr. Leung King Yue, Alex 梁景裕先生	Beneficial owner 實益擁有人	10,100,000 (L) 10,100,000股股份(L)	2.47%
Mr. Ma Pok Man, Josiah 馬博文先生	Beneficial owner 實益擁有人	8,800,000 (L) 8,800,000股股份(L)	2.15%

Report of the Directors (Continued)

董事會報告(續)

(b) Share options of the Company

(b) 本公司購股權

Name of category of participant	Date of grant of share option		Exercise price	Number of underlying shares in respect of which share option were granted				Outstanding at 31 December 2023
	Exercisable period			Outstanding at 1 January 2023	Granted during the year	Exercised during the year	Lapsed during the year	
參與者類別名稱	購股權授出日期	行使期	行使價 HK\$ 港元	於二零二三年一月一日未獲行使	於年內授出	於年內獲行使	於年內失效	於二零二三年十二月三十一日未獲行使
Directors								
董事								
Mr. Ma Pok Man, Josiah 馬博文先生	13 May 2021 二零二一年五月十三日	13 May 2021-12 May 2024 二零二一年五月十三日至 二零二四年五月十二日	0.57	3,500,000	—	—	—	3,500,000
Mr. Ma Pok Man, Josiah 馬博文先生	31 August 2022 二零二二年八月三十一日	31 August 2022-30 August 2025 二零二二年八月三十一日至 二零二五年八月三十日	0.59	4,000,000	—	—	—	4,000,000
Mr. Shane McGrath Shane McGrath先生	3 January 2022 二零二二年一月三日	3 January 2022-2 January 2025 二零二二年一月三日至 二零二五年一月二日	0.492	4,091,418	—	—	—	4,091,418
Mr. Leung King Yue, Alex 梁景裕先生	31 August 2022 二零二二年八月三十一日	31 August 2022-30 August 2025 二零二二年八月三十一日至 二零二五年八月三十日	0.59	4,000,000	—	—	—	4,000,000
Other eligible participants								
其他合資格參與者								
Nil 無	—	—	—	—	—	—	—	—
				15,391,148	—	—	—	15,591,418

Report of the Directors (Continued)

董事會報告(續)

Notes:

1. As at the date of this annual report, the Company's issued ordinary share capital was HK\$20,457,093 divided into 409,141,860 Shares of HK\$0.05 each.
2. Three Gates Investment Limited ("**Three Gates Investment**"), a company incorporated in the British Virgin Islands on 15 August 2016 is wholly and beneficially owned by Mr. Wong Kwok Wai, Albert ("**Mr. Wong**"), who is the chairman and an executive director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of the SFO.
3. During the period, no share options mentioned above were cancelled.

Except as disclosed above, as at 31 December 2023, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange according to rules 5.46 to 5.67 of the GEM Listing Rules.

附註:

1. 於本年度報告日期，本公司的已發行普通股股本為20,457,093港元，分為409,141,860股每股面值0.05港元的股份。
2. Three Gates Investment Limited (「**Three Gates Investment**」)為一間於二零一六年八月十五日在英屬處女群島註冊成立的公司，由本公司主席兼執行董事黃國偉先生(「**黃先生**」)全資實益擁有。因此，根據證券及期貨條例，黃先生被視為於擁有Three Gates Investment所持120,000,000股股份中擁有權益。
3. 期內，上述購股權概無獲註銷。

除上文披露者外，於二零二三年十二月三十一日，本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券證中概無擁有須記入證券及期貨條例第352條規定本公司須存置的登記冊或根據GEM上市規則第5.46至5.67條須另行知會本公司及聯交所的任何其他權益或淡倉。

Report of the Directors (Continued)

董事會報告(續)

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

To the best knowledge of the Directors, as at 31 December 2023, the following persons or corporations (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in the Shares and underlying Shares

主要股東於本公司股份及相關股份中的權益及淡倉

據董事所知，於二零二三年十二月三十一日，以下人士或法團(本公司董事及主要行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須披露予本公司或須記入證券及期貨條例第336條規定須存置的登記冊的權益及／或淡倉如下：

於股份及相關股份之好倉

Name of Substantial Shareholder	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1)
主要股東名稱	權益性質／持股身份	所持普通股數目	佔本公司已發行股本的百分比(附註1)
Three Gates Investment	Beneficial owner	120,000,000	29.33%
	實益擁有人	(Notes 2, 3) 120,000,000股股份 (附註2、3)	
Gold-Face Finance Limited	Person having a security interest in Shares	80,000,000	19.55%
均來財務有限公司	擁有股份權益的人士	(Notes 3, 4) 80,000,000股股份 (附註3、4)	
Upbest Credit and Mortgage Limited	Person having a security interest in Shares	80,000,000	19.55%
美建信貸及按揭有限公司	擁有股份權益的人士	(Notes 3, 4) 80,000,000股股份 (附註3、4)	
Good Foundation Company Limited	Person having a security interest in Shares	80,000,000	19.55%
開盛有限公司	擁有股份權益的人士	(Notes 3, 4) 80,000,000股股份 (附註3、4)	
Upbest Strategic Company Limited	Person having a security interest in Shares	80,000,000	19.55%
美建策略有限公司	擁有股份權益的人士	(Notes 3, 4) 80,000,000股股份 (附註3、4)	
Upbest Financial Holdings Limited	Person having a security interest in Shares	80,000,000	19.55%
	擁有股份權益的人士	(Notes 3, 4) 80,000,000股股份 (附註3、4)	

Report of the Directors (Continued)

董事會報告(續)

Name of Substantial Shareholder 主要股東名稱	Nature of interest/ Holding capacity 權益性質／持股身份	Number of ordinary shares held 所持普通股數目	Percentage of issued share capital of the Company (Note 1) 佔本公司已發行股本的百分比(附註1)
Upbest Group Limited 美建集團有限公司	Person having a security interest in Shares 擁有股份權益的人士	80,000,000 (Notes 3, 4) 80,000,000股股份 (附註3、4)	19.55%
Fung Wing Cheung, Tony 馮永祥	Beneficial owner 實益擁有人	40,800,000 40,800,000股股份	9.97%

Notes:

- As at the date of this annual report, the Company's issued ordinary share capital was HK\$20,457,093 divided into 409,141,860 Shares of HK\$0.05 each.
- Three Gates Investment is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of his 100% shareholding interest in Three Gates Investment.
- 80,000,000 Shares held by Three Gates Investment have been charged in favour of Gold-Face Finance Limited ("Gold-Face") as security for a loan granted in favour of Mr. Wong Kwok Wai, Albert, the chairman, chief executive officer, executive director and controlling shareholder of the Company.
- As Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited, which in turn is wholly-owned by Upbest Strategic Company Limited and Good Foundation Company Limited in equal parts, which in turn are both wholly-owned by Upbest Financial Holdings Limited, which in turn is wholly-owned by Upbest Group Limited, Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 80,000,000 Shares charged in favour of Gold-Face by virtue of the SFO.

附註：

- 於本年度報告日期，本公司的已發行普通股股本為20,457,093港元，分為409,141,860股每股面值0.05港元的股份。
- Three Gates Investment由本公司主席兼執行董事黃先生全資實益擁有。因此，黃先生被視為透過所持Three Gates Investment 100%股權於Three Gates Investment所持120,000,000股股份中擁有權益。
- Three Gates Investment所持80,000,000股股份已獲質押予均來財務有限公司(「均來」)，以為本公司主席、行政總裁、執行董事兼控股股東黃國偉先生獲授貸款的抵押。
- 由於均來由美建信貸及按揭有限公司全資擁有，而美建信貸及按揭有限公司由美建策略有限公司及開盛有限公司全資同等擁有，而兩者由Upbest Financial Holdings Limited全資擁有，而Upbest Financial Holdings Limited則由美建集團有限公司全資擁有，故根據證券及期貨條例，美建信貸及按揭有限公司、美建策略有限公司、開盛有限公司、Upbest Financial Holdings Limited及美建集團有限公司均被視為於質押予均來的80,000,000股股份中擁有證券權益。

Report of the Directors (Continued)

董事會報告(續)

Except as disclosed above, as at 31 December 2023, the Directors are not aware of any interests and short positions owned by any other parties, other than a Director or the chief executive of the Company who held interests or short positions in the shares and the underlying shares of the Company, which were required to be recorded under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

SHARE OPTION SCHEME

The existing share option scheme of the Company (the “**Share Option Scheme**”) was adopted by the Company at the extraordinary general meeting of the Company held on 8 February 2023 and the previous share option scheme of the Company adopted on 24 November 2017 (the “**Old Share Option Scheme**”) was terminated on the same date. The following is a summary of the major terms of the Share Option Scheme:

(a) Purpose

The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive for employees working full-time and part-time as well as other eligible personnel under the Share Option Scheme and to promote the success of the business of the Group.

(b) Eligible participants

Eligible participants include (i) employee participant(s) including the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the Share Option Scheme as inducement to enter into employment contracts with the Group); and (ii) service provider(s) including person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any area of business or business development of the Group, but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer.

除上文披露者外，於二零二三年十二月三十一日，就董事所知，除在本公司股份及相關股份中持有根據證券及期貨條例第XV部第2及3分部的規定須予記錄的權益或淡倉的本公司董事或主要行政人員，或直接或間接擁有附帶權利可於所有情況下在本公司股東大會上投票的所有類別股本面值10%或以上權益的本公司董事或主要行政人員外，概無任何其他人士擁有任何權益及淡倉。

購股權計劃

本公司於二零二三年二月八日舉行的本公司股東特別大會上採納本公司現有購股權計劃(「**購股權計劃**」)，而本公司於二零一七年十一月二十四日採納的舊購股權計劃(「**舊購股權計劃**」)於同日終止。以下為購股權計劃之主要條款概要：

(a) 目的

購股權計劃旨在吸引及挽留本集團的最傑出人才，向全職與兼職僱員及購股權計劃規定的其他合資格人士提供額外獎勵並促成本集團的業務成功。

(b) 合資格參與者

合資格參與者包括(i)包括本集團任何成員公司(包括根據購股權計劃獲授購股權作為與該等公司訂立僱傭合約的獎勵之人士)之董事及僱員(不論全職或兼職)在內的董事及僱員；及(ii)服務提供商，包括於本集團的一般及日常業務過程中，持續或經常性地向本集團任何成員公司提供對本集團長期發展有利的服務的任何人，包括本集團任何業務領域或業務發展的任何獨立分銷商、合約商、供應商、代理、諮詢師或顧問，但不包括任何提供融資、併購及核數或估值等其他專業服務的配售代理或金融顧問。

Report of the Directors (Continued)

董事會報告(續)

(c) Subscription price

The subscription price shall be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of (i) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a business day; (ii) the average of the closing prices of the shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive business days immediately preceding the offer date; and (iii) the nominal value of the share on the offer date.

(d) Time of exercise of options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

(e) Grant of options

An offer for the grant of options shall remain open for acceptance for a period of twenty-one days, including the day in which the offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of the option is HK\$1.0.

(f) Maximum number of shares available for issue

(i) The total number of shares which may be issued in respect of all options which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company shall not exceed such number of shares as equals to 10% of the issued share capital of the Company as at the date of the adoption of the Share Option Scheme (“**Adoption Date**”). Unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (iii) and (iv) below, options lapsed in accordance with the terms of the Share Option Scheme will not be regarded as utilised for the purpose of calculating the scheme mandate limit and the service provider sublimit.

(c) 認購價

認購價須由董事會全權酌情釐定，惟無論如何不得低於以下之最高者：
(i) 於授出日期(須為營業日)聯交所發佈的每日報價表所列的股份收市價；
(ii) 於緊接授出日期前五(5)個營業日聯交所發佈的每日報價表所列的股份平均收市價；及(iii) 股份之面值。

(d) 行使購股權的時限

購股權可於董事會可能釐定而不得超過授出日期起計十年內，隨時根據購股權計劃之條款行使，除非提早終止條文另有規定。

(e) 授出購股權

授出購股權之要約須於二十一天(包括提呈要約之日)期間內始終可供接納。購股權承授人於接納授出購股權之要約時應付本公司的金額為1.0港元。

(f) 可發行股份的最高數目

(i) 根據購股權計劃可能隨時授出的所有購股權而可能發行的股份總數，連同可能根據本公司任何其他購股權計劃而授出的期權及獎勵，不應超過本公司於採納購股權計劃日期(「**採納日期**」)已發行股本的10%。除非已根據下文第(iii)及(iv)分段取得股東批准。就計算計劃授權限額及服務提供者分項限額而言，根據購股權計劃條款失效的購股權將不會視為用於計算。

Report of the Directors (Continued)

董事會報告(續)

- (ii) The total number of shares which may be issued in respect of all options which may be granted at any time under the Share Option Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to service providers shall not exceed such number of shares as equals to 1% of the issued share capital of the Company as at Adoption Date.
 - (iii) The Company may seek approval of the shareholders in general meeting to refresh the scheme mandate limit and/or the service provider sublimit under the Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment), provided that the limit so refreshed must not exceed 10% of the relevant class of shares in issue as at the date of passing the relevant resolution.
 - (iv) The Company may also seek separate approval of the shareholders in general meeting for granting options beyond the scheme mandate limit provided that the options in excess of the scheme mandate limit are granted only to eligible participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of shareholders under this sub-paragraph (iv), the Company must send a circular to the shareholders containing a generic description of the specified eligible participants who may be granted such options, the number and terms of options to be granted, the purpose of granting options to the specified eligible participants with an explanation as to how the terms of the options serve such purpose and such other information as required under the GEM Listing Rules.
- (ii) 根據購股權計劃可能隨時授出的所有購股權而可能發行的股份總數，連同可能根據本公司任何其他購股權計劃而向服務提供商授出的期權及獎勵，不應超過本公司於採納日期已發行股本的1%。
 - (iii) 於採納日期(或股東批准最後更新日期)後三(3)年，本公司可根據股權計劃於股東大會徵求股東批准更新計劃授權限額及／或服務提供者分項限額，惟更新後的限額不得超過相關決議案通過日期已發行相關股份的10%。
 - (iv) 本公司可於股東大會上徵求股東批准授出超逾計劃授權限額的購股權，惟僅向本公司於徵求有關批准前特別指明之合資格參與者授出超逾計劃授權限額的購股權。就根據分段(iv)徵求股東批准而言，本公司必須向股東寄發一份通函，當中載列可獲授之指定合資格人士的一般簡介及向指定合資格人士授出該等購股權、購股權的數量及條款，並說明購股權條款將如何達致上述目的及GEM上市規則規定之其他資料。

Report of the Directors (Continued)

董事會報告(續)

(g) Maximum entitlement of each participant

The total number of shares issued and to be issued upon the exercise of the options and awards granted to each participant under the Share Option Scheme or any other option schemes of the Company in any 12-month period must not exceed 1% of the total number of shares of the Company in issue, unless approved by the Shareholders in the manner stipulated in the Share Option Scheme.

(h) Duration of the Share Option Scheme

The Share Option Scheme shall continue in force for the period commencing from the Adoption Date, and expiring at the close of business on the date which falls ten (10) years after the Adoption Date.

(i) Termination of the Share Option Scheme

The Company by ordinary resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted but not yet exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Since the Adoption Date and up to date of this annual report, no share options have been granted pursuant to the Share Option Scheme. Details of share granted under the Old Share Option Scheme are set out in Note 32 to the consolidated financial statement of this annual report.

(g) 每名參與者之最高配額

除非股東以購股權計劃及獎勵規定的方式批准，否則在任何十二個月期間內，因行使根據購股權計劃或本公司任何其他購股權計劃授予每位參與者之購股權而已發行及將予發行之股份總數，不得超過本公司已發行股份總數之1%。

(h) 購股權計劃之期限

購股權計劃自採納日期起持續有效，並於採納日期第十(10)年當日營業時間結束時屆滿。

(i) 終止購股權計劃

本公司可於股東大會或董事會上通過普通決議案，或通過董事會於任何時間終止購股權計劃，在此情況下，本公司不會進一步授出購股權，但在所有其他方面，購股權計劃的規定應依然有效，以確保此前已授出但未行使的購股權可正常行使，或符合購股權計劃其他方面的規定。終止前授出的任何購股權根據購股權計劃的規定應繼續有效及可行使。

自採納日期起及直至本年度報告日期，概無根據購股權計劃授出購股權。有關舊購股權計劃授出股份詳情載於本年報綜合財務報表附註32。

Report of the Directors (Continued)

董事會報告(續)

CONNECTED TRANSACTION

Shareholder's loan agreement between Mr. Wong and Tseyu International

On 31 March 2020, Mr. Wong Kwok Wai, Albert, a controlling shareholder of the Company and an executive Director (“**Mr. Wong**”), and Tseyu International Trading Company Limited (“**Tseyu International**”), a wholly-owned subsidiary of the Company, entered into a shareholder's loan agreement in respect of the shareholder's loans provided by Mr. Wong to Tseyu International. The shareholder's loans, amounting to HK\$19,171,000, are interest-free, unsecured and repayable in cash on demand. As the shareholder's loans were provided on normal commercial terms or better and were not secured by the assets of the Group, the shareholder's loans are fully exempt under Chapter 20 of the GEM Listing Rules. Details of the shareholder's loan agreement are set out in the circular dated 16 February 2021.

Loan agreement between Mr. Wong and Guangzhou Xinhua

On 31 March 2020, Mr. Wong and Guangzhou Xinhua Thread Company (廣州新華線業有限公司) (“**Guangzhou Xinhua**”), a wholly-owned subsidiary of the Company, entered into a loan agreement in relation to the intra-group current accounts balance in a sum of RMB16,760,277 (equivalent to HK\$18,603,907) due from Mr. Wong to Guangzhou Xinhua. It was agreed that, among other things, interest shall be payable by Mr. Wong to Guangzhou Xinhua to be accrued at a rate of 2% per annum on the outstanding current accounts balance from the date of the loan agreement and the current accounts balance shall be repaid by Mr. Wong within three years from the date of the loan agreement. Such loan agreement has been approved by the independent shareholders based on Chapter 20 of the GEM Listing Rules. Details of the loan agreement are set out in the circular dated 16 February 2021 and announcements of the Company dated 8 March 2021.

關連交易

黃先生與至裕國際的股東貸款協議

於二零二零年三月三十一日，本公司控股股東兼執行董事黃國偉先生(「**黃先生**」)與本公司全資附屬公司至裕國際貿易有限公司(「**至裕國際**」)就黃先生向至裕國際提供的股東貸款訂立股東貸款協議。19,171,000港元的股東貸款為免息、無抵押及須按要求以現金償還。由於股東貸款乃按正常商業條款或更優惠條款提供，且並無以本集團的資產作抵押，故股東貸款根據GEM上市規則第20章獲完全豁免。股東貸款協議的詳情載於日期為二零二一年二月十六日的通函。

黃先生與廣州新華的貸款協議

於二零二零年三月三十一日，黃先生與本公司全資附屬公司廣州新華線業有限公司(「**廣州新華**」)就黃先生結欠廣州新華的集團內公司間往來賬戶結餘人民幣16,760,277元(相當於18,603,907港元)訂立貸款協議。雙方同意，除其他事項外，黃先生應向廣州新華支付利息，自貸款協議日期起就未償還往來賬戶結餘按年利率2%計息，且黃先生應於貸款協議日期起三年內償還往來賬戶結餘。該等貸款協議已根據GEM上市規則第20章獲獨立股東批准。貸款協議的詳情載於日期為二零二一年二月十六日的通函及本公司日期為二零二一年三月八日的公告。

Report of the Directors (Continued)

董事會報告(續)

Save as disclosed above, there are no connected transaction during the year ended 31 December 2023 which is required to be disclosed under the GEM Listing Rules. Related party transactions entered into by the Group during the year ended 31 December 2023, which constitute fully exempt continuing connected transactions under Chapter 20 of the GEM Listing Rules are disclosed in Note 39 to the consolidated financial statements.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

The Directors and the controlling shareholders of the Company have confirmed that for the year ended 31 December 2023 and up to the date of this annual report, none of the Directors, controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) engaged in any businesses that compete or may compete with the business of the Group, or had any other conflict of interest with the Group.

On 24 November 2017, each of Mr. Wong Kwok Wai, Albert and Three Gates Investment, being the controlling Shareholders, entered into a non-competition undertaking in favour of the Company, details of which were set out in the section headed "Relationship with our Controlling Shareholders — Non-competition Undertaking" in the Prospectus. Such undertakings have been fully complied with and enforced during the year ended 31 December 2023 and up to the date of this annual report.

The Board confirms that as at the date of this annual report, no other matters are required to be brought to the attention of the Shareholders and the potential investors.

Further, the independent non-executive Directors confirm that they have reviewed the enforcement of such undertakings and conclude that there are no outstanding issues regarding the undertakings that need to be raised with the Shareholders and the Company.

除上文所披露者外，截至二零二三年十二月三十一日止年度，並無任何根據GEM上市規則須予披露的關連交易。本集團於截至二零二三年十二月三十一日止年度訂立的關聯方交易(構成GEM上市規則第20章項下的獲全面豁免持續關連交易)於綜合財務報表附註39披露。

董事及控股股東於競爭業務的權益

董事及本公司控股股東已確認，於截至二零二三年十二月三十一日止年度及直至本年度報告日期，董事、控股股東或彼等各自之任何緊密聯繫人(定義見GEM上市規則)概無參與任何與本集團業務競爭或可能競爭，或與本集團有任何其他利益衝突的業務。

於二零一七年十一月二十四日，控股股東黃國偉先生及Three Gates Investment分別訂立以本公司為受益人的不競爭承諾，詳情載於招股章程「與控股股東的關係 — 不競爭承諾」一節。截至二零二三年十二月三十一日止年度及直至本年度報告日期，該等承諾已獲悉數遵守及執行。

董事會確認，於本年度報告日期概無其他事宜須提請股東及潛在投資者注意。

此外，獨立非執行董事確認，彼等已審查該等承諾的執行情況，並認為概無有關該等承諾的未解決事宜須向股東及本公司提出。

Report of the Directors (Continued)

董事會報告(續)

SANCTIONS UNDERTAKING

As disclosed in the Prospectus, the Company provided an undertaking to the Stock Exchange that it would not use the proceeds from the Share Offer or any funds raised through the Stock Exchange to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, countries that are sanctions under international sanction laws, or any sanctioned government, entity or individual.

To ensure its compliance with this undertaking and to further enhance its risk management, the Group will continue to evaluate any business opportunities with those countries sanctioned under international sanction laws and will have delegated members of the senior management of the Company review the transaction documents from customers or potential customers from countries sanctioned under international sanctions laws.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions are set out in Note 39 to the consolidated financial statements of this annual report.

MANAGEMENT CONTRACTS

For the year ended 31 December 2023, no contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed.

SUFFICIENCY OF PUBLIC FLOAT

The Directors confirm that during the year ended 31 December 2023 and up to the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the minimum public float as required under the GEM Listing Rules.

EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2023

Details are set out in Note 43 to the consolidated financial statements in this report.

制裁承諾

誠如招股章程所披露，本公司已向聯交所提供一項承諾，表示不會動用股份發售所得款項或透過聯交所籌集的任何資金，以直接或間接資助或促進與受國際制裁法律制裁的國家或任何受制裁政府、實體或個人之間的活動或業務，或令其獲益的活動或業務。

為確保遵守此承諾並進一步加強其風險管理，本集團將繼續評估與該等受國際制裁法律制裁的國家之間的任何商機，倘客戶或潛在客戶來自受國際制裁法律制裁的國家，則將委派本公司高級管理層成員審查其提供的交易文件。

關聯方交易

本集團的關聯方交易詳情載於本年度報告綜合財務報表附註39。

管理合約

截至二零二三年十二月三十一日止年度，本集團並無訂立或存在有關本集團全部或任何重大部分業務的管理及行政之合約。

充足公眾持股量

董事確認，於截至二零二三年十二月三十一日止年度及直至本年度報告日期，根據本公司從公開途徑所得的資料及據董事所知，本公司已遵守GEM上市規則所規定的最低公眾持股量。

於截至二零二三年十二月三十一日止年度後事項

詳情載於本年度報告綜合財務報表附註43。

Report of the Directors (Continued)

董事會報告(續)

AUDITOR

Asian Alliance was appointed as the auditor of the Company. A resolution for the reappointment of Asian Alliance as the auditor of the Company will be proposed at the forthcoming annual general meeting.

Harbour Equine Holdings Limited
Wong Kwok Wai, Albert

Chairman, chief executive officer and executive Director

Hong Kong, 28 March 2024

核數師

華融會計師事務所已獲委任為本公司核數師。本公司將於應屆股東週年大會上提呈一項決議案以再次委任華融會計師事務所出任本公司核數師。

維港育馬控股有限公司
主席、行政總裁兼執行董事
黃國偉

香港，二零二四年三月二十八日

Independent Auditor's Report

獨立核數師報告



To the Shareholders of Harbour Equine Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Harbour Equine Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 84 to 291, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

致維港育馬控股有限公司列位股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審核載於第84至291頁的維港育馬控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，當中包括於二零二三年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表及其他全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策資料及其他解釋資料。

吾等認為，綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港財務報告準則(「**香港財務報告準則**」)真實公允反映 貴集團於二零二三年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，且乃按照香港公司條例的披露規定妥善編製。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group incurred loss for the year attributable to the owners of the Company of approximately HK\$46,825,000 and had approximately HK\$3,300,000 of gross loss for the year ended 31 December 2023 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$10,531,000. As at the same date, the Group’s other borrowings due within one year of approximately HK\$33,445,000, while its cash and cash equivalents of approximately HK\$4,123,000 only. These conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

吾等意見之基礎

吾等乃根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)開展審核。吾等在該等準則下的責任詳述於本報告核數師對審核綜合財務報表的責任一節。根據香港會計師公會的職業會計師道德守則(「守則」)，吾等獨立於貴集團，且吾等已按照守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證可充分恰當地為吾等的意見提供基礎。

有關持續經營之重大不確定因素

誠如綜合財務報表附註3.1所述，其顯示貴集團於截至二零二三年十二月三十一日止年度產生貴公司擁有人應佔年內虧損約46,825,000港元及毛損約3,300,000港元，而截至該日，貴集團的流動負債超出其流動資產約10,531,000港元。於同日，貴集團於一年內到期的其他借貸約為33,445,000港元，而其現金及現金等價物僅約為4,123,000港元。該等情況以及綜合財務報表附註3.1中所述的其他事項顯示存在可能導致對貴集團持續經營的能力提出嚴重質疑的重大不確定性。吾等之意見並無就此事宜作出修訂。

關鍵審核事項

關鍵審核事項指吾等根據專業判斷認為對本期綜合財務報表的審核最為重要的該等事項。吾等在審核整份綜合財務報表及就此形成意見時處理該等事項，且吾等不會就該等事項提供單獨意見。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

Impairment of trade receivables

應收交易款項減值

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") under HKFRS 9 of the Group's trade receivables at the end of the reporting period.

吾等將應收交易款項減值評估識別為關鍵審核事項，乃由於應收交易款項對貴集團的綜合財務狀況意義重大，並涉及根據香港財務報告準則第9號對評估貴集團於報告期末的應收交易款項的預期信貸虧損（「預期信貸虧損」）之主觀判斷及管理層估計。

As disclosed in Note 25 to the consolidated financial statements, the Group's net trade receivables amounting to approximately HK\$7,595,000 have been net off with ECL on trade receivables amounted to approximately HK\$424,000 as at 31 December 2023. 誠如綜合財務報表附註25所披露，於二零二三年十二月三十一日，貴集團應收交易款項淨額約為7,595,000港元，且已扣除應收交易款項的預期信貸虧損約424,000港元。

Our procedures in relation to impairment assessment of trade receivables included:

吾等就應收交易款項減值評估所進行之程序包括：

- Evaluating the independent valuer's competence, capabilities and their experiences in conducting valuation of ECL;
- 評估獨立估價師對預期信貸虧損進行估值的資質、能力和經驗；
- Understanding key controls on how the management estimates the credit loss allowance for trade receivables;
- 了解有關管理層如何估計應收交易款項信貸虧損撥備的關鍵控制措施；
- Testing the integrity of information used by management to develop the provision matrix, including trade receivables ageing analysis as at 31 December 2023, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents;
- 抽樣測試管理層制定撥備矩陣所用資料（包括於二零二三年十二月三十一日的應收交易款項賬齡分析）的可信程度，方法為將分析中的個別項目與銷售發票及其他相關輔助文件相互比較；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment of trade receivables (Continued)

其他應收款項減值(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

As disclosed in Note 36 to the consolidated financial statements, the management of the Group estimates the amount of ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit-impaired are assessed for ECL individually. The loss allowance amount of the credit-impaired trade receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

誠如綜合財務報表備註36所披露，貴集團管理層經考慮債務人的內部信貸評級、各應收交易款項的賬齡、還款歷史及／或逾期狀況，根據將具類似虧損模式的各債務人分類後得出的撥備矩陣估計應收交易款項的預期信貸虧損金額。估計虧損率乃基於債務人預期年期內觀察所得的歷史違約率，並就前瞻性資料作出調整。此外，出現信貸減值的應收交易款項乃按預期信貸虧損進行個別評估。出現信貸減值的應收交易款項的虧損撥備金額按資產賬面值與經考慮預期未來信貸虧損的估計未來現金流量現值之間的差額計量。

- Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 December 2023, including their identification of significant balances and credit-impaired receivables and, the reasonableness of management's grouping of the remaining debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information);
- 就管理層釐定於二零二三年十二月三十一日就出現信貸虧損撥備的應收交易款項之基礎及判斷，包括彼等對重大結餘及出現信貸減值的應收交易款項之識別、管理層是否合理地將餘下債務人分配至撥備矩陣的不同類別，以及就撥備矩陣各分類應用有關估計虧損率(參考歷史違約率及前瞻性資料)的理據作出審查；
- Evaluating the disclosures regarding the impairment assessment of trade receivables in Note 36 to the consolidated financial statements; and
- 評估綜合財務報表附註36所載有關應收交易款項減值評估的披露；及
- Reviewing subsequent settlements of significant balances of trade receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the current reporting period.
- 透過檢驗在本報告期間結束後與來自貿易債務人之現金收款有關的證明文件而抽樣檢討應收交易款項的重大結餘的後續結算。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment of other receivables

其他應收款項減值

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

We identified impairment assessment of other receivables as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with management's estimation in measuring the ECL under ECL model as stipulated in HKFRS 9 "Financial Instruments" ("HKFRS 9").

吾等識別其他應收款項之減值評估作為關鍵審計事項，乃基於整體綜合財務報表平衡之重要性，以及管理層按香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)所規定根據預期信貸虧損模式用於計量預期信貸虧損之估計。

As disclosed in Note 25 to the consolidated financial statements, the Group's net other receivables amounting to approximately HK\$12,175,000 have been net off with ECL on other receivables amounted to approximately HK\$10,194,000 as at 31 December 2023.

誠如綜合財務報表附註25所披露，於二零二三年十二月三十一日，貴集團其他應收款項淨額約為12,175,000港元，且已扣除其他應收款項的預期信貸虧損約10,194,000港元。

Our procedures in relation to impairment assessment of other receivables included:

吾等就其他應收款項減值評估所進行之程序包括：

- Evaluating the independent valuer's competence, capabilities and their experiences in conducting valuation of ECL;
- 評估獨立估價師對預期信貸虧損進行估值的資質、能力和經驗；
- Understanding key controls on how the management estimates the credit loss allowance for other receivables;
- 了解有關管理層如何估計其他應收款項信貸虧損撥備的關鍵控制措施；
- Reviewing the reasonableness of management's estimation in expected timing of collection and the credit quality of individual debtors, including the background of the debtors and their credit worthiness and collection history; and
- 檢討管理層估計個別債務人收款預期時間及信貸質素的合理性，包括債務人背景及其信譽及收款歷史；及

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment of other receivables (Continued)

其他應收款項減值(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

Management performed periodic assessment on the recoverability of the other receivables and the sufficiency of impairment loss allowance based on information including credit profile of the debtors, historical settlement records, subsequent settlement status, ageing of the other receivables and expected timing and amount of realisation of outstanding balances.

管理層基於債務人的信貸概況、歷史結算記錄、其後結算狀態、其他應收款項的賬齡及變現未償付結餘的預期時間及金額等資料定期評估其他應收款項是否可收回及減值虧損撥備是否充足。

Management also considered forward-looking information that may impact the ability of the debtors to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

管理層亦考慮可能影響債務人償還未償付結餘能力的前瞻性資料，以估計減值評估的預期信貸虧損。

- Evaluating the disclosures regarding the impairment assessment of other receivables in Note 36 to the consolidated financial statements; and
- 評估綜合財務報表附註36所載有關其他應收款項減值評估的披露；及
- Checking the accuracy of ageing classification of the other receivables balances on a sample basis.
- 抽樣核查其他應收款項結餘賬齡分類的準確性。
- Reviewing subsequent settlements of significant balances of other receivables, on a sample basis, by inspecting supporting documents in relations to cash receipt from debtors subsequent to the end of the current reporting period.
- 透過檢驗在本報告期間結束後與來自債務人之現金收款有關的證明文件而抽樣檢討其他交易款項的重大結餘的後續結算。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment of property, plant and equipment

物業、廠房及設備減值

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

The carrying values of the Group's property, plant and equipment as at 31 December 2023 amounted to approximately HK\$4,544,000, after making provisions of impairment of approximately HK\$799,000. The carrying values of these assets are reviewed annually by management for potential indicators of impairment. For assets where such indicators exist, management engages an independent external valuer to assist them to perform detailed impairment review of the recoverable amount of these non-financial assets.

在計提減值撥備約799,000港元後，於二零二三年十二月三十一日，貴集團物業、廠房及設備的賬面值約為4,544,000港元。該等資產的賬面值由管理層每年審閱以確定是否存在潛在減值跡象。就存在該等跡象的資產而言，管理層會委聘獨立外部估價師以協助彼等就該等非金融資產的可收回金額進行詳細減值審閱。

We identified the impairment of property, plant and equipment as a key audit matter because the assessment involves a significant degree of management judgements and estimates in determining the key assumptions.

吾等將物業、廠房及設備減值識別為關鍵審核事項，乃由於有關評估於釐定主要假設時涉及大量管理層判斷及估計。

Our procedures in relation to impairment assessment of the carrying amount of property, plant and equipment included, but were not limited to:

吾等對物業、廠房及設備的賬面值進行減值評估有關的程序包括但不限於：

- Understand the Group's impairment assessment process, including the impairment model performed by the independent qualified valuer, basis of allocation of property, plant and equipment to the cash generate units ("CGUs"), the preparation of the cash flow projection ("Cashflow Forecast") and key assumptions adopted in this Cashflow Forecast through enquiries with the independent valuer and management's review process of the work of the independent valuer with respect to the valuation of CGUs;
- 了解貴集團的減值評估過程，包括獨立合格估價師執行的減值模型、向現金產生單位（「現金產生單位」）分配物業、廠房及設備的基礎、通過與獨立估價師的詢問和管理層對獨立估價師的評估工作的審查過程，編製現金流量預測（「現金流量預測」）和現金流量預測中採用的關鍵假設；
- Evaluating the independent valuer's competence, capabilities and their experiences in conducting valuation of similar property, plant and equipment;
- 評估獨立估價師對類似物業、廠房及設備進行估值的資質、能力和經驗；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment of property, plant and equipment (Continued)

物業、廠房及設備減值(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

The significant judgements and estimates and related disclosures on the movements of properties, plant and equipment are included in Note 17 to the consolidated financial statements.

有關該等物業、廠房及設備變動的重大判斷和估計及相關披露載於綜合財務報表附註17。

- Checking the respective independent valuation reports and discussing the valuation of the carrying amount of property, plant and equipment with the management;
- 檢查各自的獨立估值報告，並與管理層討論物業、廠房及設備賬面值的估值；
- Evaluating the appropriateness of the valuation models, the preparation of the Cashflow Forecast and assumptions based on the industry knowledge;
- 評估估值模型的適當性，根據行業知識編製現金流量預測和假設；
- Evaluating the appropriateness of the key inputs in the Cashflow Forecast by checking to the relevant historical financial information including budgeted revenue and gross margin, and terminal growth rate by considering the approved financial budgets;
- 通過檢查相關歷史財務信息，包括預算收入和毛利率，以及考慮批准的財務預算的終端增長率，評估現金流量預測中關鍵輸入數據的適當性；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment of property, plant and equipment (Continued)

物業、廠房及設備減值(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

- Comparing the historical cash flows forecast against the performance of CGUs to test the reasonableness of projections; and
- 將歷史現金流量預測與現金產生單位的業績進行比較，以測試預測的合理性；及
- Checking the mathematical accuracy of valuation calculations.
- 檢查估值計算的數學準確性。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment assessing of goodwill

商譽減值評估

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

The Group has goodwill with carrying amount of approximately HK\$6,683,000 as at 31 December 2023, which is allocated to the CGU represented by interior design and decoration business. In determining the recoverable amounts of goodwill, the Group engaged an independent professional valuer to perform such valuation. The valuation is determined based on the value-in-use model for the CGU discounted to their present values and it requires the use of key assumptions, including the discount rate, terminal growth rate, budgeted revenue and gross margin, taking into account the financial budgets approved by the directors of the Company based on the management's experience from interior design and decorations business, and also management's expectations for the market development. During the year ended 31 December 2023, no impairment loss had been recognised on goodwill.

貴集團截至二零二三年十二月三十一日的商譽賬面值約為6,683,000港元，分配給以室內設計和裝飾業務為代表的現金產生單位。在確定商譽的可收回金額時，貴集團聘請獨立專業估值師進行該估值。估值是根據現金產生單位折現到現值的使用價值模型確定的，它需要使用包括折現率、終端增長率、預算收入和毛利率在內的關鍵假設，並考慮貴公司董事根據管理層在室內設計和裝飾業務方面的經驗批准的財務預算，以及管理層對市場發展的期望。截至二零二三年十二月三十一日止年度，概無就商譽確認減值虧損。

Our procedures in relation to impairment assessment of the carrying amount of goodwill included, but were not limited to:

吾等對商譽賬面值進行減值評估有關的程序包括但不限於：

- Understand the Group's impairment assessment process, including the impairment model performed by the independent qualified valuer, basis of allocation of goodwill to the CGU, the preparation of the Cashflow Forecast and key assumptions adopted in this Cashflow Forecast through enquiries with the independent valuer and management's review process of the work of the independent valuer with respect to the valuation of CGU;
- 了解貴集團的減值評估過程，包括獨立合格估值師執行的減值模型、向現金產生單位分配商譽的基礎、通過與獨立估值師的詢問和管理層對獨立估值師的評估工作的審查過程，編製現金流量預測和現金流量預測中採用的關鍵假設；
- Evaluating the independent valuer's competence, capabilities and their experiences in conducting valuation of similar business;
- 評估獨立估值師對類似業務進行估值的資質、能力和經驗；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment assessing of goodwill (Continued)

商譽減值評估(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

We identified the impairment assessment of goodwill as a key audit matter due to its complexity and the inherent subjectivity arising from the significant management judgement.

由於商譽的複雜性以及管理層重大判斷產生的固有主觀性，我們將商譽的減值評估確定為關鍵審核事項。

The significant judgements and estimates and related disclosures on goodwill are included in Note 20 to the consolidated financial statements.

有關商譽的重大判斷和估計及相關披露載於綜合財務報表附註20。

- Checking the respective independent valuation reports and discussing the valuation of the carrying amount of goodwill with the management;
- 檢查各自的獨立估值報告，並與管理層討論商譽賬面值的估值；
- Evaluating the appropriateness of the valuation models, the preparation of the Cashflow Forecast and assumptions based on the industry knowledge;
- 評估估值模型的適當性，根據行業知識編製現金流量預測和假設；
- Evaluating the appropriateness of the key inputs in the Cashflow Forecast by independently checking to the relevant external market data and/or relevant historical financial information including budgeted revenue and gross margin, and terminal growth rate by considering the approved financial budgets and the available industry and market data;
- 通過獨立檢查相關外部市場數據及／或相關歷史財務信息，包括預算收入和毛利率，以及考慮批准的財務預算和可用的行業和市場數據的終端增長率，評估現金流量預測中關鍵輸入數據的適當性；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Impairment assessing of goodwill (Continued)

商譽減值評估(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

- Comparing the historical cash flows forecast against the performance of CGU to test the reasonableness of projections; and
- 將歷史現金流量預測與現金產生單位的業績進行比較，以測試預測的合理性；及
- Checking the mathematical accuracy of valuation calculations.
- 檢查估值計算的數學準確性。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Valuation of biological assets

生物資產估值

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

As at 31 December 2023, biological assets measured at fair value are classified as level 3 under the fair value hierarchy, amounted to approximately HK\$15,414,000.

截至二零二三年十二月三十一日，以公允值計量的生物資產在公允值等級下被歸類為第3級，約為15,414,000港元。

For the year ended 31 December 2023, the net fair value losses on biological assets is approximately HK\$9,505,000.

截至二零二三年十二月三十一日止年度，生物資產的淨公允值虧損約為9,505,000港元。

In determining the fair values of biological assets, the Group engages independent professional valuers to perform valuation of the aforesaid biological assets.

貴集團在確定生物資產的公允值時，聘請獨立專業估值師對上述生物資產進行估值。

We identified the valuation of the aforesaid biological assets as a key audit matter due to the degree of complexity involved in valuing biological assets, the significance of the judgment and estimates made by the management in determining the inputs used in the valuation models and the subjectivity in determination of level 3 fair value given the lack of availability of market-based data.

由於對生物資產進行估值涉及的複雜程度，以及鑑於缺乏基於市場的數據，管理層在確定估值模型中使用的輸入數據時做出的判斷和估計的重要性，以及在確定第3級公允值時的主觀性，吾等將上述生物資產的估值確定為關鍵審核事項。

Our procedures in relation to biological assets included, but were not limited to:

吾等與生物資產估值有關的程序包括但不限於：

- Obtaining understanding of the valuation models and the processes through enquiries with the independent valuers and management's review process of the work of the independent valuers with respect to the valuation of biological assets;
- 通過與獨立估值師的詢問，以及管理層對獨立估值師在生物資產估值方面的工作的審查過程，了解估值模型和流程；
- Evaluating the independent valuer's competence, capabilities and their experiences in conducting valuation of similar biological assets;
- 評估獨立估價師對類似生物資產進行估值的資質、能力和經驗；
- Checking the respective independent valuation reports and discussing the valuation of the biological assets with the management, and together with our own external valuation specialists:
- 檢查各自的獨立估值報告，並與管理層討論生物資產的估值，並與吾等的外部估值專家一起討論；
- Evaluating the appropriateness of the valuation models and assumptions based on the industry knowledge;
- 根據行業知識評估估值模型和假設的適當性；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matter (Continued)

關鍵審核事項(續)

Valuation of biological assets (Continued)

生物資產估值(續)

How our audit addressed the key audit matter

吾等在審核中處理關鍵審核事項的方法

- Evaluating the appropriateness of the key inputs by independent checking to the relevant data and/or relevant historical financial information;
- 通過獨立檢查相關外部市場數據及／或相關歷史財務信息，評估關鍵輸入數據的適當性；
- Checking the mathematical accuracy of valuation calculations; and
- 檢查估值計算的數學準確性；及
- Making inquiry for the background of the contracted parties and obtaining direct external confirmations from the contracted parties to understand the relevant investments and identifying any conditions that were relevant to the valuation of biological assets.
- 詢問訂約方的背景，並從訂約方獲得直接的外部確認，以了解相關投資，並確定與生物資產估值相關的任何條件。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

OTHER INFORMATION

The directors of the Company (the “**Directors**”) are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

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

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

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

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

其他資料

貴公司董事(「**董事**」)對其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務賬目及吾等就其發出之核數師報告。

吾等有關綜合財務報表的意見未涵蓋其他資料，且吾等未就該等資料發表任何形式的保證結論。

就吾等對綜合財務報表的審核而言，吾等的責任是閱讀其他資料，從而斟酌其他資料是否與綜合財務報表或吾等在審核中獲得的資訊嚴重不符，或似乎在其他方面存在嚴重失實陳述。倘若吾等根據履行的工作得出該其他資料存在重大失實陳述的結論，吾等須報告該事實。在這方面，吾等沒有情況需要報告。

董事及治理層對綜合財務報表的責任

董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實公允反映情況的綜合財務報表，並負責落實董事認為必要的有關內部控制，以確保編製綜合財務報表時不存在因欺詐或錯誤而導致的重大失實陳述。

編製綜合財務報表時，董事負責評估貴集團持續營運的能力，在適當時披露持續營運相關事項，並以持續營運為會計基準，除非董事計劃清算貴集團或停止營運，或除此之外別無選擇。

治理層須負責監督貴集團之財務報告程序。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

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

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

核數師對審核綜合財務報表的責任

吾等之目標是合理確定整體上綜合財務報表是否不存在由於欺詐或錯誤而導致之重大失實陳述並發表包含吾等意見之核數師報告。吾等僅按照我們雙方所協定的委聘條款向閣下(作為整體)報告，除此之外，本報告別無其他目的。吾等不會就本報告之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，但並不保證根據香港審計準則開展的審核總能發現所存在的重大失實陳述。失實陳述可能因欺詐或錯誤而產生，倘若據合理預期失實陳述將單獨或共同影響用戶依據該等綜合財務報表作出的經濟決策，則視為重大失實陳述。

作為根據香港審計準則進行審核的一部分，吾等在審計過程中運用專業判斷及保持專業懷疑態度。吾等亦：

- 明確及評估因欺詐或錯誤而導致的綜合財務報表重大失實陳述的風險、設計及執行響應該等風險的審核程序，並獲取可充分恰當地為吾等的意見提供基礎的審核憑證。未發現因欺詐而導致的重大失實陳述的風險高於因錯誤而導致的風險，因為欺詐可能涉及串通、偽造、故意不作為、虛假陳述或推翻內部控制。
- 理解與審核相關的內部控制，以設計在有關情況下適當的審核程序，但並非為對貴集團內部控制成效發表意見。
- 評估董事所採用的會計政策是否合適及所作出的會計估計和相關披露是否合理。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

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

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

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

核數師對審核綜合財務報表的責任(續)

- 得出董事以持續營運為會計基準是否合適的結論，並根據獲得的審核憑證斷定是否存在與可能令貴集團持續營運能力產生重大疑慮的事件或狀況有關的重大不確定性。倘若吾等得出存在重大不確定性的結論，吾等須在核數師報告中提請注意綜合財務報表中的相關披露，或倘若該等披露不充分，則須修改吾等的意見。吾等的結論乃基於截至核數師報告日期為止獲得的審核憑證。然而，未來事件或狀況可能導致貴集團無法持續營運。
- 評估綜合財務報表(包括披露)的整體呈列、結構及內容，以及綜合財務報表是否以實現公平呈列的方式體現相關交易及事件。
- 就貴集團旗下實體或業務活動的財務資料獲得充分恰當的審核憑證，以發表有關綜合財務報表的意見。吾等負責指導、監督及履行集團審核。吾等仍對審核意見全權負責。

吾等與治理層溝通(其中包括)計劃審核範圍和時間安排及重大審核發現，包括吾等在審核期間發現的任何重大內部控制缺陷。

吾等亦向治理層提供聲明，表示吾等已遵守相關獨立性道德規定，並與彼等溝通可能合理認為與吾等獨立性相關的所有關係和其他事項，以及在適用的情況下，討論相關的所採取消除威脅的行動或防範措施。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

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

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Cheng Ting Chiu
Practising Certificate Number: P06598

8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

28 March 2024

核數師對審核綜合財務報表的責任 (續)

吾等從與治理層溝通的事項中確定在本期綜合財務報表的審核中最為重要的該等事項，即關鍵審核事項。吾等在核數師報告中說明該等事項，除非法律或法規禁止公開披露該事項，或吾等認為不應在報告中說明該事項，因為據合理預期披露的不利後果大於有關溝通的公共利益，此種情況極為罕見。

華融(香港)會計師事務所有限公司
執業會計師
鄭丁超
執業證書編號：P06598

香港
銅鑼灣
高士威道8號
航空大廈8樓

二零二四年三月二十八日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收入表

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 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收益	5	69,059	76,274
Direct cost	直接成本		(72,359)	(62,893)
Gross (loss) profit	(毛損)毛利		(3,300)	13,381
Other gains and losses, net	其他收益及虧損淨額	7	(8,984)	2,023
Selling and distribution expenses	銷售及分銷開支		(3,317)	(5,170)
Administrative expenses	行政開支		(21,495)	(29,450)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下減值虧損(扣除撥回)	8	(3,662)	(1,051)
Impairment losses of property, plant and equipment	物業、廠房及設備減值虧損	17	(799)	—
Finance costs	融資成本	9	(5,010)	(2,637)
Loss before tax	除稅前虧損		(46,567)	(22,904)
Income tax expense	所得稅開支	10	(258)	—
Loss for the year	年內虧損	11	(46,825)	(22,904)
Other comprehensive expense <i>Items that may be reclassified subsequently to profit or loss:</i> <i>Exchange differences arising on translation of foreign operations</i>	其他全面開支 於其後期間可能重新分類至損益的項目： 換算海外業務的匯兌差額		(1,715)	(4,720)
Other comprehensive expense for the year, net of income tax	全年其他全面開支，已扣除所得稅		(1,715)	(4,720)
Total comprehensive expense for the year	全年全面開支總額		(48,540)	(27,624)
ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔		(48,540)	(27,624)
Loss per share Basic and diluted (HK cents)	每股虧損 基本及攤薄(港仙)	16	(11.44)	(5.60)

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

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS				
	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	4,544	6,159
Investment properties	投資物業	18	4,300	4,500
Right-of-use assets	使用權資產	19	1,385	951
Goodwill	商譽	20	6,683	6,683
Intangible assets	無形資產	21	3,788	3,788
Biological assets	生物資產	22	5,864	11,386
Financial asset at fair value through profit or loss ("FVTPL")	按公允值計入損益(「按公允值計入損益」)的金融資產	23	5,226	5,179
			31,790	38,646
CURRENT ASSETS				
	流動資產			
Inventories	存貨	24	5,780	9,011
Biological assets	生物資產	22	9,550	45,407
Trade receivables	應收交易款項	25	7,595	16,002
Contract assets	合約資產	26	7,755	2,559
Deposit and other receivables	按金及其他應收款項	25	12,175	21,145
Cash and cash equivalents	現金及現金等價物	27	4,123	2,166
Tax recoverable	可收回稅項		561	1,584
			47,539	97,874
CURRENT LIABILITIES				
	流動負債			
Trade payables	應付交易款項	28	12,857	23,354
Other payables and accruals	其他應付款項及應計費用	28	9,399	10,208
Borrowings	借款	29	33,445	32,071
Lease liabilities	租賃負債	30	1,046	1,197
Tax payables	應付稅項		1,323	1,143
			58,070	67,973
NET CURRENT (LIABILITIES) ASSETS	流動(負債)資產淨值		(10,531)	29,901

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

At 31 December 2023 於二零二三年十二月三十一日

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		21,259	68,547
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	30	896	—
Deferred tax liabilities	遞延稅項負債	34	677	619
Retirement benefit obligations	退休金福利責任	40	298	—
			1,871	619
NET ASSETS	資產淨值		19,388	67,928
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	31	20,457	20,457
Reserves	儲備		(1,069)	47,471
TOTAL EQUITY	權益總額		19,388	67,928

The consolidated financial statements on pages 84 to 291 were approved and authorised for issue by the Board of Directors on 28 March 2024 and are signed on its behalf by:

第84頁至第291頁之綜合財務報表已於二零二四年三月二十八日獲董事會批准及授權發佈，並由下列者簽署：

Wong Kwok Wai, Albert
黃國偉
Director
董事

Leung King Yue, Alex
梁景裕
Director
董事

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 千港元	Share premium 股份溢價 HK\$'000 千港元	Merger reserve 合併儲備 HK\$'000 千港元 (Note (a)) (附註(a))	Share option reserve 購股權儲備 HK\$'000 千港元 (Note 32) (附註32)	Statutory reserve 法定儲備 HK\$'000 千港元 (Note (b)) (附註(b))	Exchange reserve 匯兌儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	20,457	130,674	(1,000)	1,155	5,670	11,631	(76,822)	91,765
Loss for the year	年內虧損	—	—	—	—	—	—	(22,904)	(22,904)
Other comprehensive expense for the year, net of income tax	全年其他全面開支，已扣除所得稅								
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>於其後期間可能重新分類至損益的項目：</i>								
Exchange differences arising on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	—	—	(4,720)	—	(4,720)
Total comprehensive expense for the year	全年全面開支總額	—	—	—	—	—	(4,720)	(22,904)	(27,624)
Recognition of equity-settled share-based payments	確認以權益結算的股份支付	—	—	—	3,787	—	—	—	3,787
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	20,457	130,674	(1,000)	4,942	5,670	6,911	(99,726)	67,928
Loss for the year	年內虧損	—	—	—	—	—	—	(46,825)	(46,825)
Other comprehensive expense for the year, net of income tax	全年其他全面開支，已扣除所得稅								
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>於其後期間可能重新分類至損益的項目：</i>								
Exchange differences arising on translation of foreign operations	換算海外業務的匯兌差額	—	—	—	—	—	(1,715)	—	(1,715)
Total comprehensive expense for the year	全年全面開支總額	—	—	—	—	—	(1,715)	(46,825)	(48,540)
At 31 December 2023	於二零二三年十二月三十一日	20,457	130,674	(1,000)	4,942	5,670	5,196	(146,551)	19,388

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

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:

- (a) The merger reserve represented the difference between the Company's shares of the nominal value of the paid-up capital of the subsidiaries acquired and the Company's cost of acquisition of the subsidiaries under common control upon the reorganisation undergone by the Group.
- (b) Pursuant to the relevant laws and regulations in the People's Republic of China (the "PRC"), the companies registered in the PRC shall appropriate a certain percentage of their net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to the reserve fund. When the balance of this reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after these usages. After making the appropriation to the statutory surplus reserve, the companies may also appropriate their profits for the year to the discretionary surplus reserve upon approval by the board of directors or the shareholders in a general meeting.

附註：

- (a) 合併儲備乃指本集團進行重組後，本公司已收購附屬公司繳足股本的面值與本公司收購受共同控制的附屬公司的成本之間的差額。
- (b) 根據中國相關法律法規，於中華人民共和國（「中國」）註冊的公司須將根據中國企業普遍適用的會計原則計算的稅後純利若干百分比（經抵銷任何以往年度虧損後）撥往儲備基金。該儲備基金的結餘達實體資本50%時，則可酌情決定是否繼續作出任何進一步撥款。法定盈餘儲備可用以抵銷以往年度虧損或增資。然而，使用後的法定盈餘儲備結餘最少須維持在資本的25%。向法定盈餘儲備作出撥款後，公司亦可經董事會或股東於股東大會上批准後，將本年度溢利撥往任意盈餘儲備。

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

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	除稅前虧損	(46,567)	(22,904)
Adjustments for:	調整：		
Finance costs	融資成本	5,010	2,637
Financial guarantee service income	財務擔保服務收入	(54)	—
Interest income	利息收入	(152)	(549)
Remeasurement of defined benefit pension plans	重新計量界定福利退休金計劃	270	—
Fair value gains (losses) on financial asset at FVTPL	按公允值計入損益之金融資產的公允值收益(虧損)	(45)	62
Fair value losses (gains) on investment properties	投資物業公允值虧損(收益)	200	(139)
Fair value losses on biological assets	生物資產公允值虧損	9,505	4,514
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,176	1,756
Depreciation of right-of-use assets	使用權資產折舊	1,348	2,255
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	4	(2)
Written-off of property, plant and equipment	撇銷物業、廠房及設備	175	62
Impairment losses of property, plant and equipment	物業、廠房及設備減值虧損	799	—
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型項下減值虧損(扣除撥回)	3,662	1,051
Written-down of inventories	撇銷存貨	1,380	—
Equity-settled share based payment expense	以權益結算的股份支付開支	—	3,787
Loss (gain) on disposal of biological assets	出售生物資產的虧損(收益)	680	(1,065)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	(22,609)	(8,535)
Decrease in inventories	存貨減少	1,851	5,039
Decrease in trade receivables	應收交易款項減少	8,741	642
Decrease (increase) in deposit and other receivables	按金及其他應收款項減少(增加)	5,051	(6,904)
(Decrease) increase in trade payables	應付交易款項(減少)增加	(10,497)	15,963
Increase (decrease) in other payables and accruals	其他應付款項及應計費用增加(減少)	1,536	(3,322)
(Increase) decrease in contract assets	合約資產(增加)減少	(5,273)	264
Decrease (increase) in biological assets	生物資產減少(增加)	26,854	(38,897)
Cash generated from (used in) operations	經營所得(所用)現金	5,654	(35,750)
Income taxes refunded (paid)	已還(已付)所得稅	1,023	(1,245)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	6,677	(36,995)
INVESTING ACTIVITIES	投資活動		
Purchase of biological assets	購買生物資產	—	(7,665)
Net cash outflow on acquisition of subsidiary	收購附屬公司現金流出淨額	—	(3,324)
Proceeds from sales of biological assets	生物資產銷售收益	4,340	2,848
Interest received	已收利息	152	549
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	183	21
Purchase of property, plant and equipment	購買物業、廠房及設備	(241)	(462)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	投資活動所得(所用)現金淨額	4,434	(8,033)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

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

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
New borrowings raised	新籌借款	25,453	33,959
Repayment of borrowings	償還借款	(23,999)	(7,697)
Interest paid	已付利息	(5,882)	(1,737)
Repayment of lease liabilities	償還租賃負債	(1,548)	(2,743)
(Repayments to) advance from directors	(向董事還款)董事墊款	(1,445)	1,445
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額	(7,421)	23,227
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加(減少)淨額	3,690	(21,801)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	2,166	27,277
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動的影響	(1,733)	(3,310)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	年末現金及現金等價物，以銀行結餘及現金為代表	4,123	2,166

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Harbour Equine Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 18 August 2016. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally engaged in the manufacture and selling of high performance sewing threads and broad categories of garment accessories, provision of interior design, interior decorating and furnishing services, trading of bloodstocks, stallion services and equine handling services and provision of advisory on securities, corporate financial advisory services and asset management services.

In the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company of the Group is Three Gates Investment Limited, which was incorporated in the British Virgin Islands (“**BVI**”) with limited liability and is controlled by Mr. Wong Kwok Wai, Albert (“**Mr. Wong**”).

The functional currency of the Company is Hong Kong Dollars (“**HK\$**”), which is also the presentation currency of Company.

1. 一般資料

維港育馬控股有限公司(「**本公司**」)於二零一六年八月十八日根據開曼群島公司法(經修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands。

本公司為投資控股公司。本公司附屬公司年內主要從事優質縫紉線和各類服裝輔料生產及銷售，提供室內設計、室內裝飾及室內陳設服務、純種馬買賣、種馬服務及馬匹管理服務以及提供證券諮詢、企業財務諮詢服務及資產管理服務。

本公司董事(「**董事**」)認為本集團最終控股公司為Three Gates Investment Limited，乃於英屬處女群島(「**英屬處女群島**」)註冊成立的有限公司，由黃國偉先生(「**黃先生**」)控制。

本公司之功能貨幣為港元(「**港元**」)，即為本公司呈列之貨幣。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to Hong Kong Accounting Standards (“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
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之新訂香港財務報告準則及其修訂本

於本年度，本集團編製綜合財務報表時首次應用自二零二三年一月一日或之後開始之年度期間強制生效的下列香港會計師公會(「香港會計師公會」)頒佈的新訂香港財務報告準則及其修訂本：

香港財務報告準則第17號(包括二零二零年十月及二零二二年二月之香港財務報告準則第17號(修訂本))	保險合約
香港會計準則(「香港會計準則」)第8號(修訂本)	會計估計的定義
香港會計準則第12號(修訂本)	與單一交易產生之資產及負債相關的遞延稅項
香港會計準則第12號(修訂本)	國際稅務改革 — 支柱二示範規則
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(修訂本)	會計政策的披露

除下文所述者外，在本年度應用新訂香港財務報告準則及其修訂本，對本集團本年度及過往年度的財務狀況及表現及／或對該等綜合財務報表所載的披露並無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year has had no material impact on the Group’s consolidated financial statements.

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

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The application of the amendments in the current year has had no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.1 應用香港會計準則第8號(修訂本)會計估計的定義的影響

本集團已於本年度首次應用該等修訂。修訂本將會計估計定義為「財務報表中存在計量不確定性的貨幣金額」。會計政策可能要求財務報表中的項目以涉及計量不確定性的方式計量。在這種情況下，實體制定會計估計以實現會計政策規定的目標。香港會計準則第8號(修訂本)澄清會計估計變動與會計政策變動及更正錯誤之間的區別。

於本年度應用該等修訂本對本集團之綜合財務報表並無重大影響。

2.2 應用香港會計準則第12號(修訂本)與單一交易產生之資產及負債相關的遞延稅項的影響

本集團已於本年度首次應用該等修訂。該等修訂縮小香港會計準則第12號*所得稅*第15及24段遞延稅項負債及遞延稅項資產的確認豁免範圍，使其不再適用於初步確認時產生相等應課稅及可扣減暫時差額的交易。

於本年度應用該等修訂對綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.3 Impacts on application of Amendments to HKAS 12 *Income Taxes International Tax Reform – Pillar Two model Rules*

2.3 應用香港會計準則第12號(修訂本)*所得稅國際稅務改革—支柱二示範規則的影響*

The Group has applied the amendments for the first time in the current year. HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “**Pillar Two legislation**”). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

本集團已於本年度首次應用該等修訂。香港會計準則第12號經修訂，以增加有關確認及披露遞延稅項資產及負債資料的例外情況，該等遞延稅項資產及負債與為實施經濟合作與發展組織公佈的支柱二示範規則而頒佈或實質上頒佈的稅法(「**支柱二法例**」)有關。該等修訂規定實體須於頒佈後即時及追溯應用該等修訂。該等修訂亦要求實體於二零二三年一月一日或之後開始的年度報告期間，分別披露其與支柱二法例生效期間的支柱二所得稅相關的當期稅項開支／收入，以及有關支柱二法例已頒佈或實質頒佈但尚未生效期間的支柱二所得稅風險的定性及定量資料。

The Group is yet to apply the temporary exception during the current year because the Group’s entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group’s exposure to Pillar Two income taxes in the Group’s annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

由於本集團實體於尚未頒佈或尚未實質頒佈支柱二法例的司法權區經營，故本集團於本年度尚未應用臨時例外情況。當支柱二法例頒佈或實質頒佈時，本集團將在本集團的年度綜合財務報表中披露已知或可合理估計的信息，以幫助財務報表使用者了解本集團面臨的支柱二所得稅風險，並將在支柱二法例生效時單獨披露與支柱二所得稅相關的當期稅項開支／收入。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.4 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 3 to the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.4 應用香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)會計政策的披露的影響

本集團已於本年度首次應用該等修訂。香港會計準則第1號*財務報表之呈報*乃經修訂，以「重大會計政策資料」取代「主要會計政策」。如果將會計政策資料與實體財務報表中包含的其他資料一起考慮時，可以合理地預期它會影響通用財務報表的主要使用者根據這些財務報表做出的決定，則會計政策資料是重要的。

修訂本還明確，由於關聯交易、其他事項或條件的性質，即使金額不重大，會計政策資料也可能是重要的。但是，並非所有與重大交易、其他事項或條件有關的會計政策資料本身都是重大的。如果實體選擇披露非重大會計政策資料，則此類資料不得掩蓋重大會計政策資料。

香港財務報告準則實務報告第2號*做出重要性判斷*(「**實務聲明**」)亦作了修訂，以說明一個實體如何將「四步重要性過程」應用於會計政策披露，並判斷有關會計政策的資料對其財務報表是否重要。實務報告已增加指導意見及實例。

應用該等修訂本對本集團的財務狀況及表現並無重大影響，惟影響綜合財務報表附註3所載本集團會計政策的披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.5 Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

As disclosed in Note 40, the Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the Hong Kong Special Administrative Region gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.5 應用香港會計師公會關於在香港取消強制性公積金(「強積金」)－長期服務金(「長期服務金」)對沖機制的會計影響的指引導致的會計政策變動

誠如附註40所披露，本集團有若干於香港營運之附屬公司，於若干情況下須向僱員支付長期服務金。同時，本集團向管理以信託形式持有資產的受託人作出強制性強積金供款，僅為每位僱員的退休福利。根據僱傭條例(第57章)，允許以僱主的強積金供款抵銷僱員累計退休福利的長期服務金。於二零二二年六月，香港特別行政區政府刊登憲報《二零二二年僱傭及退休計劃法例(抵銷安排)(修訂)條例》(「修訂條例」)，該條例取消使用僱主強制性強積金供款所產生的累計福利抵銷遣散費及長期服務金(「取消」)。取消將於二零二五年五月一日(「過渡日期」)正式生效。此外，根據修訂條例，緊接過渡日期(而非終止僱傭日期)前最後一個月的薪金，會用來計算過渡日期前的僱傭期的長期服務金部分。

於二零二三年七月，香港會計師公會刊發「香港取消強積金-長期服務金對沖機制的會計影響」，為對沖機制的會計處理及香港取消強積金-長期服務金對沖機制所產生的影響提供指引。有鑑於此，本集團已追溯執行香港會計師公會所頒佈有關長期服務金責任的指引，以提供有關對沖機制及取消影響的更可靠、更為相關的資料。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.5 Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong (Continued)

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee’s LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA’s guidance, as a result of the Abolition, these contributions are no longer considered “linked solely to the employee’s service in that period” since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as “independent of the number of years of service” and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the year ended 31 December 2022, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.5 應用香港會計師公會關於在香港取消強制性公積金(「強積金」)－長期服務金(「長期服務金」)對沖機制的會計影響的指引導致的會計政策變動(續)

本集團將僱主強積金供款產生的累計福利(已歸屬僱員，並可用作抵銷僱員的長期服務金福利)視為僱員對長期服務金的供款。過往，本集團一直應用香港會計準則第19號第93(b)段的實際權宜方法，將視作僱員供款入賬，作為提供相關服務期間的服務成本扣減。

根據香港會計師公會的指引，由於取消，該等供款不再被視為「僅與僱員在該期間的服務掛鉤」，因為在過渡日期後的強制性僱主強積金供款仍可用於抵銷過渡前的長期服務金責任。因此，將供款視為「與服務年數無關」並不合適，而香港會計準則第19號第93(b)段的實際權宜方法不再適用。相反，該等視作供款應按與應用香港會計準則第19號第93(a)段的長期服務金福利總額相同的方式歸屬於服務期間。因此，本集團已就截至二零二二年十二月三十一日止年度精算假設變動產生的服務成本、利息開支及重新計量影響於損益確認累計追加調整，並對長期服務金責任作出相應調整。累計追加調整乃按於頒佈日期(二零二二年六月十六日)根據香港會計準則第19號第93(b)段計算的長期服務金負債於取消前的賬面值與根據香港會計準則第19號第93(a)段計算的長期服務金負債於取消後的賬面值之間的差額計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.5 Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong (Continued)

The Group assessed that the cumulative catch-up adjustment in profit and loss for the service costs, interest expense and remeasurement effect from changes in actuarial assumptions and the corresponding adjustment to the LSP obligation for the year ended 31 December 2022 are immaterial. This change in accounting policy (i) did not have any impact on the opening balance of equity at 1 January 2022 and the cash flows for the year ended 31 December 2022, and (ii) did not have material impact on the loss for the year ended 31 December 2022 and the consolidated financial position as at 31 December 2022.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.5 應用香港會計師公會關於在香港取消強制性公積金(「強積金」)－長期服務金(「長期服務金」)對沖機制的會計影響的指引導致的會計政策變動(續)

本集團評估，截至二零二二年十二月三十一日止年度服務成本、利息開支及精算假設變動的重新計量影響的損益累計追加調整及對長期服務金責任的相應調整並不重大。此會計政策變動(i)對二零二二年一月一日的期初權益結餘及截至二零二二年十二月三十一日止年度的現金流量並無任何影響，及(ii)對截至二零二二年十二月三十一日止年度虧損以及二零二二年十二月三十一日的綜合財務狀況並無重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement ³
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ¹
香港財務報告準則第16號(修訂本)	售後租回的租賃負債 ²
香港會計準則第1號(修訂本)	將負債分類為流動或非流動及對香港詮釋第5號的相關修訂(二零二零年) ²
香港會計準則第1號(修訂本)	附帶契諾的非流動負債 ²
香港會計準則第7號及香港財務報告準則第7號(修訂本)	供應商融資安排 ³
香港會計準則第21號(修訂本)	缺乏可交換性 ³

¹ 於待釐定日期或之後開始的年度期間生效。

² 於二零二四年一月一日或之後開始的年度期間生效。

³ 於二零二五年一月一日或之後開始的年度期間生效。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs in issue but not yet effective (Continued)

Except for the amendments to HKFRSs mentioned below, the directors of the Company (the “**Directors**”) anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months;

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之經修訂香港財務報告準則(續)

除下文所述經修訂香港財務報告準則外，本公司董事(「**董事**」)預期應用所有其他新訂及經修訂香港財務報告準則於可預見未來不會對綜合財務報表造成重大影響。

香港會計準則第1號(修訂本)將負債分類為流動及非流動及對香港詮釋第5號的相關修訂(二零二零年)(「二零二零年修訂本」)及香港會計準則第1號(修訂本)附帶契諾的非流動負債(「二零二二年修訂本」)

二零二零年修訂本對將負債分類為流動或非流動負債的報告之日起至少十二個月的延期結算權的評估提供了澄清和補充指導，其中：

- 明確如果負債的條款可以根據交易對手的選擇，通過轉讓實體自身的權益工具來結算，只有當實體將選擇權單獨確認為應用「香港會計準則第32號 — 金融工具：呈報」的權益工具時，這些條款才不影響其作為流動負債或非流動負債的分類。
- 指明流動或非流動負債的分類應基於報告期末存在的權利。具體而言，該等修訂本澄清該分類不應受管理層於12個月內結算負債的意圖或預期所影響；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”) (Continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之經修訂香港財務報告準則(續)

香港會計準則第1號(修訂本)將負債分類為流動及非流動及對香港詮釋第5號的相關修訂(二零二零年)(「二零二零年修訂本」)及香港會計準則第1號(修訂本)附帶契諾的非流動負債(「二零二二年修訂本」)(續)

就自報告日期起至少十二個月的延期結算權(須待遵守契諾後方可作實)而言，二零二零年修訂本引入的規定已由二零二二年修訂本修訂。二零二二年修訂本訂明，只有實體須於報告期末或之前遵守的契諾才會影響實體的權利，將負債清償日延遲至報告日期後至少十二個月。僅須於報告期後遵守的契諾並不影響該權利於報告期末是否存續。

此外，二零二二年修訂本亦訂明有關資料的披露規定，使財務報表使用者能夠了解負債可能於報告期後十二個月內償還的風險，倘實體將貸款安排產生的負債分類為非流動負債，而實體延遲清償該等負債的權利須視乎實體於報告期後十二個月內是否遵守契諾而定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”) (Continued)

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31 December 2023, including the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the 2020 and 2022 Amendments will not result in classification of the Group’s liabilities.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之經修訂香港財務報告準則(續)

香港會計準則第1號(修訂本)將負債分類為流動及非流動及對香港詮釋第5號的相關修訂(二零二零年)(「二零二零年修訂本」)及香港會計準則第1號(修訂本)附帶契諾的非流動負債(「二零二二年修訂本」)(續)

二零二二年修訂本亦將應用二零二零年修訂本的生效日期延遲至二零二四年一月一日或之後開始的年度報告期間。二零二二年修訂本連同二零二零年修訂本於二零二四年一月一日或之後開始的年度報告期間生效，並允許提早應用。倘實體於二零二二年修訂本頒佈後較早期間應用二零二零年修訂本，該實體亦應於該期間應用二零二二年修訂本。

根據本集團於二零二三年十二月三十一日的未償還負債，包括本集團與相關貸款人之間的協議中規定的相關條款及條件，應用二零二零年及二零二二年修訂本將不會導致本集團負債的分類。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

As stated in the consolidated financial statements, the Group incurred loss for the year attributable to the owners of the Company of approximately HK\$46,825,000 and had approximately HK\$3,300,000 of gross loss for the year ended 31 December 2023 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$10,531,000. As at the same date, the Group’s other borrowings due within one year of approximately HK\$33,445,000, while its cash and cash equivalents of approximately HK\$4,123,000 only. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

- (a) Mr. Leung King Yue, Alex, the director of the Company, agreed to provide a financial support of HK\$10,000,000 at any time to meet in full the Group’s financial obligation on or before 31 December 2024;
- (b) The Group will continue to explore the interior design, fitting out and decoration services in the coming year as the Group consider that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area. The management expected that the business performance of the Group will improve in 2024;

3. 綜合財務報表編製基礎及重大會計政策資料

3.1 綜合財務報表編製基礎

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司GEM證券上市規則(「GEM上市規則」)及香港公司條例(「公司條例」)規定的適用披露。

誠如綜合財務報表所述，本集團於截至二零二三年十二月三十一日止年度產生本公司擁有人應佔年內虧損約46,825,000港元及毛損約3,300,000港元，而截至該日，本集團的流動負債超出其流動資產約10,531,000港元。於同日，本集團於一年內到期的其他借貸約為33,445,000港元，而其現金及現金等價物僅約為4,123,000港元。儘管如此，綜合財務報表已按持續經營基準編製，因為董事已審慎考慮本集團現時及預期未來流動資金的影响，並信納：

- (a) 本公司董事梁景裕先生同意隨時提供10,000,000港元的財務支持，以於二零二四年十二月三十一日或之前悉數履行本集團的財務責任；
- (b) 本集團將於來年繼續探索室內設計、裝修及裝飾服務，因為本集團認為室內設計、裝修及裝飾在香港及大灣區商業、住宅及公共領域越來越受歡迎。管理層預期本集團的業務表現將於二零二四年有所改善；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

- (c) Subsequent to the end of the reporting period, the Group obtained the letter of intent of extension of the loans facilities from three lenders to extend the utilised loans facilities amounted to approximately HK\$22,300,000 and the unused loans facilities amounted to approximately HK\$13,200,000 for 1 year to 2025; and
- (d) The Group is expected to record a gross profit for the year ending 31 December 2024.

Through continuing the abovementioned business strategies, the Directors believe that the Group would be able to meet its financial obligations and fulfill its operational needs while obtaining additional financing resources in pursuing other businesses.

The Directors are of the opinion that the Group will be able to have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for a period of not less than the next twelve months from 31 December 2023. Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements for the year ended 31 December 2023 on a going concern basis. The consolidated financial statements do not provide for further liabilities which might arise, and do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.1 綜合財務報表編製基礎(續)

- (c) 報告期末後，本集團自三名貸款人接獲貸款融資展期意向函，以將已動用貸款融資約22,300,000港元及未動用貸款融資約13,200,000港元延期一年至二零二五年；及
- (d) 本集團預期於截至二零二四年十二月三十一日止年度將錄得毛利。

通過持續實施上述業務策略，董事認為本集團本集團將能夠履行其財務責任及滿足其經營需求，同時可以獲取其他融資來源，發展其他業務。

董事認為本集團將有足夠營運資金履行其自二零二三年十二月三十一日起計十二個月內到期的財務責任。因此，董事認為按持續經營基準編製截至二零二三年十二月三十一日止年度的綜合財務報表屬恰當。綜合財務報表並無就可能產生的進一步負債作出撥備，且並無包括本集團無法持續經營而可能須就資產及負債的賬面值及重新分類作出的任何調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period and biological assets that are measured at fair values less costs to sell, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.1 綜合財務報表編製基礎(續)

綜合財務報表乃按歷史成本基準編製，惟於各報告期末按公允值計量的若干金融工具及投資物業以及按公允值減銷售成本計量的生物資產除外，詳情載於下文會計政策。

歷史成本一般以換取商品及服務所給予代價的公允值為基準。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

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

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

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.1 綜合財務報表編製基礎(續)

公允值為在市場參與者之間的有序交易於計量日期就出售資產所收取或就轉讓負債所支付的價格，而不論該價格是否直接可予觀察或使用其他估值技術估計。在對資產或負債的公允值作出估計時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的特徵。於綜合財務報表中作計量及／或披露用途的公允值乃按此基準釐定，惟屬於香港財務報告準則第2號股份付款範圍內的股份付款、根據香港財務報告準則第16號租賃，以及與公允值存在若干相似之處但並非公允值的計量(例如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值)除外。

非金融資產的公允值計量計及市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

按公允值交易之金融工具，凡於其後期間應用以不可觀察輸入數據計量公允值之估值技術，該估值技術應予校正，以致於初始確認時估值技術之結果相等於交易價格。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.1 綜合財務報表編製基礎(續)

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，描述如下：

- 第一級輸入數據為實體於計量日期可獲得的相同資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為不包括第一級計入的報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級為資產或負債的不可觀察輸入數據。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料

綜合基準

綜合財務報表包括本公司、本公司及其附屬公司控制的實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對投資對象行使權力；
- 因投資對象的參與而可獲得或有權獲得可變回報；及
- 有能力使用其權力影響其回報。

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

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年內收購或出售的附屬公司的收入及開支自本集團取得控制權當日起計入綜合損益及其他全面收入表，直至本集團不再控制附屬公司之日為止。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

綜合基準(續)

損益及其他全面收入的各项目歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股股東權益，即使此舉會導致非控股股東權益出現虧絀結餘。

如有需要，附屬公司的財務報表會作出調整，以使其會計政策與本集團的會計政策一致。

有關本集團成員公司間交易的所有集團內資產及負債、權益、收入、開支以及現金流量於綜合入賬時悉數對銷。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Business combinations

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

附屬公司

於本公司之財務狀況報表內，於附屬公司之投資按成本值減任何減值虧損(如有)列賬。附屬公司之業績由本公司按已收及應收股息入賬。

業務合併

業務是一系列活動及資產的綜合集合，其中包括投入及實質性過程，其共同極大地促進了創造產出的能力。倘所獲得的過程對繼續生產產出的能力至關重要，包括具有執行相關過程所需技能、知識或經驗的有組織的勞動力，或者對繼續生產產出的能力有重大貢獻，並且被認為屬獨特的或稀缺的，或者在繼續生產產出的能力方面倘無有重大成本、努力或延遲就不能被取代，則被認為屬重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

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

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併(續)

業務的收購採用收購法核算。業務合併中轉移的對價以公平值計量，公平值計算為收購日本集團轉讓資產的公平值之和，本集團對被購買方的前所有者產生的負債以及本集團發行的股權為換取對被購買方的控制權而產生的負債。與收購相關的成本通常在發生時計入當期損益。

所收購的可識別資產及所承擔的負債必須符合財務報告概念框架(「概念框架」)中資產及負債的定義，惟香港會計準則第37號撥備、或然負債及或然資產或香港(國際財務報告詮釋委員會)一詮釋第21號徵費範圍內的交易及事件除外，在該等情況下，本集團應用香港會計準則第37號或香港(國際財務報告詮釋委員會)一詮釋第21號而非概念框架來識別其於業務合併中所承擔的負債。或然資產不予確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併(續)

在收購日，收購的可辨認資產和承擔的負債按其公平值確認，但以下情況除外：

- 被遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被購買方的股份支付安排或為取代被購買方的股份支付安排而訂立的本集團的股份支付安排相關的負債或權益工具，在收購日按照香港財務報告準則第2號計量(見下文會計政策)；
- 根據香港財務報告準則第5號*持作出售的非流動資產及已終止經營業務*劃分為持作出售的資產(或出售組合)根據該準則計量；及
- 租賃負債按剩餘租賃付款額的現值(定義見香港財務報告準則第16號)確認和計量，猶如購入的租賃在購買日是新租賃一樣，惟(a)租賃期限在收購日期12個月內終止；或(b)該項相關資產之價值為低的租賃則除外。使用權資產按照與相關租賃負債相同的金額確認和計量，並與市場條件相比進行調整以反映租賃的有利或不利條件。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併(續)

商譽以轉讓的對價、被購買方的任何非控股權益的金額之和的超出部分計量，及買方此前持有的被購買方股權(如有)的公平值超過於收購日取得的可辨認資產和承擔的負債的淨額。如果在重新評估後，取得的可辨認資產和承擔的負債的淨額超過所轉讓的對價、被購買方的任何非控制性權益的金額以及買方先前持有的被購買方權益的公平值(如有)之和，超出部分立即在損益中確認為購買議價收益。

非控股權益為現時所有者權益，並使其持有人在清算時享有相關附屬公司淨資產的一定比例份額，按非控股權益在被購買方可辨認淨資產已確認金額中所佔比例或按公平值進行初始計量。

當本集團在業務合併中轉移的對價包括或有對價安排時，該或有對價以其取得日的公平值計量，並作為業務合併中轉移的對價的一部分包括在內。符合計量期間調整的或有對價的公平值變動進行追溯調整。計量期調整是指在「計量期」(自收購日起不得超過一年)中獲得的關於收購日存在的事實和情況的額外信息引起的調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併(續)

不符合計量期間調整條件的或有對價的後續會計處理取決於或有對價如何分類。被劃分為權益的或有對價在後續報告日不進行重新計量，其後續結算在權益內核算。分類為資產或負債的或有對價在後續報告日按公平值進行重新計量，相應的利得或虧損計入當期損益。

分階段實現業務合併時，本集團先前持有的被購買方股權在收購日(即本集團取得控制權之日)以公允價值進行重新計量，由此產生的利得或虧損(如有)，視情況計入損益或其他綜合收益。收購日前在被購買方的權益所產生的先前已在其他綜合收益中確認並根據香港財務報告準則第9號計量的款項，將按照本集團直接處置先前持有的股權所需的相同基礎進行會計處理。

如果到合併發生的報告期末業務合併的初始會計核算不完整，則本集團對會計核算不完整的項目報告暫定金額。這些臨時金額在計量期間(見上文)進行追溯調整，並確認額外的資產或負債，以反映獲得的關於收購日存在的事實和情況的新信息，如果知道這些事實和情況會影響該日確認的金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

商譽

收購業務產生的商譽按業務收購日確定的成本(見上述會計政策)減去累計減值虧損(如有)列賬。

為進行減值測試，商譽分攤至本集團預期從合併的協同效應中受益的各現金產生單位(或一組現金產生單位)，代表出於內部管理目的對商譽進行監控的最低水平，且不大於經營分部。

已分配商譽的現金產生單位(或一組現金產生單位)，當有迹象表明該單位可能發生減值時，每年或更頻繁地進行減值測試。對於報告期內收購產生的商譽，在該報告期末前對已分配商譽的現金產生單位(或一組現金產生單位組)進行減值測試。如果可收回金額低於其賬面價值，則首先將減值虧損分配給減少任何商譽的賬面價值，然後根據該單位(或一組現金產生單位)中各資產的賬面價值按比例分配給其他資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Goodwill (Continued)

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Revenue from contracts with customers

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

商譽(續)

在處置相關現金產生單位或一組現金產生單位組的任何現金產生單元時，商譽的可歸屬金額計入處置損益金額的確定。當本集團處置現金產生單元(或一組現金產生單位內的現金產生單元)內的業務時，處置商譽的金額是根據處置的業務(或現金產生單位)和保留的現金產生單元(或一組現金產生單位組)的相對價值來計量的。

來自客戶合約的收益

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

履約責任指明確貨品及服務(或一組貨品或服務)或不同明確貨品及大致相同的服務。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

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

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自客戶合約的收益(續)

控制權隨時間轉移及收益參考完全達成相關履約責任的進度隨時間確認，惟須符合以下條件之一：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並無創造對本集團而言具替代用途的資產，且本集團對迄今完成的履約付款具有可執行權利。

否則，於客戶獲得明確貨品或服務控制權時確認收益。

合約資產指本集團就換取本集團已向客戶轉讓的貨品或服務而收取代價的權利(尚未成為無條件)。它是根據香港財務報告準則第9號進行減值評估的。相比之下，應收款項代表本集團無條件享有對價的權利，即代價到期付款前僅需經過一段時間。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

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

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

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Further details of the Group's revenue and other income recognition policies are as follows:

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自客戶合約的收益(續)

合約負債指本集團因已自客戶收取代價(或代價金額到期)，而須向客戶轉讓貨品或服務之義務。

相同合約相關合約資產及合約負債按淨額基準入賬及呈列。

按時間確認收益：計量完全達成履約責任的進度

投入法

完全達成履約責任的進度乃根據投入法計量，即根據本集團為達成履約責任而產生的支出或投入(相對於預期為達成履約責任的總投入)確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

本集團收入及其他收益確認政策的進一步詳情如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Combined services of interior designs, interior decorating and furnishing services

Combined services of interior designs, interior decorating and furnishing services is recognised by reference to the stage of completion of the provision of service at the end of the reporting period. The progress towards fulfilment of construction contracts is measured with reference to contract cost incurred for work performed to date. Contract cost that related to provision of service are expensed as incurred.

Sales of sewing threads

Sales of sewing threads recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Sales of furnishings

Sales of furnishings are recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自客戶合約的收益(續)

室內設計、裝修及裝飾服務的組合服務

室內設計、裝修和裝飾的組合服務以及室內設計服務收入參照報告期末提供服務的完成階段確認。建造合同的履行進度參照迄今已完成的工程所發生的合同成本計量。與提供服務有關的合同成本在發生時計入費用。

縫紉線銷售

縫紉線銷售於本公司將貨品所有權的重大風險及回報轉移予買方時確認。

傢俱銷售

當本公司將商品所有權上的重大風險和報酬轉移給買方時，確認傢俱銷售。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Sales of biological assets

Revenue from sales of biological assets is recognised at the point in time when control of the asset is transferred to the customer, i.e., when the products are collected by the customers.

Stallions service

Service income is recognised at the point in time when a vet certificate is produced for confirming that a viable live foal was produced. Service income is recognised at the amount attributable to the Group's interests in the stallion.

Biological assets handling services

Service income is recognised when services are rendered, on an accrual basis or where condition attached to the relevant agreements and mandates is in satisfaction of the relevant condition.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自客戶合約的收益(續)

生物資產銷售

生物資產銷售收入在資產控制權轉移給客戶的時點，即由客戶收到產品時確認。

種馬服務

服務收入在出示獸醫證書以確認生產了可存活馬駒的時間點確認。服務收入按歸屬於本集團在種馬權益的金額確認。

生物資產管理服務

服務收入於提供服務時按應計基礎確認，或達成相關協議和授權的附加條件時確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Finance advisory and assets management

The Group provides asset management and advising on securities to customers. The corporate advisory service income is recognised in the accounting period in which the underlying services are rendered on a time-proportion basis in accordance with the terms of the underlying service agreements. Asset management fee income is charged at a fixed percentage per month of the net asset value of the managed accounts under management of the Group.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自客戶合約的收益(續)

財務顧問及資產管理

本集團向客戶提供資產管理及證券建議。企業諮詢服務收入根據相關服務協議的條款按時間比例基準於提供相關服務的會計期間確認。資產管理費收入按本集團管理的管理賬戶的資產淨值每月固定百分比收取。

委託人與代理人

當另一方參與向客戶提供商品或服務時，本集團判斷其承諾的性質是屬於何種履約責任，是提供指定商品或服務本身(即本集團為委託人)，亦或安排該等商品或服務由另一方提供(即本集團為代理人)。

如果本集團在指定的商品或服務轉移給客戶之前取得了該商品或服務的控制權，則本集團為委託人。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Principal versus agent (Continued)

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

來自客戶合約的收益(續)

委託人與代理人(續)

如果本集團的履約義務是安排另一方提供指定的貨物或服務，則本集團為代理人。在這種情況下，本集團在將另一方提供的指定商品或服務轉讓給客戶之前並不控制該商品或服務。當本集團作為代理人時，以其預期有權獲得的任何費用或佣金的金額確認收入，以換取安排另一方提供指定的商品或服務。

租賃

租賃的定義

倘一份合約在一段時間內為換取代價而讓渡一項可識別資產使用的控制權，則該合約為一項租賃或包含一項租賃。

就於首次應用香港財務報告準則第16號日期後訂立或修改或因業務合併而產生的合約而言，本集團根據香港財務報告準則第16號的定義於初始、修改日期或收購日期(如適用)評估合約是否為租賃或包含租賃。除非合約的條款及條件隨後有所變動，否則不會重新評估該合約。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components and the aggregate stand-alone price of non-lease components.

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

Short-term leases and leases of low-value assets

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人

分配代價至合約部分

對於包含一項租賃部分及一項或多項額外租賃或非租賃部分之合約而言，本集團會按照租賃部分之相關獨立價格及非租賃部分之合計獨立價格，將合約代價分配至各租賃部分。

本集團採用實用權宜之計，不將非租賃部分與租賃部分分開，而是將租賃部分和任何非租賃部分作為一個單一的租賃部分入帳。

短期租賃及低價值資產租賃

本集團對租賃辦公室物業應用短期租賃確認豁免，即自開始日期起計之租期為十二個月或以下並且不包括購買選擇權的租賃。短期租賃的租賃款項就租期按直線法或另一有系統基準確認為開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 Material accounting policy information (Continued)

3.2 重大會計政策資料(續)

Leases (Continued)

租賃(續)

The Group as a lessee (Continued)

本集團作為承租人(續)

Right-of-use assets

使用權資產

The cost of right-of-use asset includes:

使用權資產的成本包括：

- the amount of the initial measurement of the lease liability;
 - any lease payments made at or before the commencement date, less any lease incentives received;
 - any initial direct costs incurred by the Group; and
 - an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.
- 租賃負債的初始計量金額；
 - 在租賃期開始日期或之前支付的任何租賃付款額，減去所取得的任何租賃激勵金額；
 - 本集團產生的任何初始直接成本；及
 - 本集團就拆除及移除相關資產、將相關資產所在場地還原或恢復至租賃條款及條件所規定的狀況所產生之成本估算。

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

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

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

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

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

使用權資產(續)

倘本集團合理確信在租賃期屆滿時取得相關租賃資產的所有權，則使用權資產自開始日期起至可使用年期屆滿期間折舊。否則，使用權資產於其預計可使用年期及租賃期以較短者按直線法計提折舊。

本集團於綜合財務狀況表將使用權資產作為獨立項目呈列。

可退回租賃按金

已付可退回租賃按金根據香港財務報告準則第9號入賬，並初步按公允值計量。於初始確認時對公允值的調整被視為額外租賃付款，並計入使用權資產成本。

租賃負債

於租賃公告日期，本集團按於當日尚未支付的租賃付款現值確認及計量租賃負債。於計算租賃付款的現值時，若租賃中所隱含的利率不易確定，則本集團於租賃開始日期使用增量借款利率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, 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 the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

租賃款項包括：

- 固定付款(包括實質固定付款)減任何應收租賃獎勵；
- 取決於指數或費率的可變租賃付款額，初步計量時使用開始日期的指數或利率；
- 剩餘價值擔保下本集團預期應付款項；
- 倘本集團合理確定行使購買選擇權，該選擇權的行使價；及
- 倘租賃條款反映本集團將行使終止租賃之選擇權，終止租賃的罰款付款。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

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

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

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

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

於開始日期後，租賃負債就應計利息及租賃款項作出調整。

在下列情況下集團重新計算租賃負債(並對相關的使用權資產進行相應調整)：

- 租期已變更或行使購買權之評估變更，在此情況下，相關租賃負債使用於重新計量當日之已修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團將租賃負債列為綜合財務狀況表的細列項目。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

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

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃修改

倘出現以下情況，本集團會將租賃修訂作為一項單獨租賃入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的實際情況而對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團基於透過使用修改生效日期的經修改貼現率貼現經修改租賃付款的經修改租賃的租期，重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整，將租賃負債的重新計量入賬。就含有租賃組成部分及一項或多項額外租賃或非租賃組成部分之經修改合約而言，本集團以租賃組成部分之相對單獨價格及非租賃組成部分之總單獨價格為基礎，將經修改合約內之代價分配至各租賃組成部分。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

因利率基準改革導致釐定未來租賃付款的基準變動

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

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

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

All leases are classified as operating lease.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為出租人

租賃的分類及計量

所有租賃均列作經營租賃。

經營租賃的租金收入在相關租賃期限內按照直線法確認為損益。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，有關成本於租賃期內按直線法確認為開支，除根據公允價值模型計量的投資物業外。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為出租人(續)

可退回租賃按金

已收可退回租賃按金乃根據香港財務報告準則第9號入賬且初步按公允值計量。對初始確認時的公允值作出的調整被視為來自承租人的額外租賃付款。

分租賃

當本集團為中間出租人時，其就主租賃及分租賃入賬為兩份獨立合約。分租賃乃參考主租賃產生的使用權資產(非參考相關資產)後分類為融資租賃或經營租賃。

外幣

於編製各個別集團實體的財務報表時，有關實體以功能貨幣以外的貨幣(外幣)進行之交易按交易當日的匯率確認。於報告期末，以外幣計值的貨幣項目乃按該日的現行匯率重新換算。以外幣計值按公允值列賬的非貨幣項目按釐定公允值當日通行的匯率重新換算。以外幣歷史成本計量之非貨幣項目不予重新換算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "exchange reserve" (attributed to non-controlling interests as appropriate).

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

外幣(續)

貨幣項目結算及重新換算所產生之匯兌差額，於產生期間之損益中確認。

就呈列綜合財務報表而言，本集團業務之資產及負債按各報告期末之現行匯率換算為本集團之呈列貨幣(即港元)。收入及開支項目按期內平均匯率換算。產生的匯兌差額(如有)在其他綜合收益中確認，並在「外匯儲備」標題下累積在權益中(酌情歸因於非控股權益)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

借款成本

所有借款成本於產生期間在損益賬確認。

政府補貼

除非合理保證本集團將遵守該等補貼的附帶條件及將會收到補貼，否則不會確認政府補貼。

政府補助乃於本集團確認補助擬補償的相關成本開支期間，有系統於損益中確認。具體而言，政府補助的首要條件為，本集團應購置、興建或以其他方式獲得非流動資產，並在綜合財務狀況表內確認為遞延收入及於有關資產的使用年期轉撥至損益。

政府補貼如為補償已產生的開支或虧損，或為向本集團提供即時財務支持而不涉及未來相關成本，則於應收期間於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

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

For defined retirement benefit plans including the LSP under the Hong Kong Employment Ordinance and others to specify, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

僱員福利

退休福利成本

當僱員已提供服務使其有權利獲得設定提存退休福利計劃的供款時，相關退休福利計劃支付的金額應確認為費用。

就界定福利退休福利計劃(包括香港僱傭條例項下的長期服務金及其他具體規定)而言，提供福利的成本乃採用預計單位貸記法釐定，並於各年度報告期末進行精算估值。於釐定本集團界定福利責任及相關當期服務成本及(如適用)過往服務成本的現值時，本集團根據計劃的福利公式將福利歸屬於服務期間。然而，倘僱員於未來數年的服務將導致福利水平大幅高於過往數年，則本集團按直線法將福利歸屬於以下各項：

- (a) 僱員因提供服務首次獲得計劃福利的日期(不論該福利是否以進一步服務為條件)，直至
- (b) 該僱員繼續提供服務，除進一步增加薪金外，不會導致根據該計劃獲得其他重大福利的日期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

僱員福利(續)

退休福利成本(續)

重新計量，包括精算收益及虧損、資產上限變動的影響(如適用)及計劃資產回報(不包括利息)，即時於綜合財務狀況表反映，並於其發生期間在其他全面收益中確認扣除或貸項。於其他全面收入確認的重新計量即時於保留盈利反映，並將不會重新分類至損益。

過往服務成本於計劃修訂或縮減期間於損益確認，而結算收益或虧損於結算發生時確認。於釐定過往服務成本或結算收益或虧損時，實體應使用計劃資產的當前公允值及當前精算假設重新計量界定福利負債或資產淨額，反映計劃修訂、縮減或結算前後根據計劃提供的福利及計劃資產，而不考慮資產上限的影響(即以計劃退款或計劃未來供款減少的形式提供的任何經濟利益的現值)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

僱員福利(續)

退休福利成本(續)

利息淨額按期初貼現率應用於界定福利負債或資產淨額計算。然而，倘本集團重新計量計劃修訂、縮減或結算前的界定福利負債或資產淨額，則本集團使用計劃項下提供的福利及計劃修訂、縮減或結算後的計劃資產以及用於重新計量該界定福利負債或資產淨額的貼現率，釐定計劃修訂、縮減或結算後年度報告期餘下期間的利息淨額，並計及期內因供款或福利付款導致的界定福利負債或資產淨額的任何變動。

界定福利成本分類如下：

- 服務成本(包括當前服務成本、過往服務成本以及縮減及結算的收益及虧損)；
- 利息開支或收入淨額；及
- 重新計量。

於綜合財務狀況表確認的退休福利責任指本集團界定福利計劃的實際虧絀或盈餘。該計算產生的任何盈餘僅限於以計劃退款或計劃未來供款減少的形式提供的任何經濟利益的現值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Share-based payments

Equity-settled share-based payments transactions

Shares/Share options granted to employees

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

短期及其他長期僱員福利

短期僱員福利相關已確認負債將按照預計將支付給僱員以交換服務之福利未折現金額計量。所有短期僱員福利確認為費用。除非其他香港財務報告準則要求或允許將福利計入資產成本。

經扣除任何已付金額後，僱員應得的福利(例如工資及薪金、年假及病假)確認為負債。

就其他長期僱員福利確認的負債按本集團預期就僱員直至報告日期所提供服務而作出估計未來現金流出的現值計量。因服務成本、利息及重新計量而產生的負債賬面值的任何變化均在損益中確認，除非另有香港財務報告準則要求或允許將其計入資產成本。

股份付款

以權益結算的股份支付交易

股份／授予僱員之購股權

向僱員及提供類似服務的其他人士作出以權益結算的股份支付之乃按授出日時股本工具的公允值計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

Equity-settled share-based payments transactions (Continued)

Shares/Share options granted to employees (Continued)

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

When the share options are exercised, the amount previously recognised in "share option reserve" will be transferred to "share capital". After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in "share option reserve" will be transferred to "accumulated losses".

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

股份付款(續)

以權益結算的股份支付交易(續)

股份／授予僱員之購股權(續)

在不考慮所有非市場歸屬條件的情況下，於授出日期釐定之以權益結算的股份支付之公允值乃於歸屬期間根據本集團估計最終將歸屬之股本工具以直線法支銷，權益(以股份付款儲備)亦會相應增加。於各報告期末，本集團根據非市場歸屬條件，修改其估計可予歸屬的股本工具數目。修訂原估計所產生的影響(如有)於損益中確認，令累計開支反映經修訂的估計，而以股份付款儲備則作出相應調整。就於授出日期即時歸屬的股份／購股權而言，所授出股份／購股權的公允值即時於損益支銷。

當購股權獲行使時，先前於「購股權儲備」確認之金額將轉撥至「股本」。於歸屬日期後，當獲歸屬購股權隨後失效或於屆滿日期仍未獲行使，先前於「購股權儲備」確認的金額會轉撥至「累計虧損」。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of the current tax and deferred income tax expense.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項

所得稅開支指即期稅項及遞延所得稅開支之和。

即期應繳稅項根據年內應課稅溢利計算。應課稅溢利與除稅前虧損不同，此乃由於其他年度應課稅或可扣稅的收入或開支，以及永不用課稅或永不可扣稅的項目所致。本集團之當期稅項負債乃按於報告期末已生效或實質上已生效之稅率計算。

遞延稅項乃按資產及負債在綜合財務報表的賬面值與計算應課稅溢利所用相應稅基之間的暫時差額予以確認。

遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產則一般就所有可扣稅暫時差額確認，直至應課稅溢利可用作抵銷該等可扣稅暫時差額。倘若暫時差額由初始確認一項不影響應課稅溢利或會計溢利之資產及負債(業務合併除外)所產生的暫時性差異，則不會確認有關遞延稅項資產及負債。此外，倘若暫時差額由初始確認商所產生，則不會確認有關遞延稅項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

遞延稅項負債會確認與於附屬公司之投資關連而引致之應課稅暫時差額，惟若本集團可控制暫時差額撥回及暫時差額有可能不會於可見將來撥回之情況除外。與該等投資及權益有關的可扣稅暫時差額所產生的遞延稅項資產，僅於可能會存在足夠應課稅溢利而須動用暫時差額的利益及彼等預期於可見將來撥回時方會確認。

遞延稅項資產的賬面值於各報告期末審閱，並削減至不可能再有足夠應課稅溢利以收回全部或部分資產為止。

遞延稅項資產及負債按清償負債或變現資產期間的預期適用稅率(基於報告期末已頒佈或實質上已頒佈的稅率(及稅法)計量。

遞延稅項負債及資產之計量反映本集團於報告期末所預期對收回或清償其資產及負債之賬面值方式所產生之稅務影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

就計算按公允值模式計量之投資物業之遞延稅項而言，該等物業之賬面值被假設為透過銷售全數收回，惟倘有關假設被推翻，則另作別論。倘該投資物業可予折舊，並根據一項旨在隨著時間而非透過出售消耗投資物業中之絕大部分經濟利益之業務模式持有，則該假設已被推翻。惟永久業權土地除外，永久產權土地始終被推定完全透過出售收回。

為計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項，本集團首先確定稅項扣減是否歸屬於使用權資產或租賃負債。

對於其中稅項扣除歸屬於租賃負債的租賃交易，本集團將香港會計準則第12號要求分別應用於租賃負債及相關資產。本集團亦就所有減應課稅暫時差額，確認相關租賃負債的遞延稅項資產，前提是有可動用應課稅溢利用於抵銷可扣減暫時差額及遞延稅項負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

倘有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關向同一應課稅實體徵收之所得稅有關時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益中確認。惟當其與在其他全面收益或直接在權益中確認的項目有關時，則即期及遞延稅項也分別在其他全面收益或直接在權益確認。倘即期稅項或遞延稅項因就業務合併進行初步會計處理而產生，則稅務影響會計入業務合併之會計處理。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備

物業、廠房及設備為持有作生產或提供貨品或服務所用，或作行政用途之有形資產。物業、廠房及設備乃按成本減去其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表入賬。

資產及其他在建項目之折舊乃於其估計可使用年期用直線法確認，以撇銷其成本並扣除其剩餘價值。估計可使用年期、剩餘價值及折舊方法會於各報告期末檢討，而任何估計變動之影響按前瞻基準入賬。

物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時解除確認。出售或棄置物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與相關資產賬面值的差額計算，並於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

投資物業

投資物業乃指持有作為賺取租金收入及／或作資本增值之物業。

投資物業還包括正在確認為使用權資產的租賃物業，並由本集團以經營租賃方式轉租。

投資物業初步乃按成本(包括任何直接應佔開支)計量。於初始確認後，投資物業按公平值計量，並進行調整以至不包括任何預付或應計經營租賃收入。

投資物業之公平值變動所產生之收益或虧損於產生期間計入損益。

在建投資物業發生的工程成本，作為在建投資物業賬面價值的一部分予以資本化。

投資物業於出售或投資物業永久不再使用或預期不能由其出售獲取任何未來經濟利益時終止確認。確認為使用權資產的租賃物業，在倘本集團以中介出租人身份將分組分類為融資租賃時予以終止確認。取消確認物業產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之間差額計算)會計入取消確認物業期間之損益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

無形資產

於業務合併中收購的無形資產

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

於初步確認後，於業務合併中收購並具有無限可使用年期的無形資產按成本減任何其後累計減值虧損列賬。

無形資產於出售時或預期使用或出售不會產生未來經濟利益時終止確認。終止確認無形資產所產生之收益或虧損按出售所得款項淨額與有關資產賬面值之差額計量，並於終止確認該資產之期間於損益表中確認。

物業、廠房及設備、使用權資產及商譽以外的無形資產減值

於報告期末，本集團審閱其具有有限可使用年期的物業、廠房、設備以及使用權資產的賬面值，以釐定是否有任何迹象顯示該等資產已出現減值虧損。倘該等迹象存在，則會估計相關資產之可收回金額以釐定減值虧損之程度(如有)。本集團會對使用壽命不確定的無形資產至少每年及出現減值迹象時進行減值測試。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

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

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備、使用權資產及商譽以外的無形資產減值(續)

物業、廠房及設備以及使用權資產個別估計可收回金額。倘無法個別地估計可收回金額，則本集團會估計該資產所屬現金產生單位之可收回金額。

於測試現金產生單位的減值時，倘可確定合理一致的分配基準，企業資產會被分配至相關現金產生單位，否則會被分配至可建立合理一致的分配基準的最小現金產生單位組別中。企業資產所屬的現金產生單位或現金產生單位組別確定可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值進行比較。

可收回金額乃公平值減出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至現值，該貼現率能反映當前市場所評估之貨幣時間價值及資產(或現金產生單位)特定風險(就此而言，未來現金流量估計尚未作出調整)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備、使用權資產及商譽以外的無形資產減值(續)

倘若一項資產(或現金產生單位)之可收回金額預計低於其賬面值,則該資產(或現金產生單位)之賬面值則被減至其可收回金額。對於無法按合理及一致基準分配至現金產生單位之企業資產或企業資產之部分,本集團將現金產生單位組別的賬面值(包括分配至該現金產生單位組別的企業資產或企業資產部分的賬面值)與該現金產生單位組別的可收回金額進行比較。於分配減值虧損時,首先分配減值虧損以減少任何商譽的賬面值(如適用),然後按比例根據該單位或現金產生單位組別各資產的賬面值分配至其他資產。資產賬面值不會下調至低於公平值減去出售成本(若可計量)之所得數額、其使用價值(若可釐定)及零之較高者。已另行分配至資產的減值虧損金額按比例分配至該單位或一組現金產生單位的其他資產。減值虧損即時於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

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

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

Biological assets

Biological assets are measured on initial recognition and at the end of the reporting period at their fair value less costs to sell, with any resulting gain or loss recognised in the profit or loss for the year in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, mainly transportation cost and excluding finance costs and income taxes. The fair value of biological assets is determined based on their present location and condition and is determined independently by a professional valuer.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備、使用權資產及商譽以外的無形資產減值(續)

倘減值虧損於其後撥回，則該項資產(或現金產生單位或現金產生單位組別)之賬面值會增加至其經修訂之估計可收回金額，惟增加後之賬面值不得超出假設過往期間並無就該項資產(或現金產生單位或現金產生單位組別)確認減值虧損時原應釐定之賬面值。減值虧損撥回即時於損益中確認。

生物資產

生物資產在初始確認時計量，並在報告期末按其公允價值減去出售費用後的金額計量，由此產生的利得或虧損計入發生當年的損益。出售成本是指直接歸屬於資產處置的增量成本，主要是運輸成本，不包括財務費用和所得稅。生物資產的公允價值根據其現在的位置和狀況確定，由專業價值評估機構獨立確定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

現金及現金等價物

於綜合財務狀況表呈列之現金及現金等價物包括：

- (a) 現金，其包括手頭現金及活期存款，不包括受監管限制而導致有關結餘不再符合現金定義的銀行結餘；及
- (b) 現金等價物，包括短期(通常原到期日為三個月或更短)、可隨時轉換為已知金額的現金且價值變動風險不大的高流動性投資。現金等價物持作滿足短期現金承擔，而非用於投資或其他目的。

就綜合現金流量表而言，現金及現金等價物包括上文所定義的現金及現金等價物，扣除須應要求償還的未償還銀行透支，並構成本集團現金管理的組成部分。該等透支於綜合財務狀況表呈列為短期借款。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

存貨

存貨按成本及可變現淨值兩者的較低者列賬。存貨成本按「先入先出」方法釐定。可變現淨值為存貨的估計售價減完成時所有估計成本及銷售時所需成本。進行銷售所必需的成本包括可直接歸屬於銷售的增量成本和本集團進行銷售所必須發生的非增量成本。

撥備

當本集團因過往事件而現時有責任(法定或推定)時，本集團可能須結付該責任，且能夠可靠估計責任金額時，則確認撥備。

作為撥備的金額是以報告期末用作處理現有責任的費用的最佳估量計算，包括考慮到圍繞著現有責任的風險和不確定性。當一個撥備以處理現有責任的估計現金流量計算，其賬面值是該等現金流量的貼現值(倘貨幣時間價值的影響屬重大)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具

倘某集團實體成為該工具合同條文的訂約方，則該金融工具和金融負債會獲確認。所有常規購買和出售金融資產按交易日基準確認和終止確認。常規購買和出售金融資產乃要求於市場法規或慣例所設立之時間框架內交付資產之購買或出售金融資產事宜。

金融資產和金融負債除與客戶的合同產生的應收賬款按照香港財務報告準則第15號進行初始計量外，均以公允價值進行初始計量。直接歸屬於購置或發行金融資產及金融負債(按公允值計入損益(「按公允值計入損益」)之金融資產或金融負債除外)之交易成本在初始確認時計入或扣自各金融資產或金融負債(倘適用)之公允值。收購按公允值計入損益之金融資產或金融負債直接產生之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債攤銷成本及於有關期間分配利息收入及利息開支所用的方法。實際利率為於初始確認時將金融資產或金融負債預期年期內或(倘適當)較短者的估計未來現金收入及款項(包括組成實際利率一部分的所有已付或已收費用及點數、交易成本及其他溢價或折讓)準確貼現至賬面淨值的利率。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產

金融資產之分類及後續計量

符合下列條件之金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的而持有業務模式下之金融資產；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還本金金額之利息。

滿足以下條件其後按公允值計入其他全面收入(「按公允值計入其他全面收入」)計量之債務工具：

- 持有業務模式下之金融資產的目的是同時出售及收取合約現金流量及出售；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還本金金額之利息。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(續)

所有其他金融資產其後按公允值計入損益計量，惟於初始確認金融資產當日，倘該股本投資並非持作買賣，亦非由於收購方在香港財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收入呈列股本投資的其後公允值變動。

在下列情況下，金融資產分類為持作交易：

- 主要為在短期內出售而收購；或
- 初始確認時屬於本集團集中管理的可識別金融工具組合的一部份，且具有最近實際短期獲利模式；或
- 並非指定且實際用作對沖工具的衍生工具。

此外，如將符合以攤銷成本計量或按公平值計入其他全面收益標準的金融資產指定為按公平值計入損益能消除或顯著減少會計錯配，本集團可不可撤回地作出該指定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(a) Amortised cost and interest income

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(續)

(a) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入乃使用實際利率法確認。債務工具／應收款項其後按公平值計入其他全面收益的方式計量。就購買或產生的信貸減值金融資產以外的金融工具而言，利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(b) Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, contract assets and deposits and other receivables and bank balances) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(續)

(b) 以公允值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收益計量或指定為按公平值計入其他全面收益的金融資產按公平值計入損益計量。

按公平值計入損益的金融資產於各報告期末按公平值計量，任何公平值收益或虧損則於損益中確認。於損益確認的收益或虧損淨額不包括金融資產賺取的任何股息或利息，並計入「其他收益及虧損淨額」項目。

須根據香港財務報告準則第9號進行減值評估的金融資產減值

本集團根據預期信貸虧損(「預期信貸虧損」)模式對根據香港財務報告準則第9號須予減值的金融資產(包括應收交易款項、合約資產及按金以及其他應收款項及銀行結餘)進行減值評估。預期信貸虧損的金額於每個報告日期予以更新，以反映自初始確認以來信貸風險的變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

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

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances or collectively using a provision matrix with appropriate groupings.

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

全期預期信貸虧損指於相關工具預期年期內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損(「**12個月預期信貸虧損**」)則指預期可能於報告日期後12個月內發生違約事件而導致的全期預期信貸虧損部分。評估乃根據本集團之歷史信貸虧損經驗進行，並根據債務人特有的因素、整體經濟狀況及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團一直就不存在重大融資組成部分的應收交易款項及合約資產確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有重大結餘的債務人進行個別評估或使用具有適當分組的撥備矩陣進行共同評估。

就所有其他工具而言，本集團按相等於12個月預期信貸虧損的金額計量虧損撥備，除非自初始確認後信貸風險大幅增加，則本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(i) 信貸風險顯著上升

於評估信貸風險是否自初始確認以來顯著增加時，本集團將於報告日期就金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且有根據的定量和定性資料，包括毋須花費不必要成本或精力即可獲得之過往的經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下信息：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 信貸風險外部市場指標顯著惡化，例如債務人的信貸價差、信貸違約掉期價格顯著上升；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk (Continued)

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(i) 信貸風險顯著上升(續)

- 預期將導致債務人履行其債務責任的能力顯著下降的業務、財務或經濟狀況的現有或預測不利變動；
- 已發生的或預期的債務人經營成果的嚴重惡化；
- 債務人的監管、經濟或技術環境有實際或預期的顯著不利變動，導致債務人償債能力顯著下降。

不論上述評估結果如何，本集團假定，當合約付款逾期超過三十天，則自初始確認以來信貸風險已顯著增加，除非本集團擁有合理且有根據的資料，則另作別論。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(i) 信貸風險顯著上升(續)

儘管如此，倘一項債務工具於報告日期確定為信貸風險較低，則本集團假設該債務工具的信貸風險自初始確認以來並無大幅增加。倘一項債務工具 i) 違約風險較低，ii) 借款人近期具充分償付合約現金流量負債的能力及 iii) 長遠而言經濟及業務狀況的不利變動可能但未必會降低借款人償付合約現金流量負債的能力，則該項債務工具可確定為信貸風險較低。倘一項債務工具的內部或外部信貸評級為國際通用的「投資級別」，則本集團認為該項債務工具的信貸風險較低。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)以確保標準能在金額逾期前識別信貸風險顯著增加。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(ii) 違約釋義

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

不論上述情形如何，本集團認為，倘金融資產逾期超過九十天，則違約已經發生，除非本集團擁有合理且有根據的資料顯示一項更滯後的違約標準更為合適。

(iii) 信貸減值的金融資產

當發生一項或多項對金融資產預計未來現金流量有不利影響的事件時，金融資產出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(iii) Credit-impaired financial assets (Continued)

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(iii) 信貸減值的金融資產(續)

- (a) 發行人或借款人陷入嚴重財務困難；
- (b) 違約，例如違約或逾期事件；
- (c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 因為財務困難而使該金融資產的活躍市場不再存在。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(iv) 撇銷政策

當有資料顯示交易對手陷入嚴重財務困難，且並無實際收回的可能之時(例如交易對手已清算或進入破產程序)或金額逾期超過三年(就貿易應收款項而言)(以較早者為準)，本集團會撇銷金融資產。已撇銷的金融資產仍可根據本集團的收回程序並在適當情況下考慮法律意見後實施強制執行活動。撇銷構成終止確認事件。任何其後收回於損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率的評估乃基於根據前瞻性資料調整的歷史數據作出。預期信貸虧損的估計反映以發生相關違約風險的金額作為加權數值而釐定的無偏概率加權金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

一般而言，預期信貸虧損乃根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量(按初始確認時釐定的實際利率貼現)之間的差額。就應收租賃款項而言，用於釐定預期信貸虧損的現金流量與根據香港財務報告準則第16號用於計量應收租賃款項的現金流量一致。

貿易應收款項和合約資產的全期預期信貸虧損經考慮過往逾期資料及前瞻性宏觀經濟資料等相關信貸資料按集體基準考慮。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

(v) Measurement and recognition of ECL (Continued)

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

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

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

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

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估的金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

就集體評估而言，本集團訂立組別時考慮以下特徵：

- 逾期狀況；
- 債務人的性質、規模和行業；及
- 外部信貸評級(如可用)。

歸類工作經管理層定期檢討，以確保各組別成分繼續具有類似信貸風險特性。

利息收入按金融資產的總賬面值計算，除非該金融資產出現信貸減值，則利息收入按金融資產的攤銷成本計算。

本集團透過調整所有金融工具的賬面值於損益確認其減值收益或虧損，惟應收交易及其他款項及合約資產除外，其相應調整乃透過虧損撥備賬確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item as part of the net foreign exchange gains and losses;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item as part of the gain (loss) from changes in fair value of financial assets;

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

匯兌損益

以外幣計值的金融資產的賬面值以該外幣釐定，並於各報告期末按即期匯率換算。具體來說：

- 就並非指定對沖關係一部分的按攤銷成本計量的金融資產而言，匯兌差額於損益中的「其他收益及虧損淨額」項目確認為匯兌收益及虧損淨額的一部分；
- 對於不屬於指定對沖關係的按公允值計入損益之金融資產，匯兌差額於損益中的「其他收益及虧損淨額」項目確認為金融資產公允值變動收益(虧損)的一部分；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

終止確認金融資產

本集團僅於從資產獲取現金流量的合約權利屆滿時，或向另一實體轉讓金融資產及該資產擁有權之絕大部份風險及回報時，終止確認金融資產。倘本集團並無轉讓或保留其於擁有權之絕大部份風險及回報，並繼續控制已轉讓資產，則本集團會確認其於資產之保留權益以及其或須支付款項之相關負債。倘本集團保留其於已轉讓金融資產擁有權之絕大部份風險及回報，則本集團會繼續確認金融資產及以已收取之所得款項確認為有抵押貸款。

當終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之差額於損益中確認。

金融負債及權益工具

分類為債務或權益

債務及權益工具乃根據合約安排的内容以及金融負債及權益工具的釋義分類為金融負債或權益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, lease liabilities and borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益工具(續)

權益工具

權益工具為證明實體於扣除其所有負債後之剩餘資產權益之任何合約。本公司發行的權益工具按所收取所得款項扣除直接發行成本後的金額確認。

購回本公司自有權益工具直接在權益中確認及扣除。購買、出售、發行或註銷本公司自有權益工具的收益或虧損不會於損益中確認。

金融負債

所有金融負債乃於其後使用實際利率法按攤銷成本計量。

按攤銷成本計量的金融負債

金融負債(包括應付交易款項及其他應付款項、租賃負債及借款)其後使用實際利息法按攤銷成本計量。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益工具(續)

財務擔保合約

財務擔保合約為要求發行人支付指定款項以補償持有人因指定債務人未能根據債務工具的條款於到期時付款而招致損失的合約。財務擔保合約負債初步按其公允值計量。其後按以下兩者之較高者計量：

- 根據香港財務報告準則第9號釐定的虧損撥備金額；及
- 初始確認金額減擔保期內確認的累計攤銷(如適用)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses, net' line item in profit or loss.

Derecognition of financial liabilities

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

3. 綜合財務報表編製基礎及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益工具(續)

外匯損益

對於以外幣計價並在每個報告期末按攤銷成本計量的金融負債，外匯損益根據金融工具的攤銷成本釐定。該等匯兌損益在損益的「其他收益及虧損淨額」項目中確認。

終止確認金融負債

本集團僅於其責任已被解除、註銷或屆滿時方會終止確認金融負債。終止確認的金融負債賬面值與已付或應付代價之間的差額會於損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

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

Going concern and liquidity

The consolidated financial statements have been prepared by the management on a going concern basis. The assessment of the going concern assumptions involves making judgement by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major conditions and business strategies about the going concern assumptions are set out in Note 3.1 to the consolidated financial statements.

4. 重要會計判斷及估計不確定性的主要來源

於應用附註3所述本集團之會計政策時，董事須就未能於其他來源取得之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及被視為相關之其他因素而作出。實際結果或有別於該等估計。

估計及相關假設將受到持續檢討。倘若會計估計修訂只影響該期間，則有關會計估計的修訂會在修訂估計期間確認。倘若有關修訂既影響當前及未來期間，則有關修訂會在修訂期間及未來期間確認。

應用會計政策之重大判斷

除涉及估計(見下文)者外，以下為董事應用本集團之會計政策過程中作出並對綜合財務報表內確認之款項造成最重大影響的重大判斷。

持續經營及流動資金

綜合財務報表乃由管理層按持續經營基準編製。評估持續經營假設涉及管理層於特定的時間點對就內在而言乃屬不確定的事件或條件的未來結果作出判斷。管理層認為，本集團有能力持續經營，有關持續經營假設的主要條件及業務策略略載於綜合財務報表附註3.1。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Property lease classification – Group as lessor

The Group has entered into a sublease arrangement as lessor on leasehold land. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the leasehold land and the present value of the minimum lease payments not amounting to substantially all the fair value of the leasehold land, that it retains substantially all the significant risks and rewards incidental to ownership of the leasehold land which are leased out and accounts for the contracts as operating leases.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

4. 重要會計判斷及估計不確定性的主要來源(續)

應用會計政策之重大判斷(續)

物業租賃分類 — 本集團作為出租人

本集團作為出租人已就租賃土地訂立分租賃安排。根據對該安排條款及條件進行的評估(如租期不構成租賃土地經濟壽命的主要部分及最低租賃款項現值的金額不等於租賃土地的絕大部分公允值)，本集團已釐定其保留已出租租賃土地擁有權附帶的絕大部分重大風險及回報，並將合約入賬列作經營租賃。

投資物業的遞延稅項

就計量以公允值模式計量的投資物業產生之遞延稅項而言，董事已審閱集團之投資物業組合，並認為目標集團持有之投資物業並非以長期消耗投資物業所包含的絕大部分經濟利益為目標的業務模式。因此，在釐定投資物業的遞延稅項時，董事已決定，採用公允值模式計量的投資物業賬面值可完全透過出售收回的假設並無被推翻。由於本集團毋須就出售投資物業的公平值變動繳納任何所得稅，故本集團並無就投資物業的公平值變動確認任何遞延稅項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Income tax and deferred tax

The Group is subject to enterprise income tax in the People's Republic of China (the "PRC"). Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions 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 to be 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.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源

以下為於報告期末有關未來的主要假設及估計不確定因素的其他主要來源，有關假設及來源具有導致資產及負債賬面值於下一個財政年度發生重大調整的重大風險。

(a) 所得稅及遞延稅項

本集團須在中華人民共和國(「中國」)繳納企業所得稅。在確定稅項撥備金額和繳納相關稅項的時間時，須作出判斷。在日常業務過程中，許多交易及計算的最終稅項釐定存在不確定性。若有關事宜的最終稅項結果與最初記錄的金額不同，則有關差額將會影響作出有關釐定期間的所得稅和遞延所得稅撥備。

在管理層認為未來應課稅溢利可能會用作抵銷可使用暫時差額或稅項虧損時，確認涉及若干暫時差額和稅項虧損的遞延稅項資產。實際應用結果可能不同。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(a) Income tax and deferred tax (Continued)

No deferred tax asset has been recognised on the tax losses due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(b) Fair value measurement of financial instruments

As at 31 December 2023, certain of the Group's financial assets amounting to approximately HK\$5,226,000 (2022: HK\$5,179,000) are measured at fair value with fair value being determined based on an independent valuer and the surrender value of the policy of the financial assets. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Further details are contained in Note 23 to the consolidated financial statement.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(a) 所得稅及遞延稅項(續)

由於未來溢利來源的不可預測性，並無就稅務虧損確認遞延稅項資產。遞延稅項資產的可變現性主要取決於日後是否存在足夠的未來溢利或應課稅暫時差異，此為估計不確定性之主要來源。倘所產生的實際未來應課稅溢利少於或多於預期，或事實及情況有變，導致修訂未來應課稅溢利估計，則可能作出撥回或進一步確認遞延稅項資產，其將於有關撥回或進一步確認進行期間於損益中確認。

(b) 金融工具之公允值計量

於二零二三年十二月三十一日，本集團約5,226,000港元(二零二二年：5,179,000港元)若干金融資產乃按公允值計量，其公允值根據一名獨立估值師及金融資產保單的退保價值釐定。確立相關估值技術及其相關輸入數據時須運用判斷及估計。與該等因素有關的假設變動可導致該等工具公平值的重大調整。進一步詳情載於綜合財務報表附註23。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(c) Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

(d) Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with credit-impaired are assessed for ECL individually.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(c) 租賃 — 估算增量借款利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品於類似期間借入所需資金應支付之利率。因此，增量借款利率可反映本集團「將須支付」的利率，而當並無可觀察利率可供使用時（如就並無訂立融資交易的附屬公司而言）或當利率須進行調整以反映租賃的條款及條件時（如當租賃並非以附屬公司的功能貨幣訂立時），則須對利率作出估計。當可觀察輸入數據（如市場利率）可供使用時，本集團會使用有關輸入數據估計增量借款利率，並須作出若干實體特定估計（如附屬公司的單獨信貸評級）。

(d) 應收交易款項及合約資產預期信貸虧損撥備

對信貸減值之應收交易款項及合約資產單獨進行預期信貸虧損評估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(d) Provision of ECL for trade receivables and contract assets (Continued)

In addition, the Group uses practical expedient in estimating ECL on trade receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Notes 25, 26 and 36(b) to the consolidated financial statements.

(e) Provision of ECL for other receivables and deposits

The Group calculates the ECL for other receivables and deposits by grouping the counterparties with similar nature under general approach. The provision rates are based on internal credit rating and taking into consideration forward-looking information that is reasonable and supportable available without undue costs of effort. At every reporting date, changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's other receivables and deposits are disclosed in Notes 25 and 36(b) to the consolidated financial statements.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(d) 應收交易款項及合約資產預期信貸虧損撥備(續)

此外，本集團使用實際權益法估計並非單獨使用撥備矩陣評估的貿易應收款項及合約資產的預期信貸虧損。撥備率按一組不同債務人的債務人賬齡並經考慮本集團歷史違約率及毋須花費不必要成本可取得的合理且有理據支持的前瞻性資料而釐定。於各報告日期，本集團會重新評估過往觀察違約率並考慮前瞻性資料的變動。

預期信貸虧損撥備容易受估計變動影響。預期信貸虧損及本集團的應收交易款項及合約資產之資料於綜合財務報表附註25、26及36(b)披露。

(e) 其他應收款項及存款預期信貸虧損撥備

本集團根據一般方法將性質相似的交易對手分組，以計算其他應收款項及按金的預期信貸虧損。撥備率乃基於內部信貸評級，並計及無需付出不必要成本即可獲得的合理及有理據的前瞻性資料。於各報告日期，會考慮前瞻性資料的變動。

預期信貸虧損撥備容易受估計變動影響。有關預期信貸虧損及本集團其他應收款項及按金的資料於綜合財務報表附註25及36(b)披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(f) Estimated impairment of property, plant and equipment and ROU assets

Property, plant and equipment and ROU assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

The Group estimates the recoverable amounts of property, plant and equipment and ROU assets based on higher of fair values less cost of disposal, and value in use ("VIU"). The carrying amount of the relevant assets do not exceed the recoverable amount and no impairment has been recognised (2022: Nil).

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(f) 物業、廠房及設備以及使用權資產估計減值

物業、廠房及設備以及使用權資產乃按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須行使判斷及作出估計，特別是於評估：(1) 是否發生事件或有任何迹象而可能影響資產價值；(2) 資產賬面值是否能夠以可收回金額支持，如為使用價值作支持，即未來現金流量之現值淨額，基於資產之持續使用而估計；及(3) 於估計可收回金額(包括現金流量預測)及適當的貼現率時應用之適當主要假設。當無法估計單項資產(包括使用權資產)的可收回金額時，本集團估計資產所屬之現金產生單位的可收回金額。改變假設及估計(包括現金流量預測中之貼現率或增長率)可能對減值測試中使用之現值淨額產生重大影響。

本集團基於公允值減出售成本與使用價值(「使用價值」)兩者之較高者估計物業、廠房及設備以及使用權資產的可收回金額。相關資產的賬面值不會超過可收回金額且概無確認減值(二零二二年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(g) Fair value measurement of biological assets

The Group's biological assets are valued at fair value less costs to sell. The fair value of biological assets is determined based on either (i) the market-determined prices as at the end of the reporting period adjusted with reference to the species, age, growing condition, costs incurred and expected yield to reflect differences in characteristics and/or stages of growth of the horse; or (ii) present value of expected net cash flows discounted at a current market-determined rate, when market-determined prices are unavailable; or (iii) the cost when appropriate. Whilst the Group considers these valuations are the best estimates, the worldwide economic uncertainties and the fluctuation of capital and stock market have resulted in greater market volatility and may cause further disruptions to the Group, which have led to higher degree of uncertainties in respect of the valuations in the current year. Any change in the estimates may affect the fair value of the biological assets significantly. Independent professional valuers and the management review assumptions and estimates periodically to identify any significant change in the fair value of the biological assets. Details of assumptions used are disclosed in Note 22 to the consolidated financial statements.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(g) 生物資產之公平值計量

本集團的生物資產按公允值減去出售成本進行估值。本集團的生物資產按公允值減去出售成本進行估值。生物資產的公允值是根據(i)報告期末的市場確定價格確定的，該價格參考品種、年齡、生長狀況、發生的成本和預期收益進行調整，以反映馬的特徵和/或生長階段的差異；或(ii)以現時市場確定費率貼現的預期現金流量淨額的現值確定；或(iii)適當時的成本。儘管本集團認為該等估值為最佳估計，但全球經濟的不確定性和資本市場及股票市場波動帶來了更大的市場波動，可能導致本集團業務進一步中斷，從而導致本年度的估值具有更高程度的不確定性。估計的任何變化都可能對生物資產的公平值產生重大影響。獨立專業估值師和管理層定期審核假設和估計，以識別生物資產公平值的任何重大變化。所用假設詳情於綜合財務報表附註22中披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(h) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on how the worldwide economic uncertainties and the fluctuation of capital and stock market may progress and evolve and volatility in financial markets, including potential disruptions of the Group's interior design and decoration operation.

As at 31 December 2023, the carrying amount of goodwill is approximately HK\$6,683,000 (2022: HK\$6,683,000) (net of accumulated impairment of approximately HK\$12,103,000 (2022: HK\$12,103,000)). Details of the recoverable amount calculation are disclosed in Note 20 to the consolidated financial statements.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(h) 估計的商譽減值

確定商譽是否發生減值，需要估計商譽已分配的現金產生單位(或一組現金產生單位)的可收回金額，即使用價值或公平價值減去處置成本後的較高者。使用價值計算要求本集團估計預期從現金產生單位(或一組現金產生單位)產生的未來現金流量以及適當的折現率，以計算現值。如果實際未來現金流量少於預期，或者事實和情況發生變化，導致未來現金流量向下修正或折現率向上修正，則可能產生重大減值虧損或進一步減值虧損。此外，由於全球經濟的不確定性和資本市場及股票市場波動的發展和演變以及金融市場的動蕩(包括本集團室內設計和裝飾業務的潛在中斷)仍不明朗，估計的現金流量和折現率在本年度受到較高程度的估計不確定性。

截至二零二三年十二月三十一日，商譽賬面值約為6,683,000港元(二零二二年：6,683,000港元)(扣除累計減值約12,103,000港元(二零二二年：12,103,000港元))。可收回金額的計算詳情於綜合財務報表附註20中披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(i) Estimation of fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in Note 18 to the consolidated financial statements.

In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Whilst the Group considers valuation of the Group's investment properties are the best estimates, the worldwide economic uncertainties and the fluctuation of capital and stock market have resulted in greater market volatility, which may led to higher degree of uncertainties in respect of the valuations in the current year. Changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, travel restrictions implemented by many countries, increased complexity in international trade tensions geopolitics, changes in policy direction and/or mortgage requirements, or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(i) 投資物業公允值的估計

投資物業乃根據獨立專業估值師進行的估值按公平值列賬。釐定公平值涉及綜合財務報表附註18所載若干市況假設。

在參照估值報告時，董事已作出判斷，並信納估值方法已反映當前市況。儘管本集團認為該等估值為最佳估計，但全球經濟的不確定性及資本市場及股票市場波動帶來了更大的市場波動，從而可能導致本年度的估值具有更高程度的不確定性。該等假設的變化，包括宏觀經濟環境變化、許多國家實施的旅行限制、國際貿易緊張局勢及地緣政治的複雜性增加、政策方向及／或抵押要求的變化導致的任何市場波動、政策、地緣政治和社會變化或其他意外事件的潛在風險，將導致本集團投資物業的公平值發生變化，並對綜合損益表和其他全面收益表中報告的損益金額進行相應調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(i) Estimation of fair value of investment properties (Continued)

As at 31 December 2023, the carrying amount of the Group's investment properties is HK\$4,300,000 (2022: HK\$4,500,000).

(j) Estimated impairment of intangible assets

Intangible assets with indefinite useful lives are assessed for impairment annually. In determining whether intangible assets are impaired, the Group has to exercise judgement and make estimation, particularly in assessing whether an event has occurred or any indicators that may affect the asset value.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(i) 投資物業公允值的估計(續)

截至二零二三年十二月三十一日，本集團投資物業之賬面值為4,300,000港元(二零二二年：4,500,000港元)。

(j) 無形資產估計減值

具有無限可使用年期的無形資產每年進行減值評估。於釐定無形資產是否減值時，本集團須作出判斷及估計，尤其是評估是否已發生事件或任何可能影響資產價值的指標。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(j) Estimated impairment of intangible assets (Continued)

For the purpose of impairment testing, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (2) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. The Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2023, the carrying amount of intangible assets with indefinite useful lives subject to impairment assessment were approximately HK\$3,788,000 (2022: HK\$3,788,000). No impairment loss was recognised to intangible assets with indefinite useful lives (2022: Nil). Details of the impairment testing on intangible assets with indefinite useful lives are disclosed in Note 21.

4. 重要會計判斷及估計不確定性的主要來源(續)

估計不確定性的主要來源(續)

(j) 無形資產估計減值(續)

就減值而言，本集團須作出判斷及估計，尤其需要評估：(1) 資產賬面值是否能夠以可收回金額支持(如為使用價值)支持，即按照持續使用資產估計的未來現金流量之現值淨額；及(2) 於估計可收回金額(包括現金流量預測)及適當的貼現率時應用之適當主要假設。本集團估計資產所屬現金產生單位的可收回金額(包括倘可建立合理及一致的分配基準時進行公司資產分配)，否則則按已分配相關公司資產的最小現金產生單位組別為基準釐定可收回金額。更改有關假設及估計(包括現金流量預測中之貼現率或增長率)，可顯著影響可收回金額。

截至二零二三年十二月三十一日，進行減值評估的無限可使用年期無形資產的賬面值約為3,788,000港元(二零二二年：3,788,000港元)。無就具有無限可使用年期的無形資產確認減值虧損(二零二二年：無)。無限可使用年期無形資產減值測試詳情於附註21披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. REVENUE

5. 收益

(i) Disaggregation of revenue from contracts with customers

(i) 來自客戶合約的收益分類：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Types of goods or services:	貨品或服務類型：		
Manufacture and selling of sewing threads	縫紉線生產及銷售	21,196	50,972
Interior decorating and furnishing services	室內裝飾及室內陳設服務	14,092	15,145
Interior design services	室內設計服務	2,358	830
Sales of furnishings	傢俱銷售	—	1,625
Equine services	馬匹服務	31,413	7,702
Total	總計	69,059	76,274
Geographical market — location of customers	地理市場 — 客戶位置		
PRC (excluding Hong Kong)	中國(不包括香港)	9,550	25,756
Hong Kong	香港	24,758	21,236
Middle East	中東	7,408	17,099
Mauritius	毛里求斯	3,345	5,107
Australia	澳洲	23,931	7,008
Others	其他	67	68
Total	總計	69,059	76,274
Timing of revenue recognition:	確認收益時間：		
Over time	隨時間	16,450	15,975
At a point in time	於某一時間點	52,609	60,299
Total	總計	69,059	76,274

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

5. 收益(續)

(i) 來自客戶合約的收益分類：(續)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:	下文載列來自客戶合約的收益與分部資料所披露金額的對賬：		
Manufacture and selling of sewing threads	縫紉線生產及銷售		
Trading of sewing threads	縫紉線貿易	21,196	50,972
Interior design and decoration services	室內設計及裝飾服務		
Interior decorating and furnishing services	室內裝飾及室內陳設服務	14,092	15,145
Interior design services	室內設計服務	2,358	830
Sales of furnishings	傢俱銷售	—	1,625
Total	總計	16,450	17,600
Equine services	馬匹服務		
Trading of equines	馬匹貿易	28,173	5,453
Equine related services	馬匹相關服務	3,240	2,249
Total	總計	31,413	7,702

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30–90 days from delivery.

Combined services of interior designs, interior decorating and furnishing services

Interior design services, interior decorating and furnishing services are recognised as a performance obligation satisfied over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method.

The Group's service contracts include payment schedules which require stage payments over the design period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 10% to 30% of total contract sum, when the Group receives a deposit before design service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

5. 收益(續)

(ii) 客戶合約之履約責任

銷售工業產品

履行責任於交付工業產品後達成，而付款通常自交付起計30至90日內到期。

室內設計、裝修及裝飾服務的組合服務

室內設計服務、室內裝飾及裝飾服務確認為隨時間達成的履約責任，原因為本集團的履約並無產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。收益乃使用投入法並參考已完成之相關履約責任的進度隨時間確認。

本集團的服務合約包括付款時間表，規定一旦達到若干指定里程碑，則於設計期間作出階段付款。本集團要求若干客戶提供介乎總合約金額10%至30%的前期按金，當本集團於設計服務開始前收取按金，此將於合約開始時產生合約負債，直至就特定合約確認的收益超過按金金額為止。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Sales of furnishings

For trading of furnishings, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the specific location and confirmed by the customers. There is no credit period given on billing for trading of furnishings.

Equine services

The performance obligation is satisfied upon completion of trading of bloodstocks, stallion stud's services, horse management services and horse racing, payment is generally due within 30 days after services provided.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All revenue contracts are for period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收益(續)

(ii) 客戶合約之履約責任(續)

傢俱銷售

對於傢俱貿易，收益於貨品控制權轉移時確認，即收益於貨品已交付指定地點並經客戶確認之時確認。傢俱貿易並無給予信貸期。

馬匹服務

履約責任於純種馬、種馬服務、馬匹管理服務及賽馬交易完成後達成，而付款通常自提供服務後30日內到期。

(iii) 分配至客戶合約餘下履約責任的交易價格

所有收入合約之期限為一年或以下。誠如香港財務報告準則第15號所許可，並無披露分配至該等未履約合約之交易價格。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION

Information reported to the board of directors of the Company (the “**Board**”), being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group now has four (2022: four) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The Group has four reportable segments under HKFRS 8 *Operating Segments* as follows:

Manufacture and selling of sewing threads

- manufacture and selling of high performance sewing threads and broad categories of garment accessories

Interior design and decoration

- provision of interior design, interior decorating, furnishing services and sales of furnishings

Equine services

- provision of trading of bloodstocks, stallion services and equine handling services

Advising on securities, corporate finance and asset management

- provision of advisory on securities, corporate financial advisory services and asset management services

6. 分部資料

向公司董事會(「**董事會**」)報告的信息，作為主要經營決策者(「**主要經營決策者**」)，用於資源配置和部門績效評估，重點關注交付或提供的商品或服務類型。於達致本集團可呈報分部時，概無合併主要營運決策者識別的經營分部。

本集團現時有四個(二零二二年：四個)可呈報分部。由於各業務提供不同的產品及服務，並需要不同的業務策略，故分部分開管理。根據香港財務報告準則第8號經營分部，本集團有四個可呈報分部如下：

縫紉線生產及銷售

- 優質縫紉線和各類服裝輔料生產及銷售

室內設計及裝修

- 提供室內設計、室內裝飾、室內陳設服務及傢俱銷售

馬匹服務

- 提供純種馬買賣、種馬服務及馬匹管理服務

就證券、企業融資及資產管理提供意見

- 提供證券諮詢、企業財務諮詢服務及資產管理服務

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the year ended 31 December 2023

		Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management 就證券、 企業融資及 資產管理 提供意見	Adjustment and eliminations 調整及對銷	Total
		縫紉線 生產及銷售 HK\$'000 千港元	室內設計 及裝修 HK\$'000 千港元	馬匹服務 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
Reportable segment revenue from external customers	來自外部客戶的 可報告分部收入	21,196	16,450	31,413	–	–	69,059
Inter-segment sales	分部間銷售	–	–	–	240	(240)	–
Reportable segment profit (loss)	可報告分部溢利 (虧損)	(13,442)	1,104	(27,135)	72	–	(39,401)
Corporated and unallocated expense	企業及未分配開支						(7,166)
Group's loss before tax	本集團除稅前虧損						(46,567)

6. 分部資料(續)

(a) 分部收益和業績

以下是按可報告和營運分部對本集團收入和業績的分析：

截至二零二三年十二月三十一日止年度

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

(a) Segment revenues and results (Continued)

(a) 分部收益和業績(續)

For the year ended 31 December 2022

截至二零二二年十二月三十一日止年度

	Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management	Adjustment and eliminations	Total
	縫紉線生產及銷售	室內設計及裝修	馬匹服務	就證券、企業融資及資產管理提供意見	調整及對銷	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Reportable segment revenue from external customers	來自外部客戶的可報告分部收入	50,972	17,600	7,702	—	76,274
Inter-segment sales	分部間銷售	—	—	—	40	—
Reportable segment profit (loss)	可報告分部溢利(虧損)	(3,273)	2,171	(9,758)	(15)	(10,875)
Corporated and unallocated expense	企業及未分配開支					(12,029)
Group's loss before tax	本集團除稅前虧損					(22,904)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit (loss) represents the profit earned by/loss from each segment without allocation of central administration costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

For the year ended 31 December 2023

		Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management	Total
		縫紉線生產及銷售	室內設計及裝修	馬匹服務	就證券、企業融資及資產管理提供意見	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Reportable segment assets	可報告分部資產	21,631	26,675	16,403	4,069	68,778
Corporated and unallocated assets	企業及未分配資產					10,551
						79,329
Reportable segment liabilities	可報告分部負債	(14,810)	(9,402)	(26,469)	(632)	(51,313)
Corporated and unallocated liabilities	企業及未分配負債					(8,628)
						(59,941)

6. 分部資料(續)

(a) 分部收益和業績(續)

經營分部的會計政策與附註3所述本集團的會計政策一致。分部溢利(虧損)指各分部賺取之溢利/虧損,並無分配中央行政成本。此乃就資源分配及表現評估向主要營運決策者呈報的計量。

分部間銷售按現行市場價格收取。

(b) 分部資產及負債

以下是按可報告分部對本集團資產和負債的分析:

截至二零二三年十二月三十一日止年度

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

For the year ended 31 December 2022

		Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management	Total
		縫紉線 生產及銷售	室內設計 及裝修	馬匹服務	就證券、 企業融資及 資產管理 提供意見	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Reportable segment assets	可報告分部資產	38,395	25,212	61,035	4,117	128,759
Corporated and unallocated assets	企業及未分配資產					7,761
						136,520
Reportable segment liabilities	可報告分部負債	(10,267)	(8,783)	(41,773)	(631)	(61,454)
Corporated and unallocated liabilities	企業及未分配負債					(7,138)
						(68,592)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets other than certain of the Group's property, plant and equipment, right-of-use assets, other receivables, financial assets at FVTPL and cash and cash equivalents are allocated to operating segments; and
- all liabilities other than certain of the Group's borrowings, other payables, lease liabilities and retirement benefit obligations are allocated to operating segments.

6. 分部資料(續)

(b) 分部資產及負債(續)

截至二零二二年十二月三十一日止年度

為了監控分部業績和在分部之間分配資源：

- 所有資產(不包括若干本集團物業、廠房及設備、使用權資產、其他應收款項、按公允值計入損益之金融資產及現金及現金等價物)都分配給營運分部；及
- 所有負債(不包括本集團若干借款、其他應付款項、租賃負債及退休金福利責任)都分配給營運分部。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

(c) Other segment information

For the year ended 31 December 2023

Amounts included in the measure of segment profit or loss on segment assets:

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

計入計量分部資產之分部溢利或虧損之金額：

	Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management	Unallocated	Total
	縫紉線生產及銷售	室內設計及裝修	馬匹服務	就證券、企業融資及資產管理提供意見	未分配的	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment profits or loss or segment assets:	分部溢利或虧損或分部資產計量中包括的金額：					
Addition to property, plant and equipment	納入物業、廠房及設備	792	—	—	—	792
Addition to right-of-use assets	納入使用權資產	374	—	—	548	1,814
Depreciation of property, plant and equipment	物業、廠房及設備折舊	592	481	—	103	1,176
Depreciation of right-of-use assets	使用權資產折舊	561	431	—	356	1,348
Fair value gains on financial assets at FVTPL, net	按公允值計入損益之金融資產的公允值收益(虧損)淨額	105	—	(60)	—	45
Impairment of property, plant and equipment	物業、廠房及設備減值	799	—	—	—	799
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下減值虧損(扣除撥回)	3,760	(110)	9	3	3,662
Government grants	政府補助	69	—	—	—	69
Interest income	利息收入	151	—	—	1	152
Finance costs	融資成本	78	217	4,251	—	5,010
Other gains and losses, net	其他收益及虧損淨額	545	244	(9,726)	—	(9,250)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

(c) Other segment information (Continued)

For the year ended 31 December 2022

Amounts included in the measure of segment profit or loss on segment assets:

	Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management	Unallocated	Total
	縫紉線生產及銷售	室內設計及裝修	馬匹服務	就證券、企業融資及資產管理提供意見	未分配的	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Amounts included in the measure of segment profits or loss on segment assets:						
Addition to property, plant and equipment	206	256	—	—	—	462
Addition to biological assets	—	—	46,490	—	—	46,490
Depreciation of property, plant and equipment	1,002	565	—	—	189	1,756
Depreciation of right-of-use assets	1,505	368	—	—	382	2,255
Fair value gains (losses) on financial assets at FVTPL, net	86	—	(148)	—	—	(62)
Impairment losses under expected credit loss model, net of reversal	1,104	(54)	1	—	—	1,051
Government grants	209	130	—	—	144	483
Interest income	549	—	—	—	—	549
Finance costs	133	357	2,116	—	31	2,637
Other gains and losses, net	3,097	390	(2,433)	—	(1)	1,053

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

計入計量分部資產之分部溢利或虧損之金額：

	Manufacture and selling of sewing threads	Interior design and decoration	Equine services	Advising on securities, corporate finance and asset management	Unallocated	Total
	縫紉線生產及銷售	室內設計及裝修	馬匹服務	就證券、企業融資及資產管理提供意見	未分配的	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元

Amounts included in the measure of segment profits or loss on segment assets:

Addition to property, plant and equipment	納入物業、廠房及設備
Addition to biological assets	納入生物資產
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Depreciation of right-of-use assets	使用權資產折舊
Fair value gains (losses) on financial assets at FVTPL, net	按公允值計入損益之金融資產的公允值收益(虧損)淨額
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下減值虧損(扣除撥回)
Government grants	政府補貼
Interest income	利息收入
Finance costs	融資成本
Other gains and losses, net	其他收益及虧損淨額

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. SEGMENT INFORMATION (Continued)

(d) Geographical information

The Group's operations are located in the PRC, Australia and Hong Kong. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets, excluding financial instruments and goodwill, is presented based on the geographical location of the assets.

6. 分部資料(續)

(d) 地區資料

本集團的業務位於中國、澳洲及香港。有關本集團來自外部客戶的收益資料乃根據經營地點呈列。有關本集團非流動資產(不包括金融工具及商譽)的資料乃根據資產的地理位置呈列。

		Revenue from external customers 來自外部客戶的收益		Non-current assets 非流動資產	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
PRC	中國	9,550	25,756	339	2,666
Hong Kong	香港	35,578	42,816	13,678	12,732
Australia	澳洲	23,931	7,702	5,864	11,386
		69,059	76,274	19,881	26,784

(e) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

(e) 有關主要客戶的資料

為本集團總收益貢獻10%以上的客戶的收益如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Customer A ¹	客戶A ¹	8,000	—
Customer B ²	客戶B ²	7,408	17,099

¹ Revenue from interior design and decoration.

² Revenue from manufacture and selling of sewing threads service.

¹ 室內設計及裝飾之收益。

² 生產及銷售縫紉線服務之收益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. OTHER GAINS AND LOSSES, NET

7. 其他收益及虧損淨額

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Rental income	租金收入	691	1,239
Fair value gains (losses) on financial assets at FVTPL, net	按公允值計入損益之金融資產的公允值收益(虧損)淨額	45	(62)
Fair value (losses) gains on investment properties	投資物業公允值(虧損)收益	(200)	139
Financial guarantee fee from a related company	來自一間關連公司的財務擔保費用	54	—
Exchange (loss) gain, net	匯兌(虧損)收益淨額	(390)	1,437
Fair value loss on biological assets, net	生物資產公允值虧損淨額	(9,505)	(4,514)
Interest income	利息收入	152	549
Insurance compensation	保險賠償	465	1,234
Government grants (Note)	政府補貼(附註)	69	483
(Loss) gain on disposal of biological assets	出售生物資產的(虧損)收益	(680)	1,065
Others	其他	315	453
		(8,984)	2,023

Note:

During the year ended 31 December 2023, the amount represented the subsidy received from government authorities in the PRC for encourage employment.

During the year ended 31 December 2022, the amount mainly represented the subsidy received from the Government of the Hong Kong Special Administrative Region for the Employment Support Scheme.

There was no unfulfilled condition and other contingency attached to the receipt of subsidy.

附註:

截至二零二三年十二月三十一日止年度，該金額指自中國政府機關收取的鼓勵就業補貼。

截至二零二二年十二月三十一日止年度，該金額主要指自香港特區政府提供的保就業計劃的補貼。

概無就收取該補貼而附有尚未達成的條件及其他或然事項。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

8. 預期信貸虧損模式下減值虧損(扣除撥回)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Continuing operations	持續經營		
Impairment losses recognised/ (reversed) on:	已確認減值虧損/(撥回):		
— trade receivables	— 貿易應收款項	(334)	(617)
— contract assets	— 合約資產	77	—
— deposit and other receivables	— 按金及其他應收款項	3,919	1,668
		3,662	1,051

Details of impairment assessment are set out in Note 36(b).

減值評估詳情載於附註36(b)。

9. FINANCE COSTS

9. 融資成本

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interest expense on borrowings and overdrafts	借款及透支利息開支	4,440	1,505
Interest expense on lease liabilities	租賃負債利息開支	115	185
Interest expense on accrued benefits	應計福利的利息開支	28	—
Interest expense on overdue trade payables	逾期應付交易款項的利息開支	427	947
		5,010	2,637

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

10. INCOME TAX EXPENSE

10. 所得稅開支

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current income tax	即期所得稅	200	—
Deferred tax (Note 34)	遞延稅項(附註34)	58	—
Total income tax expenses	所得稅開支總額	258	—

The Group is subjected to income tax on an entity basis on profits arising in or derived from the jurisdictions in which subsidiaries of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. For the year ended 31 December 2023, Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits by offsetting the tax loss which previously not recognised. For the year ended 31 December 2022, no provision for Hong Kong tax has been made for the Group as the assessable profits arising in Hong Kong was fully offset by the tax losses previously not recognised.

No provision for corporate tax has been made for the Group's operation in Australia as such operation incurred loss for taxation purpose for the year of assessment 2023 (2022: Nil).

Pursuant to the PRC Income Tax Law and the respective regulations, the subsidiaries which operate in the PRC are subject to corporate income tax at a rate of 25% on the taxable income. No provision for PRC income tax has been made for the Group's operation in PRC as such operation incurred loss for tax purpose for the year of assessment 2023 (2022: Nil).

本集團須按實體基準就產生或源於本集團附屬公司註冊及經營所在司法管轄區的溢利繳納所得稅。根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及法規，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。

香港利得稅乃就兩個年度的估計應課稅溢利按稅率16.5%計算。截至二零二三年十二月三十一日止年度，香港利得稅乃就估計應課稅溢利按稅率16.5%計算，以抵銷先前未確認的稅項虧損。由於截至二零二二年十二月三十一日止年度本集團於香港產生的應課稅溢利與先前未確認的稅項虧損悉數抵銷，因此並無就香港稅項計提撥備。

由於本集團於澳洲的業務於二零二三年課稅年度產生稅項虧損，故並無就該業務作出企業稅撥備(二零二二年：無)。

根據中國所得稅法及相關規定，於中國經營之附屬公司須按應課稅收入的25%繳納企業所得稅。由於相關業務於二零二三年評稅年度產生稅項虧損，概無就本集團於中國的業務計提中國所得稅撥備(二零二二年：無)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

10. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled from the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Loss before tax	除稅前虧損	(46,567)	(22,904)
Tax calculated at applicable tax rate	按適用稅率計算的稅項	(10,500)	(4,239)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	3,848	2,927
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(13)	(676)
Utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損	(116)	(520)
Tax losses not recognised	未確認稅項虧損	7,204	2,508
Tax effect of two-tiered profits tax rates regime	利得稅兩級制的稅務影響	(165)	—
Income tax expense for the year	年度所得稅開支	258	—

10. 所得稅開支(續)

本年度所得稅開支與綜合損益表及其他全面收入之除稅前虧損對賬如下：

The Group has tax losses arising in Hong Kong of HK\$21,377,000 (2022: HK\$11,153,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group has tax losses arising in the PRC of HK\$19,012,000 (2022: HK\$14,318,000) that will expire in one to five years for offsetting against future taxable profits.

No deferred tax assets has been recognised in respect of these tax losses due to the unpredictability of future profit streams.

本集團於香港產生的稅項虧損21,377,000港元(二零二二年：11,153,000港元)將於一至五年內屆滿，可用作抵銷未來應課稅溢利。

本集團於中國內地產生之稅項虧損為19,012,000港元(二零二二年：14,318,000港元)，將於一至五年內到期，以抵銷未來應課稅溢利。

由於未來溢利來源的不可預測性，並無就稅項虧損確認遞延稅項資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

11. LOSS FOR THE YEAR

11. 年內虧損

Loss for the year is arrived at after charging (crediting):

年內虧損已扣除(計入)下列各項：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Auditor's remuneration	核數師薪酬	1,022	1,128
Cost of inventories sold	已售存貨成本		
— Manufacture and sewing of threads	— 縫紉線生產	19,019	42,768
— Interior decorating and furnishing services	— 室內裝飾及室內陳設服務	3,888	826
— Sales of furnishings	— 傢俱銷售	—	1,463
Cost of bloodstocks sold	已售純種馬成本	30,979	5,327
Written-down of inventories	存貨撇減	1,380	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,176	1,756
Depreciation of right-of-use assets	使用權資產折舊	1,348	2,255
Lease payments not included in the measurement of lease liabilities	不計入租賃負債計量之租賃款項	1,650	208
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	4	(2)
Loss on written-off of property, plant and equipment	撇銷物業、廠房及設備之虧損	175	62

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

12. STAFF COSTS

12. 員工成本

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Employee costs (excluding Directors and Chief Executive's remuneration)	僱員成本(不包括董事及行政總裁薪酬)		
Wages and salaries	工資及薪金	11,429	15,488
Pension scheme contributions	退休金計劃供款	2,423	2,919
Service costs of long service payments	長期服務金之服務成本	270	—
Severance payments	遣散費	45	165
		14,167	18,572

During the year ended 31 December 2023, the staffs costs of approximately HK\$6,002,000, HK\$2,081,000 and HK\$6,084,000 (2022: HK\$7,659,000, HK\$3,193,000 and HK\$7,720,000) are recognised as direct cost, selling and distribution expense and administrative expense respectively.

截至二零二三年十二月三十一日止年度，員工成本約6,002,000港元、2,081,000港元及6,084,000港元(二零二二年：7,659,000港元、3,193,000港元及7,720,000港元)分別確認為直接成本、銷售及分銷開支及行政開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' remuneration for the year, disclosed pursuant to the applicable GEM Listing Rules and CO, is as follows:

For the year ended 31 December 2023

13. 董事、行政總裁及監事薪酬

根據適用的GEM上市規則及公司條例披露的本年度董事及監事薪酬如下：

截至二零二三年十二月三十一日止年度

Name	Director fees	Basic salaries and allowances	Emoluments waived	Equity settled share-based payments	Retirement scheme contributions	Total
姓名	董事袍金	薪金及津貼	已放棄酬金	以權益結算的股份支付	退休方案撥款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Chief executive and executive director:						
Mr. Wong Kwok Wai, Albert	—	1,623	—	—	18	1,641
Executive directors:						
Mr. Chan Yiu Tung, Enoch	—	360	—	—	18	378
Mr. Leung King Yue, Alex	—	480	(347)	—	18	151
Mr. Ma Pok Man, Josiah (Note (a))	—	840	(548)	—	18	310
Mr. Shane McGrath (Note (b))	—	2,080	—	—	—	2,080
	—	5,383	(895)	—	72	4,560
Independent non-executive directors:						
Mr. Sung Alfred Lee Ming	180	—	—	—	—	180
Mr. Chan Tsun Choi, Arnold	180	—	—	—	—	180
Mr. Chow Chin Hang, Joel	180	—	—	—	—	180
	540	—	—	—	—	540
Total	540	5,383	(895)	—	72	5,100

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Continued)

13. 董事、行政總裁及監事薪酬(續)

For the year ended 31 December 2022

截至二零二二年十二月三十一日止年度

Name	Director fees	Basic salaries and allowances	Equity settled share-based payments	Retirement scheme contributions	Total	
姓名	董事袍金	薪金及津貼	以權益結算的股份支付	退休方案繳款	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
Chief executive and executive director:	行政總裁兼執行董事:					
Mr. Wong Kwok Wai, Albert	黃國偉先生	—	1,622	—	18	1,640
Executive directors:	執行董事:					
Mr. Chan Yiu Tung, Enoch	陳耀東先生	—	440	—	18	458
Mr. Leung King Yue, Alex	梁景裕先生	—	480	1,331	18	1,829
Mr. Ma Pok Man, Josiah (Note (a))	馬博文先生 (附註(a))	—	840	1,330	18	2,188
Mr. Shane McGrath (Note (b))	Shane McGrath先生 (附註(b))	—	2,154	1,126	—	3,280
		—	5,536	3,787	72	9,395
Independent non-executive directors:	獨立非執行董事:					
Mr. Sung Alfred Lee Ming	宋理明先生	180	—	—	—	180
Mr. Chan Tsun Choi, Arnold	陳進財先生	180	—	—	—	180
Mr. Chow Chin Hang, Joel	周展恒先生	180	—	—	—	180
		540	—	—	—	540
Total	總計	540	5,536	3,787	72	9,935

Notes:

- (a) Mr. Ma Pok Man, Josiah ("Mr. Ma") was resigned on 29 February 2024.
- (b) Mr. Shane McGrath ("Mr. McGrath") was appointed as an executive director of the Company on 3 January 2022.

附註:

- (a) 馬博文先生(「馬先生」)於二零二四年二月二十九日辭任。
- (b) Shane McGrath先生(「McGrath先生」)於二零二二年一月三日獲委任為本公司執行董事。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Continued)

For the year ended 31 December 2022 (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the year ended 31 December 2023, Mr. Ma and Mr. Leung King Yue, Alex ("**Mr. Leung**"), the executive directors, agreed to waive their emoluments of a total of approximately HK\$895,000 since the unsatisfactory financial performance of the Group.

There was no arrangement under which a director or the chief executive waived or agreed to waive any emoluments during the year ended 31 December 2022.

On 31 August 2022, Mr. Ma and Mr. Leung the executive directors, were granted share options, as incentive to Mr. Ma and Mr. Leung under the share option scheme of the Company.

On 3 January 2022, Mr. McGrath, an executive director, was granted share options, as incentive to Mr. McGrath to join the Group under the share option of the Company. Mr. McGrath has over 20 years of experience in the horse racing and breeding industry in Australia.

Details of the share option scheme are set out in Note 32 to the consolidated financial statements.

13. 董事、行政總裁及監事薪酬(續)

截至二零二二年十二月三十一日止年度(續)

上述執行董事之酬金乃就彼等與管理本公司及本集團事務有關的服務而支付。

上述獨立非執行董事的薪酬為其擔任本公司董事的薪酬。

截至二零二三年十二月三十一日止年度，執行董事馬先生及梁景裕先生(「梁先生」)同意放棄其酬金合共約895,000港元，原因是本集團財務表現欠佳。

截至二零二二年十二月三十一日止年度，概無董事或行政總裁放棄或同意放棄任何酬金的安排。

於二零二二年八月三十一日，執行董事馬先生及梁先生根據本公司購股權計劃獲授購股權，作為對馬先生及梁先生的獎勵。

於二零二二年一月三日，執行董事McGrath先生根據本公司購股權獲授購股權，作為激勵McGrath先生加入本集團。McGrath先生，於澳洲賽馬及育種行業擁有逾20年經驗。

購股權計劃詳情載於綜合財務報表附註32。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

14. FIVE HIGHEST PAID EMPLOYEES

The five highest employees of the Group during the year included two (2022: four) Directors, details of whose emoluments are set out in Note 13 above. Details of the remuneration for the year of the remaining three (2022: one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,024	996
Service costs of long service payment	長期服務金之服務成本	91	—
Pension scheme contributions	退休金計劃供款	54	18
		2,169	1,014

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

		2023 Number of Individuals 人數	2022 Number of Individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	3	—
HK\$1,000,000 to HK\$1,500,000	1,000,000港元 至1,500,000港元	—	1

During the years ended 31 December 2023 and 2022, except as described in Note 13 and above, no emoluments were paid by the Group to any of the Directors, chief executive and supervisors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

14. 五名最高薪酬人士

年內本集團五名最高薪酬人士包括兩名(二零二二年:四名)董事,其薪酬詳情載於上文附註13。年內餘下三名(二零二二年:一名)最高薪酬僱員(並非本公司董事或行政總裁)的薪酬詳情如下:

薪酬屬於以下組別的最高薪酬僱員(其並非董事)人數如下:

於截至二零二三年及二零二二年十二月三十一日止年度,本集團概無支付任何酬金(除附註13及上述者外)予任何董事、行政總裁及監事或任何五名最高薪人士以作為加盟或吸引彼等加盟本集團之獎勵或離職補償。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

15. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

16. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Losses	虧損		
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(46,825)	(22,904)
Shares	股份		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	用以計算每股基本及攤薄虧損的普通股加權平均數	409,141,860	409,141,860
Basic and diluted loss per share (HK cents) (Note)	每股基本及攤薄虧損 (港仙)(附註)	(11.44)	(5.60)

Note:

The computation of diluted loss per share for the years ended 31 December 2023 and 2022 does not assume the conversion of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share from operations.

15. 股息

於截至二零二三年十二月三十一日止年度，並無向本公司普通股股東派付或擬派股息，亦無於報告期末起擬派任何股息(二零二二年：無)。

16. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

附註：

截至二零二三年及二零二二年十二月三十一日，計算每股攤薄虧損時並無假設轉換本公司尚未行使購股權，原因是假設行使該等購股權將導致經營所得每股虧損減少。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Production machinery 生產機器 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2023	二零二三年十二月三十一日						
At 31 December 2022 and at 1 January 2023:	於二零二二年十二月三十一日 及二零二三年一月一日:						
Cost	成本	4,193	29,164	2,281	1,154	1,660	38,452
Accumulated depreciation and impairment	累計折舊及減值	(664)	(27,062)	(2,210)	(830)	(1,527)	(32,293)
Net carrying amount	賬面淨值	3,529	2,102	71	324	133	6,159
At 1 January 2023, net of accumulated depreciation	於二零二三年一月一日， 扣除累計折舊	3,529	2,102	71	324	133	6,159
Additions	添置	—	—	15	—	777	792
Disposal	出售	—	(93)	—	—	(94)	(187)
Written-off	報銷	—	(175)	—	—	—	(175)
Impairment	減值	—	(778)	—	—	(21)	(799)
Depreciation provided during the year	於年內計提折舊	(145)	(661)	(31)	(202)	(137)	(1,176)
Exchange realignment	匯兌調整	—	(67)	—	—	(3)	(70)
At 31 December 2023 net of accumulated depreciation and impairment	於二零二三年十二月三十一日， 扣除累計折舊及減值後的 淨額	3,384	328	55	122	655	4,544
At 31 December 2023 Cost	於二零二三年十二月三十一日 成本	4,193	26,501	1,813	1,086	1,794	35,387
Accumulated depreciation and impairment	累計折舊及減值	(809)	(26,173)	(1,758)	(964)	(1,139)	(30,843)
Net carrying amount	賬面淨值	3,384	328	55	122	655	4,544

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、廠房及設備(續)

		Buildings 樓宇 HK\$'000 千港元	Production machinery 生產機器 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Leasehold improvement 租賃物業裝修 HK\$'000 千港元	Vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2022	二零二二年十二月三十一日						
At 31 December 2021 and at 1 January 2022:	於二零二一年十二月三十一日 及二零二二年一月一日:						
Cost	成本	4,193	31,568	2,523	924	1,973	41,181
Accumulated depreciation and impairment	累計折舊及減值	(519)	(28,627)	(2,162)	(323)	(1,736)	(33,367)
Net carrying amount	賬面淨值	3,674	2,941	361	601	237	7,814
At 1 January 2022, net of accumulated depreciation	於二零二二年一月一日， 扣除累計折舊	3,674	2,941	361	601	237	7,814
Additions	添置	—	100	41	231	90	462
Disposal	出售	—	—	—	—	(19)	(19)
Written-off	撇銷	—	(1)	(61)	—	—	(62)
Depreciation provided during the year	於年內計提折舊	(145)	(687)	(267)	(508)	(149)	(1,756)
Exchange realignment	匯兌調整	—	(251)	(3)	—	(26)	(280)
At 31 December 2022 net of accumulated depreciation and impairment	於二零二二年十二月三十一日， 經扣除累計折舊和減值的 淨額	3,529	2,102	71	324	133	6,159
At 31 December 2022	於二零二二年十二月三十一日						
Cost	成本	4,193	29,164	2,281	1,154	1,660	38,452
Accumulated depreciation and impairment	累計折舊及減值	(664)	(27,062)	(2,210)	(830)	(1,527)	(32,293)
Net carrying amount	賬面淨值	3,529	2,102	71	324	133	6,159

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Buildings	Over term of lease
Production machinery	10% to 20%
Office equipment	20% to 30%
Leasehold improvement	Over the shorter of the lease terms and 20%
Vehicles	20% to 30%

The carrying amount of vehicles held under lease liabilities was approximate to HK\$647,000 (2022: HK\$Nil).

As at 31 December 2023, the Company's buildings with carrying amount of approximately HK\$3,384,000 has been pledged for a borrowing raised by a related company (Note 39).

As at 31 December 2022, the Company's buildings with carrying amount of approximately HK\$3,529,000 has been pledged to secure the Group's bank overdraft and borrowings (Note 29).

Impairment assessment

Following a review of the business, which takes into account the deteriorating outlook for the textile industry and the Group's future business plan, management has reassessed the carrying values for all the property, plant and equipment as at 31 December 2023. An impairment provision of HK\$799,000 (2022: no impairment) has been recorded to reduce the carrying value of the Group's property, plant and equipment to their estimated recoverable value, which is the higher of fair value less costs of disposal and VIU.

17. 物業、廠房及設備(續)

折舊是按直線法計算的，以在估計的使用壽命內將每項物業、廠房及設備的成本沖銷至其殘值。用於此目的的主要年利率如下：

樓宇	於租期內
生產機器	10%至20%
辦公室設備	20%至30%
租賃物業裝修	按租賃年期及20%的兩者中較短者
汽車	20%至30%

根據租賃負債持有的汽車賬面值約為647,000港元(二零二二年：零港元)。

於二零二三年十二月三十一日，本公司賬面值約3,384,000港元的樓宇已就一間關連公司籌集的借款作抵押(附註39)。

於二零二二年十二月三十一日，本公司賬面值約3,529,000港元的樓宇已抵押作為本集團銀行透支及借貸之擔保(附註29)。

減值評估

業務回顧之後，考慮到紡織業和室內設計及裝修業務的前景惡化和本集團的未來業務計劃，管理層重新評估了於二零二三年十二月三十一日的所有物業、廠房及設備。已錄得799,000港元(二零二二年：無減值)減值撥備，將本集團物業、廠房及設備賬面值減少至其估計可收回金額，即公允值減出售成本與使用價值兩者之較高者。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Regarding the sewing thread industry business, the Group has two CGUs, i) production line for polyester threads (“CGU1”); and ii) production line for nylon threads (“CGU2”). The recoverable amount of CGU was determined at VIU and fair value less costs of disposal as at 31 December 2023 and 2022 respectively. VIU and fair value less costs of disposal are categorised within Level 3 of the fair value hierarchy and are measured based on the independent valuer and latest available market data sourced from an independent second-hand machinery and equipment agent as at 31 December 2023 and 2022.

The recoverable amount of polyester threads and nylon threads product line as at 31 December 2023 was determined based on value in use calculation and based on certain key assumptions. Value in use calculations use cash flow projections based on financial budgets approved by the management of the Group covering a four-year period (2022: five-year period), which is taking into account the useful lives of plant and machinery. The discount rate used for the value in use calculations is at 10% (2022: 10.5%). Cash flow beyond the four year period (2022: five year period) were extrapolated using a 2.2% (2022: 6%) steady growth rate. This growth rate was based on the relevant growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

The recoverable amount of CGU1 and CGU2 are HK\$153,000 (2022: HK\$3,044,000) and HK\$183,000 (2022: HK\$1,126,000) respectively as at 31 December 2023. The relevant assets were impaired to their recoverable amount of HK\$336,000, which is their carrying values at the end of the reporting date and the impairment of HK\$799,000 (2022: Nil) has been recognised in profit or loss within relevant functions to which their assets relate during the year.

17. 物業、廠房及設備(續)

就縫紉線業務而言，本集團有兩個現金產生單位，即i)滌綸線生產線(「現金產生單位1」)；及ii)尼龍線生產線(「現金產生單位2」)。於二零二三年及二零二二年十二月三十一日，現金產生單位的可收回金額分別按使用價值及公允值減出售成本釐定。使用價值及公允值減出售成本歸類為公允值層級第三級，且該層級乃根據於二零二三年及二零二二年十二月三十一日自獨立二手機器及設備代理獲得的獨立估值師及最新可得市場數據計量。

滌綸綫及尼龍綫生產綫於二零二三年十二月三十一日的可收回金額乃根據使用價值計算法及若干主要假設而決定。使用價值計算方法採用以本集團管理層所批准涵蓋四年期間(二零二二年：五年期間)之財務預算為基礎之現金流量預測，並計及廠房及機器之使用壽命。使用價值計算法所使用的貼現率為10%(二零二二年：10.5%)。超過四年期(二零二二年：五年期)之現金流量乃按2.2%(二零二二年：6%)之穩定增長率推算。該增長率乃基於相關增長預測，並不超過相關行業的平均長期增長率。

於二零二三年十二月三十一日，現金產生單位1及現金產生單位2的可收回金額分別為153,000港元(二零二二年：3,044,000港元)及183,000港元(二零二二年：1,126,000港元)。相關資產已減值至其可收回金額336,000港元(即其於報告日結束的賬面值)，減值799,000港元(2022年：無)已於年內在其資產相關職能的損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

18. INVESTMENT PROPERTIES

18. 投資物業

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 1 January	於一月一日	4,500	4,361
Fair value (losses) gains	公允值(虧損)收益	(200)	139
At 31 December	於十二月三十一日	4,300	4,500

The Group leases out offices under operating leases with rentals payable monthly. The lease typically run for an initial period of two years (2022: two years).

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The Group's investment property is situated in Hong Kong under medium-term lease.

The fair value of the Company's investment property at 31 December 2023 and 31 December 2022 has been arrived at on the basis of a valuation carried out by the independent qualified professional valuer not connected to the Group.

At the end of the reporting period, the management has (i) verified all major inputs to the independent valuation report; (ii) assessed property valuations movements when compared to the prior year valuation report; and (iii) held discussion with the independent qualified valuer.

本集團根據經營租賃出租辦公室，租金須每月支付。租賃一般初步為期兩年(二零二二年：兩年)。

由於所有租賃均以集團實體各自的功能貨幣計值，故本集團並無因租賃安排而面臨外幣風險。租賃合約並不包含剩餘價值保證及／或承租人於租期結束時購買物業的選擇權。

本集團之投資物業位於香港，以中期租約持有。

本公司投資物業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公允值是在獨立專業合格估值師進行估值的基礎上得出的。

於報告期末，管理層已(i)核實了獨立估值報告的所有主要輸入數據；(ii)評估物業估值較上一年度估值報告的變動；及(iii)與獨立合資格估值師進行了討論。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

18. INVESTMENT PROPERTIES (Continued)

The fair value measurement is categorised into Level 3 fair value hierarchy.

There were no transfers into or out of Level 3 during the years ended 31 December 2023 and 2022.

The fair value of the owned properties was determined based on the market comparison approach by reference to historical sales price of comparable properties on a price per square foot basis using market data which is publicly available. The valuations take into account the characteristic of the investment properties which included the size, floor level, year of transaction and other factors collectively. The fair value measurements are positively correlated to the discount on characteristic of the property.

A slight increase in the market unit rate used would result in a significant increase in fair value. If the market unit rate was 5% higher/lower while all other variables were held constant, the carrying amount would increase/decrease by HK\$210,000/HK\$230,000 (2022: increase/decrease by HK\$200,000/HK\$200,000).

As at 31 December 2023, the Group's investment properties with carrying amounts of HK\$4,300,000 have been pledged to secure a loan from a related Company (Note 39).

As at 31 December 2022, the Group's investment properties with carrying amounts of HK\$4,500,000 have been pledged to secure the Group's bank overdraft and bank borrowings (Note 29).

18. 投資物業(續)

公允值計量分類為第三級公允值層級。

截至二零二三年及二零二二年十二月三十一日止年度，並無轉入或轉出第三級。

自有物業的公平值乃根據市場比較法，參考可比較物業的歷史售價(按每平方呎價格基準)並使用公開可得的市場數據釐定。估值考慮了投資物業的特徵，包括位置、大小、形狀、視野、樓層、交易年份和其他因素。公允值計量與房產特性折扣正相關。

所用市場單價輕微增加將導致公允值大幅增加。倘市場單價增加/減少5%，而所有其他變數維持不變，則賬面值將增加/減少210,000港元/230,000港元(二零二二年：增加/減少200,000港元/200,000港元)。

於二零二三年十二月三十一日，本集團賬面值為4,300,000港元的投資物業已抵押，作為來自一間關連公司的貸款的擔保(附註39)。

於二零二二年十二月三十一日，本集團賬面值為4,500,000港元的投資物業已抵押，作為本集團銀行透支及銀行借貸的擔保(附註29)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

19. RIGHT-OF-USE ASSETS

19. 使用權資產

		2023 二零二三年 Total 總計 HK\$'000 千港元	2022 二零二二年 Total 總計 HK\$'000 千港元
As at 1 January	於一月一日	951	3,383
Additions	添置	1,814	—
Depreciation charges	折舊支出	(1,348)	(2,255)
Exchange realignment	匯兌調整	(32)	(177)
As at 31 December	於十二月三十一日	1,385	951
Expense relating to short-term leases (Note)	有關短期租賃的開支 (附註)	1,650	208
Total cash outflow for leases	租賃現金流出總額	3,313	3,136
Additions to right-of-use assets	使用權資產添置	1,814	—

Note:

In addition to the portfolio of short-term leases for office which are regularly entered into by the Group, the Group entered into several short-term leases for office during the year ended 31 December 2023. As at 31 December 2023, the outstanding lease commitments relating to these office is HK\$921,000 (2022: Nil).

The Group leases out various offices under operating leases with rentals payable monthly. The leases typically run for an initial period of two years (2022: two years). Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

附註:

除本集團定期訂立的辦公室短期租賃組合外，本集團於截至二零二三年十二月三十一日止年度訂立若干辦公室短期租賃。於二零二三年十二月三十一日，有關該等辦公室的未償還租賃承擔為921,000港元(二零二二年：無)。

本集團根據經營租賃出租其多間辦公室，租金須每月支付。租賃一般初步為期兩年(二零二二年：兩年)。其他設備的租期一般則為十二個月或以下及／或個別為低價值。租賃條款乃在個別基礎上磋商，包括不同條款及條件。於釐定租期及評估不可撤銷之期限時，本集團應用合約的定義，並釐定可強制執行合約的期限。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

20. GOODWILL

20. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2022, 31 December 2022 and 31 December 2023	於二零二二年一月一日、 二零二二年十二月三十一日及 二零二三年十二月三十一日	18,786
Impairment	減值	
At 1 January 2022, 31 December 2022 and 31 December 2023	於二零二二年一月一日、 二零二二年十二月三十一日及 二零二三年十二月三十一日	(12,103)
Carrying amounts	賬面值	
At 31 December 2023	於二零二三年十二月三十一日	6,683
At 31 December 2022	於二零二二年十二月三十一日	6,683

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the cash generating units as follows:

在業務合併中獲得的商譽在收購時分配給預期從該業務合併中受益的現金產生單位。商譽的賬面值已分配給現金產生單位，具體如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Operation of interior design and decoration business	室內設計和裝飾 業務的經營	6,683	6,683

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

20. GOODWILL (Continued)

Impairment testing of goodwill

Interior design and decoration

On 9 February 2021, the Group acquired 100% of the equity interests in DML at a total consideration of approximately HK\$25,628,000. Management considered that the DML Group represents a separate CGU for the purpose of impairment testing. During the year ended 31 December 2021, the Group recognised an impairment loss of approximately HK\$12,103,000 in relation to goodwill allocated to the DML Group for impairment testing purpose. The goodwill arising from the acquisition of the DML Group represented the excess of the cost of acquisition over the Group's interest in the provisional fair value of the identifiable assets and liabilities of the DML Group.

In connection with the acquisition of DML Group, 67,441,860 consideration shares were transferred at the issue price of HK\$0.215 each were issued and allotted to the vendors to acquire the 100% equity interest in DML Group. The difference between (i) the grant date fair value of the consideration shares for the acquisition of DML Group as determined based on the closing price of HK\$0.38 per share of the Company on the completion date and (ii) the issue price of HK\$0.215 per consideration share pursuant to the sale and purchase agreement for the acquisition of DML Group, has resulted in unexpected increase in the total consideration transferred for acquisition of DML Group from approximately HK\$14,500,000, being the consideration as stipulated in sale and purchase agreement for the acquisition of the DML Group, to approximately HK\$25,628,000, being the fair value of the consideration having been transferred.

In accordance with HKFRS 3 *Business combinations* issued by the HKICPA, the cost of this business combination was determined using the fair values at the date of the business combination of these instruments issued by the Group. The Group has performed an impairment assessment on the carrying amount of the CGU (including goodwill) based on VIU calculations.

20. 商譽(續)

商譽減值測試

室內設計及裝修

於二零二一年二月九日，本集團以總對價25,628,000港元收購DML的100%股權。管理層認為，就減值測試而言，DML集團代表一個單獨的現金產生單位。截至二零二一年十二月三十一日止年度，本集團就分配至DML集團用作減值測試的商譽有關的減值虧損約12,103,000港元。收購DML集團產生的商譽是指收購成本超過本集團在DML集團可辨認資產和負債的臨時公允值中的權益。

就收購DML Group而言，67,441,860股代價股份已按發行價每股0.215港元轉讓，並已向賣方發行及配發，以收購DML集團的100%股權。(i) 於授出日期有關DML集團收購事項代價股份之公允值(根據於完成日期本公司每股股份收市價0.38港元而釐定)與(ii)根據DML集團收購事項項下買賣協議每股代價股份0.215港元的發行價之差額已導致根據DML集團收購事項轉讓的總代價，從約14,500,000港元(即DML集團收購事項的買賣協議規定的代價)意外增加到約25,628,000港元(即已轉讓的代價公允值)。

根據香港會計師公會頒佈的香港財務報告準則第3號業務合併，本次業務合併的成本採用本集團發行的相關工具在業務合併當日的公允值確定。本集團已根據使用價值計算對現金產生單位(包括商譽)的賬面價值進行減值評估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

20. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Interior design and decoration (Continued)

Management expected the operation scale of the CGU after the acquisition would be further expanded by incorporating the resources of the Group. However, such expectations are not incorporated as assumptions in preparing the cash flow forecasts for impairment testing purpose as they are not clearly supported and therefore not included in the VIU calculations. Since the carrying amount of the CGU (including goodwill) is significantly above its recoverable amount, the Group impaired the amount of goodwill of approximately HK\$12,103,000 on date of acquisition of the DML Group.

As at 31 December 2023 and 31 December 2022, goodwill is further tested for impairment for this CGU by the management by estimating the recoverable amount of the CGU based on value in use calculations. The Group engaged an independent qualified valuer to perform the valuation.

The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the relevant periods. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on the estimates made by the management on the industry. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

20. 商譽(續)

商譽減值測試(續)

室內設計及裝修(續)

管理層預計收購後現金產生單位的經營規模將通過整合本集團資源進一步擴大。然而，這些預期沒有就減值測試目的被納入到編製現金流量預測的假設，因為相關預期並無有力事實支撐，因此不包括在使用價值計算中。由於現金產生單位(包括商譽)的賬面值遠高於其可收回金額，本集團於收購DML集團之日減值商譽金額約12,103,000港元。

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，管理層根據使用價值計算估計現金產生單位的可收回金額，進一步測試商譽的減值。本集團聘請獨立合資格估值師進行估值。

使用價值計算的關鍵假設是有關貼現率、增長率以及相關期間銷售價格和直接成本的預期變化的假設。管理層使用反映當前市場對貨幣時間價值和現金產生單位特定風險評估的稅前利率估計貼現率。增長率是基於管理層對行業的估計。售價和直接成本的變化是基於過去的慣例和對市場未來變化的預期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

20. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Interior design and decoration (Continued)

The Group prepared cash flows forecasts derived from the most recent financial budgets approved by management for a five-year period. The CGU's cashflows beyond the 5-year period are extrapolated using a steady 3% (2022: 3%) growth rate. The financial budgets and growth rates are estimated according to the stage of operation with reference to the development curve of the industry. The rate used to discount the forecast cash flows for the CGU is 14.4% (2022: 15.3%).

As at 31 December 2023 and 31 December 2022, the recoverable amounts of the DML Group calculated based on VIU exceeded its carrying value. No further impairment of goodwill was required. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

20. 商譽(續)

商譽減值測試(續)

室內設計及裝修(續)

本集團根據管理層批准的最近五年期財務預算編製現金流量預測。超過五年期的現金產生單位的現金流量使用穩定的3% (二零二二年: 3%) 增長率推算。財務預算和增長率是根據經營階段，參考行業發展曲線估算的。用於對現金產生單位的預測現金流量貼現的利率為14.4% (二零二二年: 15.3%)。

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，DML集團按使用價值計算的可收回金額超過其賬面值。不需要進一步減值商譽。管理層認為，任何該等假設的任何合理可能變動將不會導致減值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

21. INTANGIBLE ASSETS

21. 無形資產

		Licence 執照
		HK\$'000 千港元
Cost	成本	
At 1 January 2022	於二零二二年一月一日	—
Acquired on acquisition of a subsidiary (Note 33)	於收購附屬公司時獲得(附註33)	3,788
At 31 December 2022 and 31 December 2023	於二零二二年十二月三十一日及 二零二三年十二月三十一日	3,788
Accumulated impairment	累計減值	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日、二零二二年 十二月三十一日、二零二三年一月一日 及二零二三年十二月三十一日	—
Carrying amounts	賬面值	
At 31 December 2023	於二零二三年十二月三十一日	3,788
At 31 December 2022	於二零二二年十二月三十一日	3,788

The licence represents the licence issued by Securities and Futures Commission (“SFC”), which enable Hua Yu Investment Management Limited (“Hua Yu”), a wholly-owned subsidiary of the Group, to operate in advising on securities (Type 4 regulated activity), advising on corporate finance (Type 6 regulated activity) and assets management (Type 9 regulated activity) activities in Hong Kong, under the Hong Kong Securities and Futures Ordinance (“SFO”). Under SFO, Hua Yu is required to meet its relevant paid up share capital and liquid capital requirements of the Securities and Futures (Financial Resources) Rules issued by SFC.

該牌照指證券及期貨事務監察委員會(「證監會」)發出的牌照，使本集團全資附屬公司華禹投資管理有限公司(「華禹」)可根據香港證券及期貨條例(「證券及期貨條例」)在香港從事證券(第4類受規管活動)、企業融資(第6類受規管活動)及資產管理(第9類受規管活動)業務。根據證券及期貨條例，華禹須符合證監會頒佈的證券及期貨(財務來源)規則有關繳足股本及流動資金的規定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

21. INTANGIBLE ASSETS (Continued)

The Directors are of the opinion that the Group would renew the licence continuously and has the ability to do so. As a result, the licence is considered by the management of the Group as having an indefinite useful life because it is expected to generate economic benefit to the Group indefinitely. The licence will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The recoverable amount of intangible assets with indefinite useful lives with carrying amount of approximately HK\$3,788,000 (2022: HK\$3,788,000), within the provision of advising on securities, corporate finance and asset management segments, is estimated individually.

The recoverable amount of the licenses has been determined based on the VIU calculation by reference to valuation carried out by an independent qualified valuer engaged by the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 14.5% (2022: 13.0%). The financial model assumes a terminal growth rate of 2.5% (2022: 2.5%) taking into account of inflation rate and other relevant economic factors. The cash flow projections, growth rates and discount rate have been assessed as at 31 December 2023 and 31 December 2022 taking into consideration higher degree of estimation uncertainties in the current year due to volatility in financial markets, including potential disruptions of the Group's operations.

As at 31 December 2023 and 31 December 2022, the recoverable amounts of the licenses calculated based on VIU is estimated to exceed its carrying amount. The management of the Group determines that there is no impairment is recognised on intangible assets with indefinite useful lives. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the licenses to exceed the recoverable amount.

21. 無形資產(續)

董事認為，本集團將持續重續牌照，並有能力重續牌照。因此，本集團管理層認為該牌照具有無限可使用年期，因為預期該牌照將無限期地為本集團帶來經濟利益。該牌照將不會攤銷，直至其可使用年期釐定為有限為止。相反，本集團將每年及於有迹象顯示其可能出現減值時進行減值測試。

在提供證券諮詢、企業融資及資產管理分部中，賬面值約為3,788,000港元(二零二二年：3,788,000港元)的無限期可使用年期無形資產的可收回金額乃個別估計。

牌照的可收回金額乃參考本集團委聘的獨立合資格估值師進行的估值，根據使用價值計算釐定。該計算使用基於管理層批准的五年期財務預算的現金流量預測，以及稅前貼現率14.5% (二零二二年：13.0%)。經計及通脹率及其他相關經濟因素後，財務模式假設最終增長率為2.5% (二零二二年：2.5%)。現金流量預測、增長率及貼現率已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進行評估，當中計及由於金融市場波動(包括本集團營運的潛在中斷)導致本年度存在較高程度的估計不確定性。

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，根據使用價值計算的牌照可收回金額估計超過其賬面值。本集團管理層釐定並無就具有無限期可使用年期的無形資產確認減值。管理層相信，任何該等假設的任何合理可能變動將不會導致牌照的賬面值超過可收回金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS

A subsidiary of the Group is holding quality stallions and provide stallion services in Australia, and another subsidiary of the Group is engaged in the rearing of trading of bloodstocks, horse management services and horse racing in Australia.

The quantity and value of stallions and bloodstocks owned by the Group at the end of the reporting period are shown below.

		As at 31 December 2023 於二零二三年十二月三十一日		As at 31 December 2022 於二零二二年十二月三十一日	
		No. of horses 馬的數量	HK\$'000 千港元	No. of horses 馬的數量	HK\$'000 千港元
Current assets	流動資產				
Bloodstocks	純種馬				
— Broodmares	— 種馬	5	1,543	22	9,800
— Racehorse	— 賽馬	26	5,558	6	10,207
— Colt	— 小馬	6	1,997	46	22,792
— Fillies	— 雌馬	2	452	8	2,608
Total bloodstocks	純種馬總數	39	9,550	82	45,407
Non-current assets	非流動資產				
Stallions	種馬	7	5,864	10	11,386
Total biological assets	生物資產總值	46	15,414	92	56,793

Bloodstocks represent thoroughbred broodmares, colts, fillies and racing horses held primarily for trading purpose and are classified as current assets.

Stallions represent adult male horses that have not been castrated and are held for breeding purpose. The stallions are classified as non-current assets as the Group has no intention to sell these stallions in the foreseeable future.

22. 生物資產

本集團的一家附屬公司在澳洲擁有優質種馬並提供種馬服務，而本集團的另一家附屬公司則在澳洲從事純種馬的飼養和買賣、馬匹管理服務及賽馬。

於報告期末，本集團擁有的種馬及純種馬數量及價值如下。

純種馬是指主要為交易目的而持有的育種母馬、小馬、雌馬及賽馬，分類為流動資產。

種馬指尚未閹割且用於育種目的之成年公馬。這些種馬分類為非流動資產，因為本集團無意在可預見的未來出售這些種馬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

5 live foals (2022: 11) were born during the year and there is no other output of biological assets during the year (2022: Nil).

The movement in value of biological assets during the reporting period were as follows:

22. 生物資產(續)

年內有5隻活小馬駒(二零二二年: 11隻)出生, 且年內並無其他生物資產產出(二零二二年: 無)。

報告期內生物資產價值變動情況如下:

		As at 31 December 2023 於二零二三年十二月三十一日		
		Bloodstocks 純種馬 HK\$'000 千港元	Stallions 種馬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January	於一月一日	45,407	11,386	56,793
Increase due to natural increase	因自然增加而增加	2,026	—	2,026
Fair value changes	公允值調整	(9,003)	(502)	(9,505)
Decrease due to death	因死亡而減少	(1,169)	—	(1,169)
Decrease due to sales	因銷售而減少	(27,487)	(5,000)	(32,487)
Exchange realignment	匯兌調整	(224)	(20)	(244)
At 31 December	於十二月三十一日	9,550	5,864	15,414

		As at 31 December 2022 於二零二二年十二月三十一日		
		Bloodstocks 純種馬 HK\$'000 千港元	Stallions 種馬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January	於一月一日	10,512	7,059	17,571
Acquisition	收購事項	38,825	7,665	46,490
Increase due to natural increase	因自然增加而增加	6,627	—	6,627
Fair value changes	公允值調整	(3,378)	(1,136)	(4,514)
Decrease due to death	因死亡而減少	(559)	—	(559)
Decrease due to sales	因銷售而減少	(5,996)	(1,783)	(7,779)
Exchange realignment	匯兌調整	(624)	(419)	(1,043)
At 31 December	於十二月三十一日	45,407	11,386	56,793

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

Financial risk management strategies

Biological assets are exposed to domestic, disease and other nature risks. The Group engages an external veterinarian hospital to provide professional veterinarian services to the Group's biological assets to minimise the risk and take care on the health of horses. Depending on the emergency, the veterinarian arrives at the farm around 10–45 minutes, or delivery to veterinarian hospital within 15–30 minutes. The biological insurance coverage for 39 (2022: 82) bloodstocks and 7 stallions (2022: 10) for the year ended 31 December 2023 are approximately HK\$20,358,000 and HK\$9,141,000 (2022: HK\$46,529,000 and HK\$12,820,000), which covered 213.2% (2022: 102.5%) of bloodstocks and 155.9% (2022: 112.6%) of stallions book value respectively. In the opinion of management, the above policies are effective and sufficient against the financial risk arising from bloodstocks and stallion. There is no restriction on the title of bloodstocks owned by the Group and there is no commitment for acquisition biological assets at the end of reporting period. The management is regularly reviewing the portfolio of biological assets to maximise the return.

The fair value of the biological assets measured at the reporting date on a recurring basis, categorised into level 3 fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a classified fair value measurement is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

22. 生物資產(續)

財務風險管理策略

生物資產面臨家庭、疾病和其他自然風險。本集團聘請外部獸醫醫院，為本集團生物資產提供專業獸醫服務，以最大程度地降低風險並照顧馬匹的健康。根據緊急情況，獸醫大約在10-45分鐘內到達農場，或者在15-30分鐘內送到獸醫醫院。截至二零二三年十二月三十一日止年度就39匹(二零二二年：82匹)純種馬和7匹種馬(二零二二年：10匹)投購生物保險所用金額分別約為20,358,000港元和9,141,000港元(二零二二年：46,529,000港元和12,820,000港元)，分別佔純種馬和種馬賬面價值213.2%(二零二二年：102.5%)及155.9%(二零二二年：112.6%)。管理層認為，上述政策有效且足以應對純種馬和種馬帶來的財務風險。本集團擁有的純種馬沒有產權限制，報告期末不存在收購生物資產的承諾。管理層定期檢討生物資產組合，以實現收益最大化。

在報告日期以經常性基準計量的生物資產的公允值，分類為香港財務報告準則第13號公允值計量所定義的第三級公允值層級。參考估值技術中使用的輸入數據的可觀察性和重要性確定分類公允值計量的水平如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

The qualification of valuer

As at 31 December 2023 and 31 December 2022, the Group's bloodstocks were independently valued by Magic Millions Sales Pty Limited ("**Magic Millions**"), which is an Australia's leading bloodstock sales company, a major market place and key actor of the global horse economy. The professional valuer in charge of this valuation is Mr. Clint Donovan, Bloodstock Manager of Magic Millions, who has appropriate qualification and relevant experiences in various appraisal assignments involving biological assets and has worked in the industry of thoroughbred bloodstock and provides regular bloodstock valuations in Australia. In addition, this valuation report has been consulted with the following experts:

- Barry Bowditch (Magic Millions' Managing Director)
- Dane Robinson (Magic Millions' Bloodstock Manager)
- James DAWSON (Magic Millions' Bloodstock Consultant)
- Georgia Everingham (Magic Millions' Bloodstock Consultant)
- Nicky WONG (Magic Millions' Bloodstock Consultant)
- James Hetherington (Magic Millions' Bloodstock Consultant)

22. 生物資產(續)

估值師的資格

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，本集團的純種馬由Magic Millions Sales Pty Limited (「**Magic Millions**」) 獨立估值，該公司是澳大利亞領先的純種馬銷售公司，是全球馬匹經濟的主要市場和主要參與者。負責本次估值的專業估值師是Magic Millions的純種馬經理Clint donovan先生，他在涉及生物資產的各種評估任務中具有適當的資格和相關經驗，並曾在純種馬行業工作，並在澳大利亞提供定期的純種血估值。此外，本估值報告已諮詢下列專家：

- Barry Bowditch (Magic Millions的董事總經理)
- Dane Robinson (Magic Millions的純種馬經理)
- James DAWSON (Magic Millions的純種馬顧問)
- Georgia Everingham (Magic Millions的純種馬顧問)
- Nicky WONG (Magic Millions的純種馬顧問)
- James Hetherington (Magic Millions的純種馬顧問)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

The qualification of valuer (Continued)

All experts are full time members of the bloodstock department of Magic Millions and member of the Federation of Bloodstock Agents Australia Limited. Magic Millions through its experts, has conducted a number of yearly stock valuations for major global and domestic bloodstock entities.

The valuation methodologies adopted are consistent with those described in accounting standards HKAS 41 *Agriculture* and HKFRS 13.

Based on the above qualification, history and various experiences of Magic Millions, the Directors are of the view that Magic Millions is competent to determine the fair value of the Group's bloodstocks and stallions.

Bloodstocks

Valuation methodology of bloodstocks

In the process of valuing the biological assets, Magic Millions has taken into consideration the nature and specialty of the above bloodstocks and considered that the market approach would be appropriate and reasonable in the valuation of the fair value less costs to sell of the bloodstocks by making reference to the requirement of HKAS 41 and HKFRS 13.

22. 生物資產(續)

估值師的資格(續)

所有專家都是 Magic Millions 純種馬部的全職成員，也是澳大利亞純種馬代理人聯合會的成員。Magic Millions 通過其專家，對全球和國內主要的純種馬實體進行了多次年度股票估值。

採用的估值方法與香港會計準則第41號農業和香港財務報告準則第13號中所述的估值方法一致。

根據 Magic Millions 的上述資質、歷史和各種經驗，董事認為 Magic Millions 有能力確定本集團的純種馬和種馬的公允值。

純種馬

純種馬的估值方法

在評估生物資產的過程中，Magic Millions 已考慮上述純種馬的性質和特殊性，並參考香港會計準則第41號和香港財務報告準則第13號的要求，認為市場法在評估純種馬的公允值減去出售成本時是適當和合理的。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

Bloodstocks (Continued)

Valuation methodology of bloodstocks (Continued)

The valuations are arrived at based on market approach to estimate the fair market value of the biological assets. In determining the fair market value, the valuer has had regard to the price that a buyer could be reasonably be expected to pay and a seller could reasonably be expected to accept if the assets were exposed for sales on the open market for a reasonable period of time with both buyer and seller being in possession of the pertinent facts and neither being under and compulsion to act.

Where available, publicly observable information has been used to the maximum extent possible in deriving valuations. In the absence of such information, or where such observable information is believed not to derive a fair value measurement at measurement date, the valuer has adopted valuation techniques with inputs that valuer believes are reasonably based.

22. 生物資產(續)

純種馬(續)

純種馬的估值方法(續)

估值是基於市場法得出的，以估計生物資產的公平市場價值。在確定公平市場價值時，估值師已經考慮了買方可以合理預期支付的價格，賣方可以合理預期接受的價格，如果資產在合理的時間內在公開市場上進行銷售，而買方和賣方都了解相關事實，並且都沒有以及採取行動的衝動。

在可獲得的情況下，已最大程度地使用了可公開觀察的資料來得出估值。在缺乏該等資料的情況下，或在該等可觀察資料被認為不能得出計量日的公允值計量的情況下，估值師採用了估值技術，估值技術的輸入數據被認為是合理的。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

Bloodstocks (Continued)

Valuation methodology of bloodstocks (Continued)

With respect to the valuation of horses, the valuer adopted a stand-alone basis of valuation. In this regard, each horse is valued having regard to the price that the horse could be realised for at auction less the costs of disposal. Such valuations are determined by considering large number of qualitative and quantitative factors which including:

1. The economic outlook in general and the condition and outlook of the specific industry in particular.
2. The nature of the asset.
3. The earning capacity of an asset.
4. The residual value for breeding of an asset.
5. The age of the asset.
6. The market price of in the same or a similar line of business having their stocks actively traded in a free and open market.
7. Based on circumstances unique, additional factors have been considered.

These factors vary for each valuation depending on the unique circumstances of the general economic conditions that exist at the effective date of the valuation.

In the rare event that a market based value cannot be derived, initial cost of acquisition may be used to approximate fair value, particularly where the horse was acquired within the past year.

22. 生物資產(續)

純種馬(續)

純種馬的估值方法(續)

關於馬匹的估值，估值師採用了獨立的估值基礎。在這方面，每匹馬的估值是考慮到在拍賣中可以實現的價格減去處置成本。這些估值是通過考慮大量的定性和定量因素來確定的，這些因素包括：

1. 總體經濟前景，特別是特定行業的狀況和前景。
2. 資產的性質。
3. 資產的收益能力。
4. 資產育種的剩餘價值。
5. 資產的年齡。
6. 在相同或相似的業務領域，其股票在自由和公開的市場上活躍交易的市場價格。
7. 根據獨特情況，已考慮其他因素。

根據估值生效日存在的一般經濟狀況的獨特情況，這些因素對於每次估值都有所不同。

在極少數情況下，無法得出基於市場的價值，可以使用初始收購成本來近似公允值，特別是在過去一年內收購了這匹馬的情況下。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

Bloodstocks (Continued)

Valuation technique and major inputs

Breeding Stock

Valuation of broodmares takes into account the age of the individual, its race record and if applicable its cover status and its progeny record, both commercially and on the track. Magic Millions watched as well the last price it was sold for in the scenario the individual had been exposed to a public market in recent years, and to compare this profile to a similar profile that went through public auction in the past year.

Weanlings and Foals

Valuation of weanlings and foals takes into account the assessment of market trends, the depth of the pedigree of the individual (i.e. the black type performances through the female line), the race record and the age of the first dam, and if applicable the progeny record of the first dam as well as the stallion's commercial trends.

Yearlings

Valuation of yearlings takes into account the assessment of market trends, the depth of the pedigree of the individual (i.e., the black type performances through the female line), the race record and the age of the first dam, and if applicable the progeny record of the first dam as well as the stallion's commercial trends.

Racing Stock

Valuation of racing stock takes into account the assessment of market trends, the race record of the individual and if applicable his/her breeding residual value. In the scenario the individual is still at a young age and hasn't been exposed to races or trials, Magic Millions base their valuation on the public auction price at the yearling stage, or an assessment of the value the individual would have possibly made if he/she was exposed to a public market at the yearling stage.

22. 生物資產(續)

純種馬(續)

估值技術及主要輸入數據

馬匹育種

母馬的估值考慮了個體的年齡、種族記錄以及在商業上和賽道上的掩護狀態和後代記錄。Magic Millions還觀察了該母馬近年來在公開市場上的最後一次出售價格，並將此資料與過去一年通過公開拍賣的類似資料進行了比較。

斷奶幼崽和幼駒

斷奶幼崽和幼駒的估值考慮了市場趨勢的評估、個體統種程度(即通過雌性系列的黑色類型表現)、比賽記錄和第一匹母馬的年齡、以及(如果適用)第一匹母馬的幼崽以及種馬的商業趨勢。

一歲馬

一歲馬的估值考慮了市場趨勢的評估、個體統種程度(即通過雌性系列的黑色類型表現)、比賽記錄和第一匹母馬的年齡、以及(如果適用)第一匹母馬的幼崽以及種馬的商業趨勢。

賽馬育種

賽馬育種的估值考慮了對市場趨勢的評估、個別賽馬記錄以及(如適用)其育種剩餘價值。倘個體馬仍然處於幼齡，沒有接觸過比賽或試驗，在這種情況下，Magic Millions的估值依據為一歲馬的公開拍賣價格，或個體馬在一歲階段於公開市場可能具備的評估價值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

Bloodstocks (Continued)

Valuation technique and major inputs (Continued)

Racing Stock (Continued)

As the valuation results of bloodstocks are subjective based on the experiences of Magic Millions and current market conditions which are unable to be quantitatively measured, accordingly, the Directors consider that no sensitivity analysis is presented.

Stallions

Valuation methodology of stallions

The fair value of each stallions was individually determined at the end of each reporting period based on an income approach and used revenue projections based on historical service fees income of the stallions and also takes into account the stallion's prior activity, his age, his average live foal ratio, his progeny racetrack and sales results. The Directors with reliance on the valuation performed by an independent valuer covering a two to three years period depending on the age of the stallions to determine a value and pre-tax discount rate of 5.6% per annum.

The shareholding applied to stallions of the Group range from 2% to 33% (2022: 1% to 33%).

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the service fee is 10% higher or lower, the fair value of the stallions would increase approximately AUD106,000 (equivalent to approximately HK\$568,000) (2022: approximately AUD142,000 (equivalent to approximately HK\$756,000)) or decrease approximately AUD106,000 (equivalent to approximately HK\$568,000) (2022: approximately AUD142,000 (equivalent to approximately HK\$756,000)) respectively.

22. 生物資產(續)

純種馬(續)

估值技術及主要輸入數據(續)

賽馬育種(續)

由於基於Magic Millions的經驗和當前無法定量衡量的市場狀況對純種馬的估值結果是主觀的，因此，董事們認為沒有提出敏感性分析。

種馬

種馬估值方法

每匹種馬的公允值在每個報告期末根據收入法單獨確定，並根據種馬的歷史服務費收入使用收入預測，並考慮到種馬的前期活動、年齡、平均活馬駒比、幼崽賽道和銷售結果。董事依賴獨立估值師進行的估值，根據種馬的年齡確定兩到三年的估值和稅前貼現率為每年5.6%。

適用於本集團種馬的股權介乎2%至33% (二零二二年：1%至33%)。

下文之敏感度分析乃在所有其他假設不變的情況下，根據報告期末發生的相關假設合理潛在變化釐定。

如果服務費高於或低於10%，種馬的公允值將增加約106,000澳元(相當於約568,000港元)(二零二二年：約142,000澳元(相當於約756,000港元))或減少約106,000澳元(相當於約568,000港元)(二零二二年：約142,000澳元(相當於約756,000港元))。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. BIOLOGICAL ASSETS (Continued)

Stallions (Continued)

Valuation methodology of stallions (Continued)

If the useful live is increase or decrease by 1 year, the fair value of the stallions would increase approximately AUD522,000 (equivalent to approximately HK\$2,799,000) (2022: AUD583,000 (equivalent to approximately HK\$3,103,000)) or decrease approximately AUD488,000 (equivalent to approximately HK\$2,617,000) (2022: AUD657,000 (equivalent to approximately HK\$3,497,000)) respectively.

If the average live foal ratio is 10% higher or lower, the fair value of the stallions would increase approximately AUD106,000 (equivalent to approximately HK\$568,000) (2022: AUD142,000 (equivalent to approximately HK\$756,000)) or decrease approximately AUD106,000 (equivalent to approximately HK\$568,000) (2022: AUD142,000 (equivalent to approximately HK\$756,000)) respectively.

If the fertility percentage is 10% higher or lower, the fair value of the stallions would increase approximately AUD132,000 (equivalent to approximately HK\$708,000) (2022: AUD212,000 (equivalent to approximately HK\$1,128,000)) or decrease approximately AUD132,000 (equivalent to approximately HK\$708,000) (2022: AUD212,000 (equivalent to approximately HK\$1,128,000)) respectively.

If the discount rate is 10% higher or lower, the fair value of the stallions would decrease approximately AUD8,000 (equivalent to approximately HK\$43,000) (2022: AUD9,000 (equivalent to approximately HK\$48,000)) or increase approximately AUD8,000 (equivalent to approximately HK\$43,000) (2022: AUD9,000 (equivalent to approximately HK\$48,000)) respectively.

22. 生物資產(續)

種馬(續)

種馬估值方法(續)

如果使用年期高於或低於1年，種馬的公允值將增加約522,000澳元(相當於約2,799,000港元)(二零二二年：583,000澳元(相當於約3,103,000港元))或減少約488,000澳元(相當於約2,617,000港元)(二零二二年：657,000澳元(相當於約3,497,000港元))。

如果平均活馬駒比高於或低於10%，種馬的公允值將增加約106,000澳元(相當於約568,000港元)(二零二二年：142,000澳元(相當於約756,000港元))或減少約106,000澳元(相當於約568,000港元)(二零二二年：142,000澳元(相當於約756,000港元))。

如果生育率高於或低於10%，種馬的公允值將增加約132,000澳元(相當於約708,000港元)(二零二二年：212,000澳元(相當於約1,128,000港元))或減少約132,000澳元(相當於約708,000港元)(二零二二年：212,000澳元(相當於約1,128,000港元))。

如果貼現率高於或低於10%，種馬的公允值將增加約8,000澳元(相當於約43,000港元)(二零二二年：9,000澳元(相當於約48,000港元))或減少約8,000澳元(相當於約43,000港元)(二零二二年：9,000澳元(相當於約48,000港元))。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

23. 按公允值計入損益之金融資產

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial assets at FVTPL:	按公允值計入損益之金融資產：		
Unlisted equity investment, at fair value (note a)	按公允值計量的未上市股本投資(附註a)	—	60
Life insurance policy, at fair value (note b)	按公允值計量的壽險保單(附註b)	5,226	5,119
		5,226	5,179

Notes:

- (a) The unlisted equity investment represented the Group's equity investment in a private entity established in Australia. During the year ended 31 December 2023, fair value losses on financial assets at FVTPL of HK\$60,000 on the unlisted equity investment have been recognised in profit or loss. As at 31 December 2022, the fair value of the investment is reference to the valuation conducted by an independent qualified professional valuer based on Level 3 hierarchy by using market approach.
- (b) On 25 January 2016, the Group entered into a life insurance policy with an insurance company to insure an executive director. Under the policy, the Group is the beneficiary and the policy holder. The Group paid upfront premiums for the policy and may surrender the policy any time by making a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. Opinion of the Directors, the surrender value of the policy provided by the insurance company is the best approximation of its fair value, which is categorised within Level 3 of the fair value hierarchy. The life insurance policy was mandatorily classified as a financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

In opinion of the Directors, the Group's life insurance policy would not be surrendered within the next 12 months and was therefore classified as a non-current asset.

附註：

- (a) 非上市股本投資代指本集團於一項澳大利亞成立之私營實體的股本投資。截至二零二三年十二月三十一日止年度，按公允值計入損益之金融資產虧損約60,000港元已於損益中確認。於二零二二年十二月三十一日，有關投資之公允值乃基於公允值並參考一名獨立合資格專業估值師根據第三級層級使用市場法作出。
- (b) 於二零一六年一月二十五日，本集團與一間保險公司訂立壽險保單，為一名執行董事投保。根據保單，本集團為受益人及保單持有人。本集團已預付保費，惟可透過提交書面請求隨時退保，及根據保單於撤回日期的退保金額(由承保人計算)收取現金。董事認為，保險公司規定的保單退保金額與其公允值相若，並歸類為公允值層級第三級。壽險保單經強制分類為按公允值計入損益之金融資產，原因為其合約現金流量並非僅為支付本金及利息。

董事認為，本集團未來十二個月內不會退保壽險保單，因此將其歸類為非流動資產。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

24. INVENTORIES

24. 存貨

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Raw materials	原材料	841	1,728
Work in progress	在製品	1,426	1,040
Finished goods	成品	3,513	6,243
		5,780	9,011

25. TRADE AND OTHER RECEIVABLES

25. 應收交易款項及其他應收款項

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Trade receivables:	應收交易款項:		
Contract with customers	客戶合約	8,019	16,760
Less: Allowance for credit losses	減: 信貸虧損撥備	(424)	(758)
	(a)	7,595	16,002
Other receivables:	其他應收款項:		
Other prepayments	其他預付款項	1,678	2,808
Loans to a vendor	向供應商貸款	1,400	2,416
Deposits and other receivables	按金及其他應收款項	19,291	22,196
		22,369	27,420
Less: Allowance for credit losses	減: 信貸虧損撥備	(10,194)	(6,275)
		12,175	21,145

As at 1 January 2022, trade receivables from contracts with customers approximately to HK\$16,027,000 net of allowance for credit losses of approximately HK\$1,375,000.

於二零二二年一月一日，來自客戶合約的應收交易款項約為16,027,000港元及信貸虧損撥備約1,375,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

25. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- a) An ageing analysis of the trade receivables net of allowance of ECL as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within 1 month	不足一個月	1,644	7,432
1 to 2 months	一至兩個月	1,086	2,881
2 to 3 months	兩至三個月	1,742	330
Over 3 months	超過三個月	3,547	6,117
Less: Allowance for credit losses		8,019 (424)	16,760 (758)
		7,595	16,002

As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$6,375,000 (2022: approximately HK\$8,821,000) which are past due as at the reporting date.

Out of the past due balances, approximately HK\$3,516,000 (2022: approximately HK\$5,305,000) has been past due 90 days or more and is not considered as in default. The Directors are in the view that there have been no significant increase in credit risk nor default based on the historical record and creditworthiness of the debtors.

- b) Loans to a vendor bear interest at rates 5.00% (2022: 5.00%) per annum, secured by certain machineries of the vendor and repayable in one year (2022: one year) with demand clause.

Details of impairment assessment of trade and other receivables are set out in Note 36(b) to the consolidated financial statements.

25. 應收交易款項及其他應收款項 (續)

附註：

- a) 於報告期末基於發票日期及扣除虧損撥備的應收交易款項(已扣除預期信貸虧損撥備)的賬齡分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within 1 month	不足一個月	1,644	7,432
1 to 2 months	一至兩個月	1,086	2,881
2 to 3 months	兩至三個月	1,742	330
Over 3 months	超過三個月	3,547	6,117
Less: Allowance for credit losses		8,019 (424)	16,760 (758)
		7,595	16,002

於二零二三年十二月三十一日，本集團應收交易款項結餘包括賬面總值約6,375,000港元(二零二二年：約8,821,000港元)的應收賬款，於報告日已逾期。

逾期結餘當中，約3,516,000港元(二零二二年：約5,305,000港元)逾期90日或以上，但並無視為違約。董事認為，鑒於債務人的歷史記錄及信用度，信貸風險或違約率並無大幅增加。

- b) 向供應商貸款按每年5.00%(二零二二年：5.00%)的利率計息，以供應商若干機器作為抵押，並須按要求條款於一年內償還(二零二二年：一年)。

應收交易及其他款項的減值評估詳情載於綜合財務報表附註36(b)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

26. CONTRACT ASSETS

26. 合約資產

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Contract assets	合約資產	7,832	2,559
Less: Allowance for credit losses	減：信貸虧損撥備	(77)	—
		7,755	2,559

The contract assets primarily relate to the Group's retention receivables and unbilled revenue.

Retention receivables included in contract assets represent the Group's right to receive consideration for work performed and conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the works performed by the Group.

Unbilled revenue included in contract assets represents the Group's right to receive consideration for works completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the works completed by the Group. The contract assets are transferred to trade receivables when the rights become unconditional, which is typically at the time when the Group obtains the certification of the completed works from the customers or when the Group entitled to issue invoices for the completed work to the customers.

Details of impairment assessment of contract assets are set out in Note 36(b) to the consolidated financial statements.

合約資產主要涉及本集團的應收保留款和未開票收入。

計入合約資產的應收保留金指集團就已進行工程收取代價的權利，惟須待客戶於合約規定的若干期間內對服務質素表示滿意後方可作實。合約資產於權利成為無條件時(通常為本集團就本集團所進行工程的服務質素提供保證期間的到期日)轉撥至應收交易款項。

計入合約資產的未開票收益指集團就已完成但尚未開票的工程收取代價的權利，原因為該等權利須待客戶對目集團完成的工程表示滿意後方可作實。合約資產於權利成為無條件時(通常為本集團取得客戶對已完成工程的認證時或本集團有權就已完成工程向客戶開具發票時)轉撥至應收交易款項。

合約資產的減值評估詳情載於綜合財務報表附註36(b)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of meeting the Group's short term cash commitments.

Cash and bank balances are denominated in the following currencies:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Denominated in — RMB	以人民幣計值	214	457
Denominated in — HK\$	以港元計值	3,851	769
Denominated in — AUD	以澳元計值	58	940
		4,123	2,166

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Details of impairment assessment of bank balances are set out in Note 36 to consolidated financial statements.

27. 現金及現金等價物

現金及現金等價物以滿足本集團的短期現金承諾。

所有現金及銀行結餘乃以以下貨幣結算：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Denominated in — RMB	以人民幣計值	214	457
Denominated in — HK\$	以港元計值	3,851	769
Denominated in — AUD	以澳元計值	58	940
		4,123	2,166

銀行現金按根據每日銀行存款利率計算的浮動利率計息。銀行結餘乃存於信譽良好且近期無拖欠紀錄的銀行。

銀行結餘減值評估詳情載於綜合財務報表附註36。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

28. TRADE, OTHER PAYABLES AND ACCRUALS 28. 交易及其他應付賬款和應計費用

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Trade payables	應付交易款項		
— from third parties (Notes a & b)	— 來自第三方款項 (附註a及b)	12,857	23,354
Other payables and accruals	其他應付款項及應計費用		
Contract liabilities (Note c)	合約負債(附註c)	4,171	161
Other payables and accruals	其他應付款項及應計費用	5,228	8,602
Amounts due to directors (Note d)	應付董事款項(附註d)	—	1,445
Total other payables and accruals	其他應付款項及應計 費用總額	9,399	10,208

Notes:

- a) An ageing analysis of the trade payables as at the end of each reporting period, based on the transaction date, is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within 1 month	不足一個月	3,853	3,691
1 to 2 months	一至兩個月	1,022	1,334
2 to 3 months	兩至三個月	2,143	883
Over 3 months	超過三個月	5,839	17,446
		12,857	23,354

The credit period in purchase of goods is generally from one to three months.

- b) As at 31 December 2022, included in trade payable is an amount of approximately HK\$9,876,000 in relation to acquisition of biological assets. The credit period is 30 days. The past due payables bears interest of 10% per annum. This payable has been fully settled during the year ended 31 December 2023.

附註：

- a) 於各報告期末，應付交易款項基於交易日期的賬齡分析如下：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within 1 month	不足一個月	3,853	3,691
1 to 2 months	一至兩個月	1,022	1,334
2 to 3 months	兩至三個月	2,143	883
Over 3 months	超過三個月	5,839	17,446
		12,857	23,354

購買貨品之信貸期通常為一至三個月。

- b) 於二零二二年十二月三十一日，應付交易款項包括有關收購生物資產的款項約9,876,000港元。信貸期為30日。逾期應付款項按年利率10%計息。截至二零二三年十二月三十一日止年度該筆應付交易款項已悉數結清。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

28. TRADE, OTHER PAYABLES AND ACCRUALS (Continued)

Notes: (Continued)

- c) During the year ended 31 December 2023, approximately of HK\$161,000 (2022: approximately HK\$3,287,000) of revenue recognised related to carried-forward contract liabilities.

As at 1 January 2022, contract liabilities amounted to HK\$3,287,000.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Interior design and decoration

When the Group receives a deposit before the interior design and decoration services, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

Sewing threads and garments

When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

At 31 December 2023, contract liabilities include (i) short-term advance received to deliver sewing threads and garments accessories; and (ii) upfront deposits from customers for interior design and decoration approximately of HK\$3,431,000 and HK\$701,000 respectively (2022: HK\$28,000 and HK\$133,000).

The significant increase (2022: decrease) in contract liabilities in the current year was mainly due to certain number of contracts with approximately of HK\$4,133,000 were signed with customers closed to the ended of the reporting date resulting an increase in contract liabilities of HK\$4,010,000.

28. 交易及其他應付賬款和應計費用 (續)

附註：(續)

- c) 截至二零二三年十二月三十一日止年度，與結轉合約負債有關之已確認收益約為161,000港元(二零二二年：約3,287,000港元)。

於二零二二年一月一日，合約負債為3,287,000港元。

影響已確認合約負債金額的典型付款條款如下：

室內設計及裝修

當本集團於室內設計及裝修服務前收取按金時，其將於合約開始時產生合約負債，直至就相關合約確認的收益超過按金金額為止。

縫紉線及服裝

當本集團於生產活動開始前收取按金時，其將於合約開始時產生合約負債，直至就相關合約確認的收益超過按金金額為止。

於二零二三年十二月三十一日，合約負債包括(i)就交付縫紉線及服裝輔料而收取的短期墊款；及(ii)來自客戶的室內設計及裝修的前期按金分別約3,431,000港元及701,000港元(二零二二年：28,000港元及133,000港元)。

本年度合約負債大幅增加(二零二二年：減少)主要由於於報告期末結束前與客戶若干價值約4,133,000港元的合約，導致合約負債增加4,010,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

28. TRADE, OTHER PAYABLES AND ACCRUALS (Continued)

Notes: (Continued)

c) (Continued)

The following table shows the revenue recognised in the current year relates to carried-forward contract liabilities and the amount related to performance obligations that were satisfied in prior periods:

		Interior design and decoration 室內設計及裝修 HK\$'000 千港元	Manufacture and selling of sewing threads 縫紉線生產及銷售 HK\$'000 千港元
For the year ended 31 December 2023	截至二零二三年十二月三十一日止年度		
Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘的已確認收益	133	28
For the year ended 31 December 2022	截至二零二二年十二月三十一日止年度		
Revenue recognised that was included in the contract liability balance at the beginning of the year	於年初計入合約負債結餘的已確認收益	2,950	337

d) The amounts are unsecured, interest-free and repayable on demand.

28. 交易及其他應付賬款和應計費用 (續)

附註：(續)

c) (續)

下表列示了本年確認的與結轉合約負債相關的收入以及與前期履行的履約義務相關的金額：

d) 該等款項為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS

29. 借款

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Bank loans — unsecured	銀行貸款 — 無抵押	(a)	1,973	—
Bank loans — secured	銀行貸款 — 有抵押	(a)	—	807
Bank overdrafts — secured	銀行透支 — 有抵押	(a)	—	4,972
Loan from shareholders — unsecured	股東貸款 — 無抵押	(b)	5,280	15,500
Loan from a related company — unsecured	來自一間關連公司的貸款 — 無抵押	(c)	5,046	—
Other borrowings — secured	其他借款-有抵押	(d)	21,146	10,792
			33,445	32,071

		Bank loans and overdrafts 銀行貸款及透支		Loans from shareholders and a related company and other borrowings 來自股東及一間關連公司的 貸款及其他借款	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
The carrying amounts of the above borrowings are repayable*	須於以下期限償還 的上述借款的 賬面值*				
— Within one year	— 一年內	1,973	4,972	31,472	26,292
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:	上述包含按要求償 還條款(於流動 負債項下列示) 但須於以下期 限償還的借款 的賬面值:				
— Within one year	— 一年內	—	202	—	—
— Within a period of more than one year but not exceeding two year	— 多於一年但 不多於兩 年期間內	—	605	—	—
		—	807	—	—
Total borrowings shown under current liabilities	於流動負債項下列 示的借款總額	1,973	5,779	31,472	26,292

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期款項乃根據貸款協議所載計劃還款日期計算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS (Continued)

Notes:

- (a) Bank loans and bank overdrafts

The bank loans and bank overdrafts are at floating interest rates that are market dependent and the carrying amounts approximate the fair values. The range of interest rates for the years ended 31 December 2023 and 31 December 2022 are as follows:

		2023 二零二三年	2022 二零二二年
Bank loan, unsecured	銀行貸款，無抵押	LPR+0.3%	—
Bank loans, secured	銀行貸款，有抵押	P-1% to P-2.25% P-1%至P-2.25%	P-1% to P-2.25% P-1%至P-2.25%
Bank overdrafts, secured	銀行透支，有抵押	P+1.75%	P+1.75%

All the interest-bearing bank borrowings were repayable on demand as at 31 December 2023 and 31 December 2022.

The effective interest rates on the Group's bank borrowings as at 31 December 2023 ranged is 3.85% per annum (2022: 2.75% to 7.38% per annum).

29. 借款(續)

附註：

- (a) 銀行貸款及銀行透支

銀行貸款及銀行透支按取決於市場的浮動利率計息，其賬面值與公允值相若。截至二零二三年十二月三十一日及二零二二年十二月三十一日止年度的利率範圍如下：

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，所有計息銀行借款須按要求償還。

於二零二三年十二月三十一日，本集團的銀行借款的實際年利率介乎3.85%（二零二二年：年利率介乎2.75%至7.38%）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS (Continued)

Notes: (Continued)

(a) Bank loans and bank overdrafts (Continued)

As at 31 December 2022, the end of reporting period, the summary of assets pledged and guaranteed borrowings are as follows:

The bank borrowings are secured by:

- (i) Personal guarantees provided by a director of a subsidiary;
- (ii) The Company's building with carrying amount of approximately HK\$3,529,000;
- (iii) The Company's investment properties with carrying amount of approximately HK\$4,500,000; and
- (iv) Charge of deposits made by a director of the Company as determined by the bank from time to time.

HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* issued by the HKICPA requires that a loan which includes a clause that gives the lender the unconditional right to call in the loan at any time (“**repayment on demand clause**”) shall be classified in total by the borrower as current in the statement of financial position.

As at 31 December 2022, interest-bearing bank borrowings of the Group in the amount of HK\$4,972,000 include a repayment on demand clause under the relevant loan agreements, have been classified as current liabilities. For the purpose of the above analysis, such loans are included within current secured bank borrowings and analysed into bank borrowings repayable on demand.

29. 借款(續)

附註：(續)

(a) 銀行貸款及銀行透支(續)

於二零二二年十二月三十一日，於報告期末，本公司的抵押資產及擔保借款概述如下：

銀行借款的擔保方式為：

- (i) 附屬公司董事提供的個人擔保；
- (ii) 本公司的建築物，賬面值約為3,529,000港元；
- (iii) 本公司的投資物業，賬面值約為4,500,000港元；及
- (iv) 由本公司董事作出之存款押記，由銀行不時釐定。

香港會計師公會頒佈的香港詮釋第5號*財務報表之呈報 – 借款方對載有須按要求償還條款之定期貸款之分類規定*，借款方須於財務狀況表內將包含授予貸款方有權無條件隨時要求償還貸款的條款（「**按 要 求 償 還 條 款**」）之貸款總體分類為即期。

於二零二二年十二月三十一日，根據有關貸款協議，包含按 要 求 償 還 條 款 的 本集團計息銀行借款為4,972,000港元。就上述分析而言，該等貸款計入即期有抵押銀行借款，並分析為須按 要 求 償 還 的銀行借款。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS (Continued)

Notes: (Continued)

(b) Loan from shareholders

The Group entered into two loan agreements with two shareholders respectively ("Loan agreement A & B") as follow:

29. 借款(續)

附註：(續)

(b) 股東貸款

本集團分別與兩名股東訂立以下兩份貸款協議(「貸款協議A及B」)：

		Loan agreement A 貸款協議A (Note (a)) (附註(a))	Loan agreement B 貸款協議B (Note (b)) (附註(b))
Agreement date	協議日期	13 May 2022 二零二二年五月十三日	17 November 2022 二零二二年十一月十七日
Facilities — Maximum amount	融資 — 最高金額	HK\$12,000,000 12,000,000港元	HK\$8,000,000 (Note (b)) 8,000,000港元(附註(b))
Terms	期限	1 year 1年	1 year 1年
Interest rate	利率	Interest-free (Note (a)) 免息(附註(a))	10%
Amount of drawdown	提款金額		
— 13 May 2022	— 二零二二年五月十三日	HK\$12,000,000 12,000,000港元	—
— 17 November 2022	— 二零二二年十一月十七日	—	HK\$1,000,000 1,000,000港元
— 28 November 2022	— 二零二二年十一月二十八日	—	HK\$1,000,000 1,000,000港元
— 20 December 2022	— 二零二二年十二月二十日	—	HK\$1,500,000 1,500,000港元
— 5 February 2023	— 二零二三年二月五日	—	HK\$500,000 500,000港元
— 29 May 2023	— 二零二三年五月二十九日	—	HK\$500,000 500,000港元
— 7 October 2023	— 二零二三年十月七日	—	HK\$100,000 100,000港元
— 27 November 2023	— 二零二三年十一月二十七日	—	HK\$200,000 200,000港元
— 22 December 2023	— 二零二三年十二月二十二日	—	HK\$100,000 100,000港元
— 27 December 2023	— 二零二三年十二月二十七日	—	HK\$380,000 380,000港元
Amount of repayment	償還金額		
— 31 December 2023	— 二零二三年十二月三十一日	(12,000,000)	—
Outstanding balance as at 31 December 2023	於二零二三年十二月三十一日未償還的餘額	HK\$Nil 零港元	HK\$5,280,000 5,280,000港元
Maximum outstanding balance during the year	年內未償還的最高餘額	HK\$12,000,000 12,000,000港元	HK\$5,280,000 5,280,000港元

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS (Continued)

Notes: (Continued)

- (b) Loan from shareholders (Continued)
- (a) On 12 May 2023, the Group enter into a supplementary agreement with the shareholder to extend the Loan agreement A to 1 August 2023 with interest free and repayable on demand. On 1 August 2023, the Group enter into the second supplementary agreement with the shareholder to extend the Loan agreement A to 31 December 2023 with an extension fee of HK\$500,000 and interest of 25% per annum. The Group fully settled the principle amount of the loan of HK\$12,000,000 together with the extension fee and interest of HK\$1,750,000 on 31 December 2023.
- (b) On 17 February 2023, the Group entered into a supplementary agreement with the shareholder to increase the loan facilities amount for Loan agreement B from HK\$8,000,000 to HK\$15,000,000.
- On 17 November 2023, the Group entered into the second agreement with the shareholder to extend the Loan agreement B to 15 November 2024 with interest of 10% per annum.
- All borrowings from shareholders are unsecured and denominated in HK\$.
- (c) Loan from a related company
- The Group entered into a loan agreement with a related company ("Loan agreement C") as follow:

Loan agreement C 貸款協議C		
Agreement date	協議日期	31 May 2023 二零二三年五月三十一日
Facilities — Maximum amount	融資 — 最高金額	HK\$6,000,000 6,000,000港元
Terms	期限	1 year 1年
Interest rate	利率	Interest-free 免息
Amount of drawdown — 31 May 2023	提款金額 — 二零二三年五月三十一日	HK\$5,779,000 5,779,000港元
Amount of repayment — 13 June 2023	還款金額 — 二零二三年六月十三日	(HK\$30,000) (30,000港元)
— 23 June 2023	— 二零二三年六月二十三日	(HK\$200,000) (200,000港元)
— 16 September 2023	— 二零二三年九月十六日	(HK\$60,000) (60,000港元)
— 21 December 2023	— 二零二三年十二月二十一日	(HK\$389,000) (389,000港元)
— 31 December 2023	— 二零二三年十二月三十一日	(HK\$54,000) (54,000港元)
Outstanding balance as at 31 December 2023	於二零二三年十二月三十一日未償還的餘額	HK\$5,046,000 5,046,000港元
Maximum outstanding balance during the year	年內未償還的最高餘額	HK\$5,779,000 5,779,000港元

Loan from a related company is unsecured and denominated in HK\$.

29. 借款(續)

附註：(續)

- (b) 股東貸款(續)
- (a) 於二零二三年五月十二日，本集團與股東訂立補充協議，將貸款A延長至二零二三年八月一日，免息及須按要求償還。於二零二三年八月一日，本集團與股東訂立第二份補充協議，將貸款協議A延長至二零二三年十二月三十一日，延期費用為500,000港元並按年利率25%計息。本集團於二零二三年十二月三十一日悉數結清貸款本金額12,000,000港元連同延期費及利息1,750,000港元。
- (b) 於二零二三年二月十七日，本集團與股東訂立補充協議，將貸款協議B的貸款融資金額由8,000,000港元增加至15,000,000港元。
- 於二零二三年十一月十七日，本集團與股東訂立第二份協議，將貸款協議B延長至二零二四年十一月十五日，按年利率10%計息。
- 所有股東借貸均為無抵押及以港元計值。
- (c) 來自一間關連公司的貸款
- 本集團與一間關連公司訂立以下貸款協議(「貸款協議C」)：

來自一間關連公司的貸款為無抵押及以港元計值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS (Continued)

Notes: (Continued)

(d) Other borrowings

The Group entered into three loan agreements with independent third parties ("Loan agreement D, E & F") as follows:

		Loan agreement D 貸款協議D	Loan agreement E 貸款協議E	Loan agreement F 貸款協議F
Agreement date	協議日期	30 June 2022 二零二二年六月三十日	13 September 2022 二零二二年九月十三日	27 December 2023 二零二三年十二月二十七日
Facilities — Maximum amount	融資 — 最高金額	HK\$15,000,000 15,000,000港元	HK\$3,292,000 3,292,000港元	HK\$14,500,000 14,500,000港元
Terms	期限	1 year 1年	1 year 1年	1 year 1年
Interest rate	利率	24%	10%	12%
Amount of drawdown	提款金額			
— 30 June 2022	— 二零二二年六月三十日	HK\$15,000,000 15,000,000港元	—	—
— 13 September 2022	— 二零二二年九月十三日	—	HK\$3,292,000 3,292,000港元	—
— 27 December 2023	— 二零二三年十二月二十七日	—	—	HK\$12,000,000 12,000,000港元
Amount of repayment	還款金額			
— 23 June 2023	— 二零二三年六月二十三日	—	(HK\$1,646,000) (1,646,000港元)	—
— 29 June 2023	— 二零二三年六月二十九日	(HK\$7,500,000) (7,500,000港元)	—	—
Outstanding balance as at 31 December 2023	於二零二三年十二月三十一日 未償還的餘額	HK\$7,500,000 7,500,000港元	HK\$1,646,000 1,646,000港元	HK\$12,000,000 12,000,000港元
Maximum outstanding balance during the year	年內未償還的最高餘額	HK\$15,000,000 15,000,000港元	HK\$3,292,000 3,292,000港元	HK\$12,000,000 12,000,000港元

The Loan agreement D was matured on 29 June 2023, the Company repaid approximately HK\$7,500,000 to the lender and the Company entered into a supplementary agreement with the lender on 29 June 2023 to extend the outstanding borrowings of approximately HK\$7,500,000 to 29 June 2024. The loan is secured by all bloodstocks and with interest of 24% per annum.

The Loan agreement E was matured on 12 September 2023, the Company repaid approximately HK\$1,646,000 to the lender and the Company entered into a supplementary agreement with the lender on 12 September 2023 to extend the outstanding borrowings of approximately HK\$1,646,000 to 12 September 2024. The loan is secured by a stallion and with interest of 10% per annum.

29. 借款(續)

附註：(續)

(d) 其他借款

本集團與獨立第三方訂立以下三份貸款協議(「貸款協議D、E及F」)：

貸款協議D已於二零二三年六月二十九日到期，本公司已於二零二四年六月二十九日向貸款人償還約7,500,000港元，而本公司已於二零二三年六月二十九日與貸款人訂立補充協議以延長未償還借款約7,500,000港元。該貸款以所有純種馬作抵押並按年利率24%計息。

貸款協議E已於二零二三年九月十二日到期，本公司已向貸款人償還約1,646,000港元，而本公司於二零二三年九月十二日與貸款人訂立補充協議以延長未償還借款約1,646,000港元至二零二四年九月十二日。該貸款以一匹種馬作擔保並按年利率10%計息。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. BORROWINGS (Continued)

Notes: (Continued)

(d) Other borrowings (Continued)

At 31 December 2023, the Loan agreement D are secured by all bloodstocks with carrying amount of approximately HK\$7,550,000 and Loan agreement E are secured by a stallion with carrying amount of approximately HK\$3,990,000.

At 31 December 2022, the Loan agreement D are secured by all bloodstocks with carrying amount of approximately HK\$40,616,000 and Loan agreement E are secured by a stallion with carrying amount of approximately HK\$3,992,000.

The Loan agreement F are secured by directors' personal guarantees.

All borrowings are denominated in HK\$.

(e) The management believe that the unutilised facilities from Loan agreement B, C & F amounted to approximately HK\$9,720,000 HK\$954,000 and HK\$2,500,000, respectively can be drawn at any time in according to the terms of the agreements for supporting the Group's operation.

29. 借款(續)

附註：(續)

(d) 其他借款(續)

於二零二三年十二月三十一日，貸款協議D以賬面值約7,550,000港元的所有純種馬作抵押，而貸款協議E以賬面值約3,990,000港元的一匹種馬作抵押。

於二零二二年十二月三十一日，貸款協議D以賬面值約40,616,000港元的所有純種馬作抵押，而貸款協議E以賬面值約3,992,000港元的一匹種馬作抵押。

貸款協議F以董事個人擔保作抵押。

所有借貸均以港元計值。

(e) 管理層認為，貸款協議B、C及F的未動用融資分別約9,720,000港元、954,000港元及2,500,000港元可根據協議條款隨時提取，以支持本集團的營運。

30. LEASE LIABILITIES

Lease liabilities payable:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within one year	一年內	1,046	1,197
Within a period of more than one year but not exceeding two years	多於一年但不多於兩年 期間內	896	—
As at 31 December	於十二月三十一日	1,942	1,197
Less: Amount due for settlement within 12 months shown under current liabilities	減：於12個月內到期結算 的款項，列為流動負債	(1,046)	(1,197)
Amount due for settlement after 12 months shown under non-current liabilities	於12個月後到期結算的 款項，列為非流動負債	896	—

30. 租賃負債

應付租賃負債：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

30. LEASE LIABILITIES (Continued)

Lease liabilities payable: (Continued)

The incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 ranged from 6.49% to 7.41% per annum (2022: 4.75% to 8.80% per annum).

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		HK\$'000 千港元
As at 31 December 2023	於二零二三年十二月三十一日	—
As at 31 December 2022	於二零二二年十二月三十一日	796

The Group as a lessor

The Group subleases certain building in the PRC and lease it investment property in Hong Kong under an operating lease arrangement, of which the remaining lease term is two years from 31 December 2023 (2022: two years). The terms of the lease generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK\$691,000 (2022: HK\$1,239,000), details of which are included in Note 7 to the consolidated financial statements.

At 31 December 2023, the undiscounted lease payments receivable by the Group in future periods under operating lease with its tenant are as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Within one year	一年內	279	950
Within a period of more than one year but not exceeding two years	多於一年但不多於兩年 期間內	84	216
		363	1,166

30. 租賃負債(續)

應付租賃負債：(續)

適用於根據香港財務報告準則第16號確認的租賃負債之增量借款利率介乎每年6.49%至7.41%(二零二二年：每年4.75%至8.80%)。

以相關集團實體之功能貨幣以外的貨幣計價的租賃義務如下：

本集團作為出租人

本集團根據經營租賃安排在中國分租若干樓宇及在香港租賃其投資物業，餘下租期為自二零二三年十二月三十一日起計兩年(二零二二年：兩年)。租賃條款一般要求租戶支付保證金及根據當時市況定期調整租金。本集團於年內確認之租金收入為691,000港元(二零二二年：1,239,000港元)，詳情載於綜合財務報表附註7。

於二零二三年十二月三十一日，本集團於未來期間根據經營租賃向其租戶應收的未貼現租賃款項如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

31. SHARE CAPITAL

31. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares 普通股			
Authorised: At 1 January 2022, 31 December 2022 and 31 December 2023 at HK0.05 each	法定： 於二零二二年一月一日、二零二二年十二月 三十一日及二零二三年十二月三十一日， 每股0.05港元	1,000,000,000	50,000
Issued and fully paid: At 1 January 2022, 31 December 2022 and 31 December 2023	已發行及繳足： 於二零二二年一月一日、二零二二年十二月 三十一日及二零二三年十二月三十一日	409,141,860	20,457

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION

32. 以權益結算的股份支付交易

The Company operates a share option scheme (the “**Old Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group and the Company’s shareholders in the Company’s subsidiaries. The Scheme became effective on 24 November 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

On 8 February 2023, the Company resolved to adopt the new share option scheme (“**New Share Option Scheme**”) and the termination of Old Share Option Scheme. The Directors considered that the adoption of the New Share Option Scheme, which will be valid for 10 years from the adoption date, will provide the Company more flexibility in long term planning of granting of the options to eligible participants and also provide appropriate incentives or rewards to suitable and eligible persons for their contributions or potential contributions to the Group. There was no any share options had been granted from the adoption date and up to the ended of the reporting date.

本公司設有購股權計劃(「**舊購股權計劃**」)，以向為本集團業務成就作出貢獻的合資格參與者提供激勵及獎賞。計劃之合資格參與者包括董事(包括獨立非執行董事)、本集團其他僱員、向本集團提供貨品或服務的供應商、本集團客戶及本公司於本公司附屬公司的股東。計劃於二零一七年十一月二十四日生效，除非另行註銷或修訂，否則計劃將自該日起計十年內始終有效。

於二零二三年二月八日，本公司決議採納新購股權計劃(「**新購股權計劃**」)並終止舊購股權計劃。董事認為，採納新購股權計劃(自採納日期起計10年內有效)將為本公司提供更大靈活性以長遠規劃向合資格參與者授出購股權，亦就合適及合資格人士對本集團作出的貢獻或潛在貢獻向彼等提供適當激勵或回報獎勵。自採納日期起至報告日止，概無授出任何購股權。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION (Continued)

The maximum number of unexercised share options currently permitted to be granted under the New Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time unless the Company obtains approval from its shareholders in general meeting and/or other requirements prescribed under the Listing Rules and must not exceed 30% of the total number of shares in issue from time to time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The period within which the shares must be taken up under an option shall be determined by the Board at its absolute discretion and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the New Share Option Scheme.

The subscription price shall be determined solely by the Directors, but may not be less than the highest of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of offer.

The Company, by resolution in a general meeting or the Directors may at any time terminate the operation of the New Share Option Scheme and in such event no further options of the Scheme will be offered but those options granted prior to such termination shall continue to be valid and exercisable in accordance with the previous provisions of the New Share Option Scheme.

32. 以權益結算的股份支付交易(續)

除非本公司於股東大會上獲得其股東批准及／或遵守按照上市規則訂明的其他要求，否則現時可根據新購股權計劃授出之最高尚未行使購股權數目相當於其獲行使時佔本公司任何時間已發行股份之10%，且不得超過不時已發行股份總數之30%。在任何十二個月期間內，根據向該計劃每位合資格參與者授出的購股權而可予發行的最高股份數目，均以本公司任何時間已發行股份之1%為限。倘再授出超逾上述限額的購股權，則必須取得股東於股東大會上批准。

提呈授出之購股權可於提呈日期起計七日內接納，而承授人須支付合共1港元之象徵式代價。根據購股權須接納股份之期間由董事會全權酌情決定，且於任何情況下，該期間不得超過根據新購股權計劃授出任何個別購股權日期起計十年。

認購價須由董事全權釐定，惟不得低於下列最高者：(i)本公司股份於授出購股權日期(須為營業日)在聯交所每日報價表所報之收市價；(ii)股份於緊接授出購股權日期前五個營業日在聯交所每日報價表所報之平均收市價；及(iii)股份於授出購股權日期之面值。

本公司在股東大會上通過決議案或董事可隨時終止新購股權計劃的運作，而在此情況下不得再授出計劃之任何購股權，惟該等於此終止前授出之購股權根據新購股權計劃之先前條文繼續有效及可行使。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION (Continued)

On 13 May 2021, the Company resolved to grant 3,500,000 share options (“**Share Option A**”) under the Old Share Option Scheme to Mr. Ma, an executive Director, to subscribe for up to 3,500,000 ordinary shares of HK\$0.05 each in the share capital of the Company, subject to acceptance of Mr. Ma.

As at 31 May 2021, the Company has 355,441,860 shares in issue. The total of 3,500,000 shares to be subscribed under the Share Options A granted represent approximately 0.98% of the issued share capital of the Company as at 13 May 2021 and approximately 0.98% of the enlarged issued share capital of the Company assuming full exercise of the Share Options A.

On 3 January 2022, the Company resolved to grant 4,091,418 share options (“**Share Option B**”) under the Old Share Option Scheme to Mr. McGrath, an executive Director, to subscribe for up to 4,091,418 ordinary shares of HK\$0.05 each in the share capital of the Company, subject to acceptance of Mr. McGrath.

As at 3 January 2022, the Company has 409,141,860 shares in issue. The total of 4,091,418 shares to be subscribed under the Share Options B granted represent approximately 1.00% of the issued share capital of the Company as at 3 January 2022 and approximately 0.99% of the enlarged issued share capital of the Company assuming full exercise of the Share Options B.

On 31 August 2022, the Company resolved to grant 4,000,000 share options and 4,000,000 share options (collectively “**Share Option C**”) under the Old Share Option Scheme to Mr. Leung and Mr. Ma, two executive directors respectively, to subscribe for up to 4,000,000 and 4,000,000 ordinary shares of HK\$0.05 each in the share capital of the Company respectively, subject to acceptance of Mr. Leung and Mr. Ma.

32. 以權益結算的股份支付交易(續)

於二零二一年五月十三日，本公司議決根據舊購股權計劃向執行董事馬先生授出3,500,000份購股權(「購股權A」)，以認購本公司股本中最多3,500,000股每股面值0.05港元的普通股，惟須待馬先生接納後方可作實。

於二零二一年五月三十一日，本公司已發行355,441,860股股份。已授出購股權A項下將予認購的合共3,500,000股股份相當於本公司於二零二一年五月十三日的已發行股本約0.98%及本公司的經擴大已發行股本約0.98%(假設購股權A獲悉數行使)。

於二零二二年一月三日，本公司議決根據舊購股權計劃向執行董事McGrath先生授出4,091,418份購股權(「購股權B」)，以認購本公司股本中最多4,091,418股每股面值0.05港元的普通股，惟須待McGrath先生接納後，方可作實。

於二零二二年一月三日，本公司已發行409,141,860股股份。已授出購股權B項下將予認購的合共4,091,418股股份相當於本公司於二零二二年一月三日的已發行股本約1.00%及本公司的經擴大已發行股本約0.99%(假設購股權B獲悉數行使)。

於二零二二年八月三十一日，本公司議決根據舊購股權計劃向兩名執行董事梁先生及馬先生分別授出4,000,000份購股權及4,000,000份購股權(「購股權C」)，以分別認購本公司股本中每股面值0.05港元的最多4,000,000股及4,000,000普通股，惟須待梁先生及馬先生接納後，方可作實。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION (Continued)

As at 31 August 2022, the Company has 409,141,860 shares in issue. The total of 8,000,000 shares to be subscribed under the Share Options C granted represent approximately 1.96% of the issued share capital of the Company as at 31 August 2022 and approximately 1.92% of the enlarged issued share capital of the Company assuming full exercise of the Share Options C.

Details of share options under the Old Share Option Scheme and New Share Option Scheme as at 1 January 2023 and 31 December 2023:

32. 以權益結算的股份支付交易(續)

於二零二二年八月三十一日，本公司已發行409,141,860股股份。已授出購股權C項下將予認購的合共8,000,000股股份相當於本公司於二零二二年八月三十一日的已發行股本約1.96%及本公司的經擴大已發行股本約1.92%（假設購股權C獲悉數行使）。

於二零二三年一月一日及二零二三年十二月三十一日，舊購股權計劃及新購股權計劃項下購股權的詳情如下：

		Old Share Option Scheme 舊購股權計劃	New Share Option Scheme 新購股權計劃
No. of option available for grant under the scheme	根據該計劃可供授出購股權數目	16,000,000	40,914,186
Number of option granted as at 31 December 2022	於二零二二年十二月三十一日已授出購股權數目	15,591,148	N/A 不適用
Number of option granted as at 31 December 2023	於二零二三年十二月三十一日已授出購股權數目	15,591,148	—
Percentage of share option granted divided by weighted average number of Shares issued as at 31 December 2023	於二零二三年十二月三十一日已授出購股權除以已發行股份加權平均數的百分比	3.8%	—
Number of share may be issued in respect of share option granted	就已授出購股權可予發行的股份數目	15,591,148	—

On 8 February 2023, the Company adopted New Share Option Scheme and the termination of Old Share Option Scheme.

於二零二三年二月八日，本公司採納新購股權計劃並終止舊購股權計劃。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION (Continued)

(b) Details of the share options outstanding during the years ended 31 December 2023 and 2022 were:

Option type	Date of grant	Exercise period	Outstanding as at 31 December 2023 於二零二三年十二月三十一日尚未行使	Outstanding as at 31 December 2022 於二零二二年十二月三十一日尚未行使	Exercise price (HK\$) 行使價(港元)
購股權類型	授出日期	行使期			
Share Option A 購股權 A	13 May 2021 二零二一年五月十三日	13 May 2021 - 12 May 2024 二零二一年五月十三日至二零二四年五月十二日	3,500,000	3,500,000	0.57
Share Option B 購股權 B	3 January 2022 二零二二年一月三日	3 January 2022 - 2 January 2025 二零二二年一月三日至二零二五年一月二日	4,091,418	4,091,418	0.492
Share Option C 購股權 C	31 August 2022 二零二二年八月三十一日	31 August 2022- 30 August 2025 二零二二年八月三十一日至二零二五年八月三十日	8,000,000	8,000,000	0.59
			15,591,418	15,591,418	

All of the share options vesting conditions are immediate from the date of grant. No share options are exercised for the years ended 31 December 2023 and 31 December 2022.

所有購股權歸屬條件自授予之日起立即生效。截至二零二三年十二月三十一日及二零二二年十二月三十一日止年度，概無行使購股權。

32. 以權益結算的股份支付交易(續)

(b) 截至二零二三年及二零二二年十二月三十一日止年度尚未行使的購股權詳情如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION (Continued) 32. 以權益結算的股份支付交易(續)

(c) The following table discloses movements of the Scheme during the year:

(c) 下表披露了該計劃在這一年的變動：

Date of grant	授出日期	Weighted average exercise price in HK\$ per share 加權平均行使價每股港元	Number of shares 股份數目
At 1 January 2022	於二零二二年一月一日	0.57	3,500,000
Granted during the year	年內獲授出		
— 3 January 2022	— 二零二二年一月三日	0.492	4,091,418
— 31 August 2022	— 二零二二年八月三十一日	0.59	8,000,000
At 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年十二月三十一日、二零二三年一月一日及二零二三年十二月三十一日	0.56	15,591,418

The estimated fair value of the share options granted on 3 January 2022 and 31 August 2022 were approximately HK\$1,126,000 and HK\$2,661,000 respectively.

於二零二二年一月三日及二零二二年八月三十一日授出的購股權的估計公允值分別約為1,126,000港元及2,661,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION (Continued)

(c) The following table discloses movements of the Scheme during the year: (Continued)

The fair value of the share options granted on those dates were determined by the Directors at the date of grants based on a binomial lattice model, evaluated by an independent professional valuer, with the following inputs:

		Share options granted on 31 August 2022 於二零二二年八月三十一日授出的購股權	Share options granted on 3 January 2022 於二零二二年一月三日授出的購股權	Share options granted on 13 May 2021 於二零二一年五月十三日授出的購股權
Exercise price	行使價	HK\$0.59 0.59港元	HK\$0.492 0.492港元	HK\$0.57 0.57港元
Grant date share price	授出日期股價	HK\$0.59 0.59港元	HK\$0.49 0.49港元	HK\$0.57 0.57港元
Closing share price of the listed securities immediately before the date on which the option was granted	緊接購股權授出日期前之上市證券收盤價	HK\$0.59 0.59港元	HK\$0.49 0.49港元	HK\$0.56 0.56港元
Annual risk free interest rate	年度無風險利率	3.07%	0.88%	0.29%
Expected volatility	預期波動率	137%	135%	139%
Expected option life	預期期權壽命	3 years 3年	3 years 3年	3 years 3年
Expected dividend yield	預期股息收益率	0%	0%	0%

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised the total expense of HK\$3,787,000 in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 in relation to share option granted by the Company.

Share options were granted on the grantee's acceptance.

32. 以權益結算的股份支付交易(續)

(c) 下表披露了該計劃在這一年中的變動：(續)

於該等日期授出的購股權的公允價值由董事於授出日期根據二項式點陣模式釐定，並由獨立專業估值師評估，輸入數據如下：

預期波動率基於歷史波動率(根據股票期權的加權平均剩餘壽命計算)，並根據公開信息對未來波動率的任何預期變化進行調整。預期股息基於歷史股息。主觀輸入假設的變化可能會對公允價值估計產生重大影響。

本集團確認截至二零二二年十二月三十一日止年度與本公司授予的購股權有關的總費用為3,787,000港元。

購股權是在承授人接受後授予的。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

33. ACQUISITION OF SUBSIDIARY

For the year ended 31 December 2022

During the year ended 31 December 2022, the Group entered into a sale and purchase agreement with independent third parties pursuant to which the Group has acquired the entire issued share capital of Hua Yu, a company incorporated in Hong Kong, at a consideration of HK\$3,500,000. The acquisition was completed on 14 October 2022.

Hua Yu is a licensed corporation under the Hong Kong Securities and Futures Ordinance (“SFO”) holding the licenses for advising on securities (Type 4 regulated activity), advising on corporate finance (Type 6 regulated activity) and assets management (Type 9 regulated activity) and is licensed to carry out related regulated activities.

33. 收購附屬公司

截至二零二二年十二月三十一日止年度

於截至二零二二年十二月三十一日止年度，本集團與獨立第三方訂立買賣協議，據此，本集團已收購華禹（一間於香港註冊成立的公司）的全部已發行股本，代價為3,500,000港元。收購事項已於二零二二年十月十四日完成。

華宇為香港證券及期貨條例（「證券及期貨條例」）項下持牌法團，持有就證券提供意見（第4類受規管活動）、就企業融資提供意見（第6類受規管活動）及資產管理（第9類受規管活動）牌照，獲准從事相關受規管活動。

		HK\$'000 千港元
Consideration transferred:	所轉讓代價：	
Cash	現金	3,500

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

33. ACQUISITION OF SUBSIDIARY (Continued) 33. 收購附屬公司(續)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

在收購日收購的資產和確認的負債如下：

		14 October 2022 二零二二年 十月十四日 HK\$'000 千港元
Deposit and other receivables	存款及其他應收款項	165
Bank balances	銀行結餘	176
Trade and other payables	應付交易款項及其他應付款項	(10)
Intangible assets	無形資產	3,788
Deferred tax liabilities	遞延稅項負債	(619)
Total identifiable net assets at fair value	按公允值計算的可辨認淨資產總額	3,500

Analysis of net cash inflow on acquisition of Hua Yu:

收購華禹的淨現金流入分析：

		HK\$'000 千港元
Purchase consideration settled in cash	以現金結算的購買對價	(3,500)
Cash and bank balances in a subsidiary acquired	所收購附屬公司之現金及銀行結餘	176
Cash outflow on acquisition of a subsidiary	收購一間附屬公司之現金流出	(3,324)

For the period from 14 October 2022 to 31 December 2022, Hua Yu generated HK\$40,000 revenue from providing consultant service to the Company and did not contribute revenue and contributed net loss of approximately HK\$15,000 to the Group. Had the acquisition of Hua Yu been completed on 1 January 2022, the Group's consolidated revenue and consolidated loss for the year would have been approximately HK\$76,298,000 and approximately HK\$22,994,000 respectively.

於二零二二年十月十四日至二零二二年十二月三十一日期間，華禹從向本公司提供諮詢服務產生收益40,000港元，且並未貢獻收入，但本集團就華禹錄得虧損淨額約15,000港元。倘收購華宇已於二零二二年一月一日完成，本集團於年內之綜合收入及綜合虧損將分別約為76,298,000港元及約22,994,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

34. DEFERRED TAX LIABILITIES

The component of the deferred tax liabilities recognised and the movements thereon during the year is as follows:

		Accelerated tax depreciation 加速稅項折舊	Intangible assets 無形資產	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	—	—	—
Arise from acquisition of a subsidiary	來自收購一間附屬公司	—	619	619
At 31 December 2022 and 1 January 2023	於二零二二年 十二月三十一日及 二零二三年一月一日	—	619	619
Charge to profit or loss	於損益中扣除	58	—	58
At 31 December 2023	於二零二三年 十二月三十一日	58	619	677

34. 遞延稅項負債

下表載列於年內確認之遞延稅項負債組成部分及變動：

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group also monitors the current and expected liquidity requirements regularly to ensure that sufficient working capital and adequate committed lines of funding are maintained to meet its liquidity requirements. Upon the discovery of any default, the Group would negotiate immediately with the relevant lenders for proper arrangement in order to maintain sufficient working capital. Upon the expectation of any cash insufficiency, the Company would seek new source of funding so as to maintain sufficient working capital. The capital structure of the Group consists of net debts (which include lease liabilities and borrowings), net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves. Details of which are disclosed in respective notes.

35. 資本風險管理

本集團管理旗下資本以確保本集團之實體能夠持續經營，並透過優化債務及權益結餘為股東帶來最大回報。

本集團亦監察目前及預期流動資金需要，以確保維持充裕的營運資金及足夠的承諾信貸融資，以應付其流動資金所需。於發現任何違約時，本集團立即與相關貸款人磋商進行適當安排，旨在維持足夠之營運資金。於預期任何現金不足時，本公司將尋求新融資來源，以維持足夠之營運資金。本集團的資本架構包括債務淨額(包括租賃負債及借款)，已扣除銀行結餘及現金，以及本公司擁有人應佔權益(包括已發行股本及儲備)。有關詳情披露於對應附註。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

35. CAPITAL RISK MANAGEMENT (Continued)

The Group is not subject to any externally imposed capital requirements, except for a wholly-owned subsidiary, Hua Yu, which is a licensed corporation registered under the SFO. Hua Yu met its relevant paid up share capital and liquid capital requirements of the Securities and Futures (Financial Resources) Rules issued by the SFC throughout the financial reporting period.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as issue of new debt or redemption of the existing debts. The Group's overall strategy remaining unchanged from prior year.

36. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial assets at FVTPL	以公允值計入損益的 金融資產		
Unlisted equity investment	未上市股本投資	—	60
Life insurance	壽險	5,226	5,119
		5,226	5,179
Financial assets at amortised cost:	按攤銷成本計量的 金融資產：		
Trade receivables	應收交易款項	7,595	16,002
Contract assets	合約資產	7,755	2,559
Deposit and other receivables	存款及其他應收款項	10,497	18,337
Cash and cash equivalents	現金及現金等價物	4,123	2,166
		29,970	39,064
Financial liabilities at amortised cost:	按攤銷成本計量的 金融負債：		
Trade payables	應付交易款項	12,857	23,354
Other payables and accruals	其他應付款項及應計費用	5,228	10,047
Borrowings	借款	33,445	32,071
Lease liabilities	租賃負債	1,942	1,197
		53,472	66,669

35. 資本風險管理(續)

本集團毋須遵守任何外界施加的資本規定，惟全資附屬公司華禹(根據證券及期貨條例註冊的持牌法團)除外。於整個財務報告期間，華禹符合證監會頒佈的證券及期貨(財政資源)規則的有關繳足股本及速動資本規定。

董事定期檢討資本架構。作為審視一部份，董事將考慮資本成本及各類別資本相關的風險。根據董事之建議，本集團將通過發行新股份、以至發行新債務或贖回現有債務等方式，平衡整體資本結構。本集團的整體策略與上年度保持不變。

36. 金融工具

(a) 金融工具類別

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, contract assets, cash and cash equivalents, trade and other payables, lease liabilities and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases and bank balances which expose the Group to foreign currency risk. Approximately 16% (2022: 29%) of the Group's sales is denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 15% (2022: 37%) of the costs is denominated in the group entity's respective functional currency. Since the Hong Kong dollar pegged with United States dollar, no significant currency risk would be expected by the Group. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

36. 金融工具(續)

(b) 財務風險管理目標及政策

本集團的主要金融工具包括按公允值計入損益之金融資產、貿易及其他應收款項、合約資產、現金及現金等價物、貿易及其他應付款項、租賃負債及借款。該等金融工具詳情於相關的附註披露。與該等金融工具有關的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列如何降低該等風險的政策。管理層將管理並監控有關風險，以確保及時有效實行適當措施。

(i) 貨幣風險

本公司若干附屬公司的外幣買賣及銀行結餘使本集團面臨外幣風險。本集團約16%(二零二二年:29%)的銷售額以集團實體進行銷售的功能貨幣以外的貨幣計值，而近15%(二零二二年:37%)的成本則以集團實體各自的功能貨幣計值。由於港元與美元掛鈎，本集團預期將不會有重大貨幣風險。此外，本公司與若干附屬公司的集團內結餘以外幣計值，亦使本集團面臨外幣風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(i) 貨幣風險(續)

於報告期末，本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

		Liabilities 負債		Assets 資產	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
RMB	人民幣	—	—	214	457
AUD	澳元	—	—	58	940
USD	美元	—	—	1,776	3,854
Intra-group balances	集團內結餘				
RMB	人民幣	11,289	23,418	—	—
AUD	澳元	43,294	51,283	—	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(i) Currency risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change by 5% in the HK\$ exchange rate against RMB and AUD, with all other variables held constant, of the Group's loss before tax increase (decrease) due to changes in the translated values of monetary assets and liabilities.

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
If HK\$ strengthens against AUD 倘港元兌澳元升值	(2,162)	(2,517)
If HK\$ weakens against AUD 倘港元兌澳元貶值	2,162	2,517
If HK\$ strengthens against RMB 倘港元兌人民幣升值	(554)	(1,148)
If HK\$ weakens against RMB 倘港元兌人民幣貶值	554	1,148

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan to a vendor, fixed-rate over-due payable, fixed-rate loans from shareholders and other borrowings and lease liabilities as set out in Notes 25, 28, 29 and 30 respectively. The Group is also exposed to cash flow interest rate risk in relation to its variable-rate bank balances and bank borrowings as detailed in Notes 27 and 29.

The Group currently does not have an interest rate hedging policy. However, the Directors monitor interest rate exposure and will consider hedging significant interest rate risk should the need arise.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(i) 貨幣風險(續)

下表顯示在所有其他變數均保持不變之情況下，港元兌人民幣之匯率合理可能變動5%對本集團除稅前虧損增加(減少)(由於貨幣資產及負債換算價值之變動所致)之敏感分析。

(ii) 利率風險

本集團面臨分別載於附註25、28、29及30的與給予一家供應商的固定利率貸款、固定利率逾期應付款項、來自股東的固定利率貸款以及其他借款及租賃負債有關的公允值利率風險。本集團亦面臨有關其浮息銀行結餘以及銀行借款之現金流量利率風險，詳情載於附註27及29。

本集團目前並無利率對沖政策。然而，董事將監察利率風險，並將於有需要時考慮對沖重大利率風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk (Continued)

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rate. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

Total interest income from financial assets that is measured at amortised cost is as follow:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interest income Financial assets at amortised cost	利息收入 金融資產攤銷成本	152	549
Interest income under effective interest method	實際利率法下的利息 收益	152	549

Interest expense on financial liabilities not measured at FVTPL:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Financial liabilities at amortised cost	按攤銷成本計量的金 融負債	4,982	2,637

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(ii) 利率風險(續)

本集團面臨的市場利率變動風險主要與本集團以浮動利率計息的銀行借款有關。並無對銀行結餘進行敏感度分析，因為管理層認為浮息銀行結餘產生之現金流量利率風險並不重大。

按攤銷成本計量的金融資產利息收入總額如下：

並非以公允價值計入損益的金融負債的利息開支：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(ii) Interest rate risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rate of 100 basis points, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
If interest rates decrease by 100 basis points	倘利率下降100個 基點	20	58
If interest rates increase by 100 basis points	倘利率上升100個 基點	(20)	(58)

(iii) Other price risk

The Group is exposed to equity price risk through its investments in unquoted equity securities measured at FVTPL. Price risk was monitored by the management of the Group who will consider hedging the risk exposure should the need arise. In the opinion of the Directors, as the price risk is minimal, no sensitivity analysis is presented.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(ii) 利率風險(續)

下表顯示在所有其他變數均保持不變之情況下，利率合理可能變動100個基點對本集團除稅前虧損(透過對浮息借款的影響)之敏感分析。

(iii) 其他價格風險

本集團因投資至按公允值計入損益計量之無報價股本證券而承受股本價格風險。價格風險由本集團管理層監察，並將於有需要時考慮對沖有關風險。董事認為，由於價格風險極低，並無呈報敏感度分析。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, contract assets and other receivables and cash and cash equivalents.

The carrying amounts of financial assets at amortised cost stated in this note represented the Group's maximum exposure to credit risk in relation to financial assets which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Trade receivables and contract assets

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估

信貸風險指本集團的交易對手違約而導致本集團蒙受財務損失的風險。本集團之信貸風險主要與應收交易款項、合約資產、其他應收款項以及現金及現金等價物有關。

於本附註所載之按攤銷成本計量之金融資產之賬面值，代表本集團與因交易對手未能履行義務而將令本集團蒙受財務損失之金融資產相關之最大信貸風險。

本集團並無持有任何抵押品或其他信用提升措施，以涵蓋與其金融資產相關的信貸風險。

應收交易款項及合約資產

本集團僅與受認可及信譽高的第三方進行交易。本集團政策規定，所有欲按信貸條款交易的客戶均須通過信用審核程序。此外，本集團持續監控應收款項結餘，所面臨之壞賬風險並不重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Trade receivables and contract assets (Continued)

The Group's concentration of credit risk by geographical locations is mainly in HK, which accounted for 98% (2022: HK and the PRC 71% and 26%) of the total trade receivables as at 31 December 2023. The Group has concentration of credit risk as 22% (2022: 20%) of the total trade receivables was due from the Group's largest customer. In order to minimise the credit risk, the financial department has been delegated by the management of the Group to be responsible for the determination of credit limits, credit approvals and other monitoring procedures and the review of the recoverable amount of each material individual debt at the end of each reporting period to ensure that adequate provision for impairment losses is made for irrecoverable amounts. In addition, the Group continuously monitors its trade receivable balances so as to ensure that the Group will not be subject to material bad debt risk. Since the Group only trades with third parties recognised to be creditworthy, management considers that the credit risk in respect of the Group's customers is limited. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 25 to the consolidated financial statements.

In addition, the Group applies the simplified approach for impairment for trade receivables and contract assets under ECL model. Reversal of impairment, net of impairment loss of HK\$334,000 (2022: reversal of impairment, net of impairment loss of HK\$617,000) on trade receivables and impairment loss, net of reversal of HK\$77,000 (2022: Nil) for contract assets are recognised during the year. Details of the quantitative disclosures are set out below in this note.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

應收交易款項及合約資產(續)

本集團之信貸風險按地區位置主要集中於香港及中國，於二零二三年十二月三十一日應收交易款項總額之98% (二零二二年：香港及中國分別為71%及26%)。本集團的信貸風險集中於本集團的應收交易款項總額中約22% (二零二二年：20%) 乃應收本集團最大客戶的款項。為盡量減輕信貸風險，本集團管理層授權財務部負責釐定信貸限額、信貸審批及其他監控規程，並負責於各報告期末審閱各重大個別債務的可收回金額，確保為不可回收金額計提充足減值虧損撥備。此外，本集團持續監控應收交易款項結餘，確保本集團不會面臨重大壞賬風險。由於本集團僅與認為信譽高的第三方進行交易，管理層認為與本集團客戶有關的信貸風險有限。有關本集團因應收交易款項引致之信貸風險詳細量化數據於綜合財務報表附註25披露。

此外，本集團根據預期信貸虧損模型使用簡化法對應收交易款項及合約資產進行減值。年內確認貿易應收款項的減值撥回，淨扣除減值虧損334,000港元 (二零二二年：減值撥回，經扣除減值虧損617,000港元) 以及合約資產減值虧損撥回，經扣除減值虧損77,000港元 (二零二二年：無)。有關定量披露之更多詳情載於下文附註。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Trade receivables and contract assets (Continued)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. The contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Since the contract assets are still in performing and the payment is not due. The expected loss rate of contract assets is assessed to be the same as that of trade receivables neither past due nor impaired and the impact to be insignificant to the consolidated financial statement of the Group.

Cash and cash equivalents

Credit risk on cash and cash equivalents is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

應收交易款項及合約資產(續)

合約資產主要與本集團於報告日期就已完成但未開具賬單的工程收取代價的權利有關。於權利成為無條件時，合約資產轉撥至應收款項。合約資產與同類合約的應收交易款項具有大致相同的風險特徵。因此，本集團認為應收交易款項的預期信貸虧損率與合約資產的虧損率合理相若。由於合約資產仍在履行中且付款尚未到期。合約資產的預期損失率被評估為與既無逾期亦無減值的應收交易款項的預期損失率相同，且對本集團綜合財務報表的影響並不重大。

現金及現金等價物

現金及現金等價物的信貸風險有限，原因乃交易對手為獲國際信貸機構授予高信貸評級的知名銀行。本集團參考外部信貸評級機構所發佈有關信貸評級等級的違約概率及虧損之資料評估現金及現金等價物結餘的12個月預期信貸虧損。基於平均虧損率，銀行結餘的12個月預期信貸虧損被視為不重大。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Deposit and other receivables

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For those deposits and other receivables that the Directors believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For those deposits and other receivables that are past due or there is significant increase in credit risk since initial recognition, the Directors provide impairment based on lifetime ECL. During the year ended 31 December 2023, the Group recognised the impairment loss, net of reversal on deposits and other receivables approximately HK\$3,919,000 (2022: HK\$1,668,000), the Group assessed the ECL for other receivables and deposits to specify.

Financial guarantee contracts

The fair value of these financial guarantee, as at dates of initial recognition, were considered insignificant. At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. No loss allowance was recognised in the profit or loss.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

存款及其他應收款項

就其他應收款項及按金而言，管理層根據過往結算記錄、過往經驗，以及合理支持性前瞻性資料的定量及定性資料，定期對其他應收款項及按金的可收回性作出個別評估。就該等按金及其他應收款項而言，董事認為，自初步確認以來該等金額的信貸風險並無顯著增加，及本集團根據12個月預期信貸虧損作出減值撥備。對於已逾期或自首次確認以來信貸風險顯著上升的該等按金及其他應收款，董事根據全期預期信貸虧損作出減值撥備。截至二零二三年十二月三十一日止年度，本集團就扣除按金及其他應收款項撥回確認減值虧損約3,919,000港元(二零二二年：1,668,000港元)。

財務擔保合約

於初步確認日期，該等財務擔保之公允值被視為並不重大。於報告期末，管理層已進行減值評估，並得出結論，自初步確認財務擔保合約以來，信貸風險並無顯著增加。因此，本集團已發行財務擔保合約的虧損撥備按相當於12個月預期信用虧損的金額計量，並無於損益中確認虧損撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 概況	Trade receivables/ contract assets 應收交易款項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手違約風險低，並無任何逾期金額	Lifetime ECL - not credit-impaired 全期預期信貸虧損—無信貸減值	12m ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle in full 債務人經常於到期日之後悉數還款	Lifetime ECL - not credit-impaired 全期預期信貸虧損—無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 可疑類	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部所得資訊或外部資源，信貸風險自初始確認以來顯著增加	Lifetime ECL - not credit-impaired 全期預期信貸虧損—無信貸減值	Lifetime ECL - not credit-impaired 全期預期信貸虧損—無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL - credit-impaired 全期預期信貸虧損—信貸減值	Lifetime ECL - credit-impaired 全期預期信貸虧損—信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難，且本集團並無收回款項的實際可能	Amount is written-off 撇銷金額	Amount is written-off 撇銷金額

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

本集團的內部信貸風險評級評估包括以下類別：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts which are subject to ECL assessment:

	Note 附註	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12m or lifetime ECL 12個月或全期預期信貸虧損	2023		2022	
					Gross carrying amount 二零二三年 賬面總額		Gross carrying amount 二零二二年 賬面總額	
					HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets at amortised costs 按攤銷成本計量的金融資產								
Bank balances 銀行結餘	27	BB+ to AA- BB+至AA-	N/A 不適用	12m ECL 12個月預期信貸虧損	4,115		2,157	
Deposits and other receivables 按金及其他應收款項	25	N/A 不適用	(Note 1) (附註1)	12m ECL 12個月預期信貸虧損 Lifetime ECL 全期預期信貸虧損	2,373		3,464	
					18,318	20,691	21,148	24,612
Trade receivables 應收交易款項	25	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (Provision matrix) 全期預期信貸虧損(撥備矩陣)	8,019		16,760	
Contract assets 合約資產	26	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 全期預期信貸虧損	7,832		2,559	
Financial guarantee contracts (Note 3) 財務擔保合約(附註3)	39	N/A 不適用	Low risk 低風險	12m ECL 12個月預期信貸虧損	3,600		—	

Notes:

- The credit quality of the financial assets is considered to be low risk when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be doubtful.
- For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.
- For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

下表詳述本集團須進行預期信貸虧損評估的金融資產及財務擔保合約信貸風險：

附註：

- 金融資產並未逾期且並無資料表明金融資產自初始確認以來出現信貸風險大幅度增加的情況下，其信貸質素被視為低風險。否則，金融資產的信貸質素被視為可疑。
- 就應收交易款項及合約資產而言，本集團已應用香港財務報告準則第9號的簡化方法按全期預期信貸虧損計量虧損撥備。
- 就財務擔保合約而言，賬面總值指本集團根據有關合約擔保的最高金額。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

		2023 二零二三年			2022 二零二二年		
		Average loss rate 平均虧損率	Trade receivables 應收 交易款項 HK\$'000 千港元	ECL 預期 信貸虧損 HK\$'000 千港元	Average loss rate 平均 虧損率	Trade receivables 應收 交易款項 HK\$'000 千港元	ECL 預期 信貸虧損 HK\$'000 千港元
Current	即期	0.73%	1,644	12	1.35%	7,939	107
Past due	逾期						
— 1 to 3 months	— 一至三個月	1.24%	2,859	36	3.41%	3,516	120
— 3 to 6 months	— 三至六個月	—	—	—	4.07%	129	5
— Over 6 months	— 超過三個月	10.71%	3,516	376	10.16%	5,176	526
Subtotal	小計		8,019	424		16,760	758

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

作為本集團信貸風險管理的一環，本集團利用應收賬款之賬齡為與其業務有關之客戶進行減值評估，原因為該等客戶乃由數量眾多的小型客戶所組成，而彼等擁有可反映彼等根據合約條款償還所有到期應付金額能力的共同風險特性。下表提供有關應收交易款項信貸風險的資料，該等資料乃使用全期預期信貸虧損(並無信貸減值)的撥備矩陣進行的集體評估。

下表載列本集團使用撥備矩陣計算的應收交易款項的信貸風險資料：

估計虧損率基於債務人預期年期內過往觀察所得違約率估計，並就毋須付出不必要成本或努力即可取得之前瞻性資料進行調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

The following tables shows the movement in lifetime ECL that has been recognised for trade receivables under simplified approach:

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

下表顯示已根據簡化方法就應收交易款項確認的全期預期信貸虧損的變動：

		Lifetime ECL not credit- impaired 全期預期 信貸虧損 (無信貸減值) HK\$'000 千港元	Life time ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2022	於二零二二年一月一日	1,375	—	1,375
Changes due to financial instruments recognised as at 1 January 2022:	因於二零二二年一月一日 確認金融工具而出現的 變動：			
— Impairment recognised	— 已確認減值	57	—	57
— Impairment losses reversed	— 減值虧損撥備	(906)	—	(906)
New financial assets originated or purchased	源生或購入的新金融資產	232	—	232
As at 31 December 2022	於二零二二年十二月三十一日	758	—	758
Changes due to financial instruments recognised as at 1 January 2023:	因於二零二三年一月一日確認 金融工具而出現的變動：			
— Transfer to credit-impaired	— 轉撥至信貸減值	(14)	14	—
— Impairment recognised	— 已確認減值	2	138	140
— Impairment losses reversed	— 減值虧損撥備	(543)	—	(543)
New financial assets originated or purchased	源生或購入的新金融資產	69	—	69
As at 31 December 2023	於二零二三年十二月三十一日	272	152	424

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Changes in the loss allowance for trade receivables are mainly due to:

		2023 二零二三年	
		(Decrease) increase in 12M ECL 12個月預期 信貸虧損 (無信貸減值) HK\$'000 千港元	(Decrease) increase in Lifetime ECL 全期預期 信貸虧損 (減少)增加 HK\$'000 千港元
Further impairment on trade receivables	應收交易款項的進一步減值	2	138
Settlement in full of trade receivables	全數支付應收交易款項	(543)	—
New financial assets originated or purchased	源生或購入的新金融資產	69	—
		2022 二零二二年	
		(Decrease) increase in 12M ECL 12個月預期 信貸虧損 (減少)增加 HK\$'000 千港元	(Decrease) increase in Lifetime ECL 全期預期 信貸虧損 (減少)增加 HK\$'000 千港元
Settlement in full of deposit and other receivables	全數支付按金及其他應收款項	(906)	—
New financial assets originated or purchased	源生或購入的新金融資產	232	—

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

應收交易款項虧損撥備變動主要由於：

		2023 二零二三年	
		(Decrease) increase in 12M ECL 12個月預期 信貸虧損 (無信貸減值) HK\$'000 千港元	(Decrease) increase in Lifetime ECL 全期預期 信貸虧損 (減少)增加 HK\$'000 千港元
Further impairment on trade receivables	應收交易款項的進一步減值	2	138
Settlement in full of trade receivables	全數支付應收交易款項	(543)	—
New financial assets originated or purchased	源生或購入的新金融資產	69	—
		2022 二零二二年	
		(Decrease) increase in 12M ECL 12個月預期 信貸虧損 (減少)增加 HK\$'000 千港元	(Decrease) increase in Lifetime ECL 全期預期 信貸虧損 (減少)增加 HK\$'000 千港元
Settlement in full of deposit and other receivables	全數支付按金及其他應收款項	(906)	—
New financial assets originated or purchased	源生或購入的新金融資產	232	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

The following tables shows the movement in ECL that has been recognised for deposit and other receivables:

		12M ECL 12個月 預期信貸 虧損 HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2022	於二零二二年一月一日	2,548	2,059	4,607
Changes due to financial instruments recognised as at 1 January 2022:	因於二零二二年一月一日 確認金融工具而出現的 變動：			
— Impairment losses reversed	— 減值虧損撥備	(222)	(2,059)	(2,281)
— Transfer to credit-impaired	— 轉撥至信貸減值	(2,323)	2,323	—
New financial assets originated or purchased	源生或購入的新金融 資產	7	3,942	3,949
As at 31 December 2022	於二零二二年十二月 三十一日	10	6,265	6,275
Changes due to financial instruments recognised as at 1 January 2023:	因於二零二三年一月一日 確認金融工具而出現的 變動：			
— Impairment recognised	— 已確認減值	46	3,313	3,359
— Impairment losses reversed	— 已撥回減值虧損	(3)	(2,392)	(2,395)
New financial assets originated or purchased	源生或購入的新金融 資產	72	2,883	2,955
As at 31 December 2023	於二零二三年十二月 三十一日	125	10,069	10,194

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

下表顯示就按金及其他應收款項確認的預期信貸虧損的變動：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

Changes in the loss allowance for trade and receivables are mainly due to:

		2023 二零二三年	
		(Decrease) increase in 12M ECL 12個月預期 信貸虧損 (減少)增加 HK\$'000 千港元	(Decrease) increase in Lifetime ECL 全期預期 信貸虧損 (減少)增加 HK\$'000 千港元
Further impairment on other receivables	其他應收款項的進一步減值	46	3,313
Settlement in full of deposit and other receivables	全數支付按金及其他應收款項	(3)	(2,392)
Impairment for new deposit and other receivables	新按金及其他應收款項減值	72	2,883
		2022 二零二二年	
		(Decrease) increase in 12M ECL 12個月預期 信貸虧損 (減少)增加 HK\$'000 千港元	(Decrease) increase in Lifetime ECL 全期預期 信貸虧損 (減少)增加 HK\$'000 千港元
Settlement in full of deposit and other receivables	全數支付按金及其他應收款項	(222)	(2,059)
Impairment for new deposit and other receivables	新按金及其他應收款項減值	7	3,942

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

應收交易及款項虧損撥備變動主要由於：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(iv) Credit risk and impairment assessment (Continued)

The following tables shows the movement in ECL that has been recognised for contract assets:

		HK\$'000 千港元
New financial assets originated or purchased	源生或購入的新金融資產	77
As at 31 December 2023	於二零二三年十二月三十一日	77

Changes in the loss allowance for contract assets are mainly due to:

		2023 二零二三年 Increase (decrease) in lifetime ECL not credit- impaired 全期預期信貸 虧損增加(減少) 無信貸減值 HK\$'000 千港元	2022 二零二二年 Increase (decrease) in lifetime ECL not credit- impaired 全期預期信貸 虧損增加(減少) 無信貸減值 HK\$'000 千港元
New contract assets originated or purchased	源生或購入的新合約資產	77	—

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(iv) 信貸風險及減值評估(續)

下表顯示已確認合約資產的預期信貸虧損的變動情況：

合約資產的虧損撥備主要由於：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk

The Group's policies are to regularly monitor the current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash and available banking facilities to meet its liquidity requirements in the short and longer term.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(v) 流動資金風險

本集團政策為定期監控當前及預期流動資金需求，確保有足夠現金儲備及可動用銀行融資滿足短期及長期流動資金需求。

下表詳述本集團有關金融負債的剩餘合約年期。該表格依據按照本集團被要求還款的最早日期計算的金融負債未折現現金流量編製。尤其是，附帶按要求償還條款的銀行借款計入最早時間段內，而不論銀行選擇行使其權利的可能性多寡。其他非衍生金融負債之到期日基於協定之還款日期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

		Interest rate 利率	On demanded less than 1 year 按要求 少於1年 HK\$'000 千港元	Between 1 to 5 years 1至5年 HK\$'000 千港元	Total undiscounted cashflow 總計未貼 現現金流 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2023	於二零二三年 十二月三十一日					
Trade payables	應付交易款項	N/A 不適用	12,857	—	12,857	12,857
Lease liabilities	租賃負債	6.49% to 7.41%	1,185	922	2,107	1,942
Borrowings	借款	0% to 24%	36,454	—	36,454	33,445
Other payables and accruals	其他應付款項 及應計費用	N/A 不適用	5,228	—	5,228	5,228
			55,724	922	56,646	53,472

		Interest rate 利率	On demanded less than 1 year 按要求 少於1年 HK\$'000 千港元	Between 1 to 5 years 1至5年 HK\$'000 千港元	Total undiscounted cashflow 總計未貼 現現金流 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2022	於二零二二年 十二月三十一日					
Trade payables	應付交易款項	0% to 10%	23,354	—	23,354	23,354
Lease liabilities	租賃負債	4.75% to 8.8%	1,238	—	1,238	1,197
Borrowings	借款	0% to 24%	32,910	629	33,539	32,071
Other payables and accruals	其他應付款項 及應計費用	N/A 不適用	10,047	—	10,047	10,047
			67,549	629	68,178	66,669

(b) 財務風險管理目標及政策(續)

(v) 流動資金風險(續)

該表格同時包括利息及本金之現金流量。以利息流按浮動利率計息為限，未貼現金額乃自報告期末之利率曲線得出。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

(v) Liquidity risk (Continued)

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rate differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management would establish the appropriate valuation techniques and inputs to the valuation model or to engage third party qualified valuers to perform the valuation.

36. 金融工具(續)

(b) 財務風險管理目標及政策(續)

(v) 流動資金風險(續)

倘可變利率與報告期末釐定的該等利率估計不同，上述金額可予變動。

(c) 金融工具之公允值計量

就財務報告目的而言，本集團若干金融工具按公允值計量。

於估計公允值時，本集團使用可獲得的市場可觀察數據。倘若並無第一級輸入數據，管理層將設立模式適用之估值技巧及輸入數據或聘請第三方和資格估值師進行估值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

36. 金融工具(續)

(c) 金融工具之公允值計量(續)

本集團按經常性基準以公允值計量之金融資產之公允值

本集團部份金融資產於各報告期末按公允值計量。下表提供有關如何釐定該等金融資產公允值(尤其是所使用的估值技巧及輸入數據)之資料。

		Fair value hierarchy as at 31 December 2023 於二零二三年十二月三十一日之公允值層級			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL	以公允值計入損益的金融資產				
— Life insurance policy at FVTPL	— 按公允值計入壽險保單	—	—	5,226	5,226
		Fair value hierarchy as at 31 December 2022 於二零二二年十二月三十一日之公允值層級			
		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial assets at FVTPL	以公允值計入損益的金融資產				
— Unlisted equity instruments at FVTPL	— 按公允值計入非上市權益工具股份	—	—	60	60
— Life insurance policy at FVTPL	— 按公允值計入壽險保單	—	—	5,119	5,119
		—	—	5,179	5,179

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

36. 金融工具(續)

(c) Fair value measurements of financial instruments (Continued)

(c) 金融工具之公允價值計量(續)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

本集團按經常性基準以公允價值計量之金融資產之公允價值(續)

Financial assets 金融資產	Fair value at 公允價值		Fair value hierarchy 公允價值層級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據
	31 December 2023 二零二三年 十二月三十一日	31 December 2022 二零二二年 十二月三十一日			
Unlisted equity instruments at FVTPL 按公允價值計入非上市權益 工具股份	Nil 零	Approximately HK\$60,000 約60,000港元	Level 3 第三級	Market approach (note a) 市場法(附註a)	(i) The market price of in the same or a similar line of business (Note 1) (ii) 相同或類似業務的市場價格 (附註1) (iii) Based on circumstances unique, additional factors have been considered (iii) 根據特殊情況，已考慮其他因素 Surrender value (Note 2)
Life insurance policy at FVTPL 按公允價值計入損益之 壽險保單	Approximately HK\$5,226,000 約5,226,000港元	Approximately HK\$5,119,000 約5,119,000港元	Level 3 第三級	Based on credit rating, ages of life insured persons and the discount rate (note b) 根據信貸評級、被保險人年齡 及貼現率計算(附註b)	

Notes:

- a) The fair value of the unlisted equity investment was measured by the independent valuer based on Level 3 hierarchy by using market approach.
- b) The surrender value of the life insurance policy is provided by the insurance company.

附註:

- a) 非上市股本投資之公允價值乃由獨立估值師根據第三層級採用市場法計量。
- b) 保單的退保價值由保險公司提供。

There were no transfers between levels of fair value hierarchy in the current and prior years.

於本年度及過往年度，公允價值層級之間並無轉移。

There was no change in valuation techniques in the current and prior years.

於本年度及過往年度的估值技術並無變動。

- (1) At 31 December 2022, if the market price was 5% higher/lower while all other variables were held constant, the carrying amount of unlisted equity instruments at FVTPL would increase/decrease by HK\$3,000/HK\$3,000.

- (1) 於二零二二年十二月三十一日，倘市價上升/下跌5%，而所有其他變數維持不變，則按公允價值計入損益的非上市權益工具的賬面值將增加/減少3,000港元/3,000港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Notes: (Continued)

- (2) At 31 December 2023, if the surrender value was 5% (2022: 5%) higher/lower while all other variables were held constant, the carrying amount of the life insurance policy at FVTPL would increase/decrease by HK\$261,000/HK\$261,000 (2022: increase/decrease by HK\$259,000/HK\$259,000).
- c) Reconciliation of Level 3 fair value measurements of financial instruments on recurring basis:

36. 金融工具(續)

(c) 金融工具之公允值計量(續)

本集團按經常性基準以公允值計量之金融資產之公允值(續)

附註：(續)

- (2) 於二零二三年十二月三十一日，倘退保價值上升/下降5%（二零二二年：5%），而所有其他變數均持有合約，則按公平值計入損益的人壽保單的賬面值將增加/減少261,000港元/261,000港元（二零二二年：增加/減少259,000港元/259,000港元）。
- c) 按經常性基準計量的金融工具的第三級公允值計量的對賬：

		Life insurance policy at FVTPL 按公允值計入損益之壽險保單 HK\$'000 千港元	Unlisted equity instruments at FVTPL 按公允值計入非上市權益工具股份 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	5,027	226	5,253
Exchange realignment	匯兌調整	6	(18)	(12)
Fair value changes	公允值調整	86	(148)	(62)
At 31 December 2022	於二零二二年十二月三十一日	5,119	60	5,179
Exchange realignment	匯兌調整	2	—	2
Fair value changes	公允值調整	105	—	105
Impairment losses	減值虧損	—	(60)	(60)
At 31 December 2023	於二零二三年十二月三十一日	5,226	—	5,226

During the year ended 31 December 2023, the Group provided fair value losses of the financial assets of FVTPL of an amount of approximately HK\$60,000. A fair value losses approximately of HK\$62,000 was recognised in profit or loss during the year ended 31 December 2022.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

於截至二零二三年十二月三十一日止年度，本集團就按公允值計入損益之金融資產計提公允值虧損約60,000港元。於截至二零二二年十二月三十一日止年度，公允值虧損約62,000港元已於損益中確認。

董事認為，本集團按攤銷成本載列於綜合財務報表之金融資產及金融負債賬面值與其公允值相若。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

37. 融資活動產生的負債對賬

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:

下表詳述本集團融資活動產生的負債變動，當中包括現金及非現金變動。自融資活動產生的負債為於本集團綜合現金流量表分類為融資活動所得現金流量的現金流量或將會分類的未來現金流量：

		Other borrowings	Bank borrowings	Lease liabilities	Finance cost included in other payable	Total
		其他借款	銀行借款	租賃負債	計入其他應付款項的融資成本	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2022	於二零二二年一月一日	—	5,809	4,042	—	9,851
Interest expense	利息開支	1,176	329	185	947	2,637
Proceeds from borrowings	借款所得收益	33,792	167	—	—	33,959
Repayment of lease liabilities	償還租賃負債	—	—	(2,928)	—	(2,928)
Exchange realignment	匯兌調整	—	—	(102)	—	(102)
Repayment of borrowings and finance costs	償還借款及融資成本	(8,676)	(526)	—	(47)	(9,249)
At 31 December 2022	於二零二二年十二月三十一日	26,292	5,779	1,197	900	34,168
Interest expense	利息開支	4,254	186	115	427	4,982
Proceeds from borrowings	借款所得收益	19,560	5,893	—	—	25,453
Financial guarantee service income	財務擔保服務收入	(54)	—	—	—	(54)
Addition to new leases	納入新租賃	—	—	2,365	—	2,365
Repayment of lease liabilities	償還租賃負債	—	—	(1,663)	—	(1,663)
Exchange realignment	匯兌調整	—	(26)	(72)	—	(98)
Repayment of borrowings and finance costs	償還借款及融資成本	(18,580)	(9,859)	—	(1,327)	(29,766)
At 31 December 2023	於二零二三年十二月三十一日	31,472	1,973	1,942	—	35,387

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

38. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2023, the Group entered into new lease agreements for the use of right-of-use assets. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of approximately HK\$1,814,000 and HK\$1,814,000 respectively.

During the year ended 31 December 2023, the Group entered into a new lease agreement for the property, plant and equipment. On the lease commencement, the Group recognised property, plant and equipment use assets and lease liabilities of approximately HK\$777,000 and HK\$551,000 respectively.

During the year ended 31 December 2023, the Group charged the financial guarantee service fee to a related company, Ye Chuang Limited (“Ye Chuang”) by direct debit to the loan from a related company of HK\$54,000.

39. RELATED PARTY TRANSACTIONS

(a) During the year, the Group entered into the following material transaction with a related party:

Name of related party 關聯方名稱	Nature of transaction 交易性質	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Ye Chuang Company Limited (“Ye Chuang”) 燁創有限公司(「燁創」)	Financial guarantee service fee income 財務擔保服務費收入	54	—

On 31 May 2023, LMP International Limited, an indirect wholly owned subsidiary of the Company, entered into a financial guarantee service agreement to a related company, Ye Chuang for providing financial guarantee service by pledging of the Group’s building and investment properties to a financial institution to secure a loan of HK\$3,600,000 borrowed by Ye Chuang. The transaction was conducted at terms and conditions mutually agreed between the related party.

38. 主要非現金交易

截至二零二三年十二月三十一日止年度，本集團就使用權資產的使用訂立新租賃協議。於租賃開始時，本集團確認使用權資產及租賃負債分別約1,814,000港元及1,814,000港元。

於截至二零二三年十二月三十一日止年度，本集團就物業、廠房及設備訂立新租賃協議。於租賃開始時，本集團確認物業、廠房及設備使用資產及租賃負債分別約777,000港元及551,000港元。

於截至二零二三年十二月三十一日止年度，本集團透過直接借記關連公司貸款54,000港元向關連公司，燁創有限公司(「燁創」)收取財務擔保服務費。

39. 關聯方交易

(a) 年內，本集團與一名關連方進行以下重大交易：

於二零二三年五月三十一日，本公司之間接全資附屬公司沛銘國際有限公司與關連公司燁創訂立財務擔保服務協議，透過向一間金融機構抵押本集團樓宇及投資物業提供財務擔保服務，以擔保燁創借入的3,600,000港元貸款。交易乃按關聯方相互協定的條款及條件進行。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

39. RELATED PARTY TRANSACTIONS (Continued)

- (b) During the year, saved as disclosed in elsewhere of the consolidation financial statements, the Group entered into the following material transactions with related parties:

	Note 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Amount due from Mr. Wong:			
Balance as at 1 January/31 December	截至一月一日/ 十二月三十一日 的餘額 (1)	—	—
Maximum amount outstanding during the year	年內未償還的 最高金額 (1)	—	11,865
Loan from a related company: Ye Chuang	來自一間關連 公司的貸款： 燦創 (2)	5,046	—

Note:

- The Group made advance payments to Mr. Wong during the year ended 31 December 2022, which were all repaid by Mr. Wong before 31 December 2022. The aforesaid advance payments to Mr. Wong were unsecured, interest free and repaid by Mr. Wong in a period ranging from one to three months.
- Ms. Yu Wing Yan, the spouse of Mr. Leung Tat Chi, a director of the Group's subsidiary, is the director and ultimate beneficial owner of Ye Chuang. The loan is secured, interest-free and repayable on demand.

(c) Key management compensation

Details of the compensation of key management personnel of the Group, who are the executive directors, are disclosed in Note 13 to the consolidated financial statements.

39. 關聯方交易(續)

- (b) 年內，除綜合財務報表其他部分披露外，本集團與關聯方進行以下重大交易：

附註：

- 本集團於截至二零二二年十二月三十一日止年度向黃先生支付了預付款，黃先生於二零二二年十二月三十一日之前全部償還。上述向黃先生支付的預付款為無抵押、免息並由黃先生於一至三個月期間償還。
- 余穎茵女士為本集團附屬公司董事梁達智先生之配偶，為燦創之董事及最終實益擁有人。該貸款為有抵押、免息及須按要求償還。

(c) 本公司主要附屬公司詳情

本集團身為執行董事的主要管理人員薪酬詳情於綜合財務報表附註13披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

40. RETIREMENT BENEFITS PLANS

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries PRC are members of a state-managed retirement benefit scheme operated by the PRC Government. The subsidiaries are required to contribute 14% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of approximately HK\$2,423,000 (2022: approximately HK\$2,991,000) represents contributions paid and payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2023, contributions of approximately HK\$22,500 (2022: approximately HK\$31,200) due in respect of the year ended 31 December 2023 had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

At 31 December 2023 and 2022, the Group had no forfeited contribution available to reduce its contributions to the retirement benefits schemes in future years.

40. 退休福利計劃

定額供款計劃

本集團為香港所有合資格僱員設立強制性公積金計劃。根據該計劃，僱主及僱員各自均須按僱員有關收入的5%向該計劃作出供款，而每月有關收入的上限為30,000港元。該等計劃的資產與本集團的資產分開持有，以基金形式由受托人控制。本集團向該計劃作出之供款為有關薪金成本5%，與僱員之供款相同。

本集團中國附屬公司的僱員為中國政府營運的國家管理退休福利計劃的成員。附屬公司須按工資成本的14%向退休福利計劃供款，為福利提供資金。本集團就退休福利計劃的唯一責任為作出指定供款。

於損益中確認的開支總額約2,423,000港元(二零二二年：約2,991,000港元)指本集團有關計劃規則規定的比率已付及應付該等計劃的供款。於二零二三年十二月三十一日，尚未向有關計劃支付截至二零二三年十二月三十一日止年度應繳供款約22,500港元(二零二二年：約31,200港元)。於報告期末後已支付有關款項。

於二零二三年及二零二二年十二月三十一日，本集團並無已沒收供款可供扣減未來年度退休福利計劃的供款。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

40. RETIREMENT BENEFITS PLANS (Continued)

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment)
× 2/3 × Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "**offsetting Arrangement**").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

40. 退休福利計劃(續)

根據香港僱傭條例(第57章)支付長期服務金的義務

根據香港僱傭條例(第57章)，對於本集團在香港運營的附屬公司，在特定情況下(例如僱主解僱或退休)有義務向香港合資格僱員支付長期服務金，需要滿足至少5年的就業期限，並按以下公式計算：

最後一個月的工資(終止僱傭前) ×
2/3 × 服務年限

最後一個月工資上限為22,500港元，而長期服務金的金額不得超過390,000港元。該義務被視為一項事後僱員福利計劃進行核算。

此外，於一九九五年通過的《強制性公積金計劃條例》准許本集團利用集團強制性公積金的繳費金額加上／減去任何正／負回報，用於抵消應向僱員支付的長期服務金(「**抵消安排**」)。

《修訂條例》於二零二二年六月十七日刊登憲報，廢除使用僱主強制性強積金供款產生的應計福利來抵消長期服務金的做法。廢除將在過渡日期(即二零二五年五月一日)正式生效。此外，香港特別行政區政府預計在過渡日期後的25年內推出一項補貼計劃，以幫助僱主支付一定金額的每位僱員每年的長期服務金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

40. RETIREMENT BENEFITS PLANS (Continued) 40. 退休福利計劃(續)

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57) (Continued)

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group's LSP liability with respect to employees that participate in MPF Scheme and the Group has accounted for the offsetting mechanism and its abolition as disclosed in Note 2.

LSP obligation

Movements in the present value of unfunded LSP obligation in the current year were as follows:

		2023 二零二三年 HK\$'000 千港元
Opening unfunded obligation	期初未撥款責任	—
Current service cost	當期服務成本	270
Interest cost	利息成本	28
Closing unfunded obligation	結清未撥款責任	298

根據香港僱傭條例(第57章)支付長期服務金的義務(續)

根據修訂條例，在過渡日期後，本集團的強制性強積金供款，加上／減去任何正／負收益，可以繼續用於抵消過渡日期前的長期服務金義務，但不適用於抵消過渡日期後的長期服務金義務。此外，過渡日期前的長期服務金義務將保留，並根據緊接過渡日期前最後一個月的工資和截至該日期的服務年限進行計算。修訂條例對本集團就參與強積金計劃的僱員承擔的長期服務金負債有影響，而本集團已就附註2所披露的抵銷機制及其廢除進行核算。

長期服務金責任

本年度未撥款長期服務金責任現值變動如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

40. RETIREMENT BENEFITS PLANS (Continued)

LSP obligation (Continued)

The average duration of the benefit obligation at 31 December 2023 is 6 years.

The current service cost and the net interest expense for the year are included in the employee benefits expenses in profit or loss. Of the expenses for the year, HK\$298,000 has been included in administrative expenses.

Significant actuarial assumption for the determination of the LSP obligation is discount rate of 3%. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher (lower), the LSP obligation would decrease by HK\$74,000 (increase by HK\$66,000).

The sensitivity analysis presented above may not be representative of the actual change in the LSP obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

40. 退休福利計劃(續)

長期服務金責任(續)

於二零二三年十二月三十一日，福利責任的平均期限為6年。

年內即期服務成本及利息開支淨額計入損益內的僱員福利開支。年內開支中，298,000港元已計入行政開支。

釐定長期服務金責任的主要精算假設為貼現率3%。以下敏感度分析乃根據各假設於報告期末發生的合理可能變動而釐定，而所有其他假設維持不變。

- 倘貼現率上升(下降)100個基點，則長期服務金責任將減少74,000港元(增加66,000港元)。

上述呈列之敏感度分析未必能代表長期服務金責任之實際變動，因為若干假設可能相互關聯，故假設變動不大可能彼此獨立發生。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 41. 本公司主要附屬公司詳情

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

於報告期末本公司直接及間接持有的附屬公司詳情載列如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法人實體類型	Principal activities and place of operation 主營活動及經營地點	Issued share capital/ registered capital 已發行股本/註冊資本	Proportion of ownership interest held by the Company 由本公司持有之擁有權權益比例				Proportion of voting power held by the Company 由本公司持有之投票權比例			
				Directly 直接		Indirectly 間接		Directly 直接		Indirectly 間接	
				2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年
Strat Tech Holdings Limited 英屬處女群島	BVI	Investment holding 投資控股	US\$1 1美元	100%	100%	—	—	100%	100%	—	—
Shen You (China) Limited 申酉(中國)有限公司	Hong Kong 香港	Investment holding 投資控股	HK\$10,000,000 10,000,000港元	100%	100%	—	—	100%	100%	—	—
Tseyu International Trading Company Limited 至裕國際貿易有限公司	Hong Kong 香港	Trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料貿易	HK\$60,000,000 60,000,000港元	—	—	100%	100%	—	—	100%	100%
Newchamp Industries Limited 新中港實業有限公司	Hong Kong 香港	Trading of sewing threads 縫紉線貿易	HK\$30,000,000 30,000,000港元	—	—	100%	100%	—	—	100%	100%
Cheerful Keen Limited 置富健有限公司	BVI 英屬處女群島	Investment holding 投資控股	US\$1 1美元	—	—	100%	100%	—	—	100%	100%
Clolab International Limited 研衣人國際有限公司	Hong Kong 香港	Fashion design and trading of garment accessories 時尚設計及服裝輔料貿易	HK\$10,000 10,000港元	—	—	100%	100%	—	—	100%	100%
Thrill Rank Company Limited 英屬處女群島	BVI	Investment holding 投資控股	US\$100 100美元	100%	100%	—	—	100%	100%	—	—
Diamond Motto Limited 英屬處女群島	BVI	Investment holding 投資控股	US\$300 300美元	100%	100%	—	—	100%	100%	—	—

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued) 41. 本公司主要附屬公司詳情(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法人實體類型	Principal activities and place of operation 主營活動及經營地點	Issued share capital/ registered capital 已發行股本/註冊資本	Proportion of ownership interest held by the Company 由本公司持有之擁有權權益比例				Proportion of voting power held by the Company 由本公司持有之投票權比例			
				Directly 直接		Indirectly 間接		Directly 直接		Indirectly 間接	
				2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年
LMP International Limited 沛銘國際有限公司	Hong Kong 香港	Provision of interior design, fitting out and decoration services 提供室內設計、裝修及裝飾服務	HK\$1 1港元	—	—	100%	100%	—	—	100%	100%
Better Dynasty Limited	Hong Kong 香港	Investment holding 投資控股	HK\$10,000 10,000港元	100%	100%	—	—	100%	100%	—	—
Harbour Equine Limited	Hong Kong 香港	Investment holding 投資控股	HK\$100 100港元	—	—	100%	100%	—	—	100%	100%
Harbour Equine Pty Ltd	Australia 澳洲	Horse breeding 馬匹育種	AUS\$100 100澳元	—	—	100%	100%	—	—	100%	100%
Harbour Stallion Pty Ltd	Australia 澳洲	Horse breeding 馬匹育種	AUS\$100 100澳元	—	—	100%	100%	—	—	100%	100%
Harbour Racing Limited	Hong Kong	Equine management service 馬匹管理服務	HK\$100 100港元	100%	100%	—	—	100%	100%	—	—
Guangzhou Xinhua thread Company Limited*	PRC	Manufacture and trading of sewing threads and broad categories of garment accessories 縫紉線和各類服裝輔料生產及貿易	HK\$64,250,000 64,250,000港元	—	—	100%	100%	—	—	100%	100%
廣州新華線業有限公司	中國										
申酉辰鑫企業(上海)有限公司*	PRC	Investment holding	HK\$10,000,000 10,000,000港元	—	—	100%	100%	—	—	100%	100%
申酉辰鑫企業(上海)有限公司*	中國	投資控股									

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued) 41. 本公司主要附屬公司詳情(續)

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法人實體類型	Principal activities and place of operation 主營活動及經營地點	Issued share capital/ registered capital 已發行股本/註冊資本	Proportion of ownership interest held by the Company 由本公司持有之擁有權益比例				Proportion of voting power held by the Company 由本公司持有之投票權比例			
				Directly 直接		Indirectly 間接		Directly 直接		Indirectly 間接	
				2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年
杭州新裕線業有限公司	PRC	Selling of sewing threads and broad categories of garment accessories	RMB500,000	—	—	100%	100%	—	—	100%	100%
杭州新裕線業有限公司	中國	縫紉線和各類服裝輔料貿易	人民幣500,000元								
Hua Yu Investment Management Limited**	Hong Kong	Provision of corporate financial advisory services and asset management services	HK\$1,750,000	100%	100%	—	—	100%	100%	—	—
華禹投資管理有限公司**	香港	提供企業財務諮詢服務及資產管理服務	1,750,000港元								

None of the subsidiaries had issued any debt securities at the end of the year.

* Registered as wholly-foreign-owned enterprises under PRC law.

** Hua Yu was acquired during the year ended 31 December 2022. Details are disclosed in Note 33 to the consolidated financial statements.

截至年底，概無附屬公司發行任何債務證券。

* 根據中國法律註冊為外商獨資企業。

** 華禹於截至而二零二二年十二月三十一日止年度被收購。詳情於綜合財務報表附註33披露。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY 42. 本公司財務狀況及儲備表

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	94	197
Right-of-use assets	使用權資產	320	127
Financial assets at FVTPL	以公允值計入損益的金融資產	—	60
Investments in subsidiaries	於附屬公司的投資	14,900	14,900
		15,314	15,284
CURRENT ASSETS	流動資產		
Amounts due from subsidiaries (Note)	應收附屬公司款項(附註)	19,717	81,043
Prepayments, deposit and other receivables	預付款項、按金及其他應收款項	275	444
Cash and cash equivalents	現金及現金等價物	3,245	316
		23,237	81,803
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,934	3,311
Borrowings	借款	26,426	26,292
Lease liability	租賃負債	301	135
		29,661	29,738
NET CURRENT (LIABILITIES) ASSETS	流動(負債)資產淨值	(6,424)	52,065
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	8,890	67,349
NON-CURRENT LIABILITIES	非流動負債		
Retirement benefit obligation	退休金福利責任	63	—
Lease liabilities	租賃負債	52	—
		115	—
NET ASSETS	資產淨值	8,775	67,349

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

42. 本公司財務狀況及儲備表(續)

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	20,457	20,457
Reserves	儲備	(11,682)	46,892
TOTAL EQUITY	權益總額	8,775	67,349

The Company's statement of financial position was approved and authorised for issue by the Board on 28 March 2024 and are signed on its behalf by:

董事會於二零二四年三月二十八日批准並授權刊發本公司財務狀況表，並由以下董事代表簽署：

Wong Kwok Wai, Albert
黃國偉先生
Director
董事

Leung King Yue, Alex
梁景裕先生
Director
董事

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

42. 本公司財務狀況及儲備表

Movement in the Company's reserves

本公司儲備變動

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	20,457	130,674	1,155	(64,520)	87,766
Recognition of equity settled share-based payment (Note 31)	確認以權益結算的股份支付(附註31)	—	—	3,787	—	3,787
Loss for the year	年內虧損	—	—	—	(24,204)	(24,204)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	20,457	130,674	4,942	(88,724)	67,349
Loss for the year	年內虧損	—	—	—	(58,574)	(58,574)
At 31 December 2023	於二零二三年十二月三十一日	20,457	130,674	4,942	(147,298)	8,775

Note: The amounts due from subsidiaries represent fund transfer for the Group's daily operation. The amounts are interest-free, unsecured and repayable on demand.

附註：應收附屬公司款項指已轉至本集團日常營運之資金。該等款項為免息、無抵押及須按要求償還。

43. EVENTS AFTER THE REPORTING PERIOD

43. 報告期後事項

Subsequent to the end of the reporting period, the Group obtained the letter of intent of extension of the loans facilities from three lenders to extend the utilised loans facilities amounted to approximately HK\$22,300,000 and the unused loans facilities amounted to approximately HK\$13,200,000 for 1 year to 2025.

報告期末後，本集團自三名貸款人接獲貸款融資展期意向函，以將已動用貸款融資約22,300,000港元及未動用貸款融資約13,200,000港元延期一年至二零二五年。

Five Year Financial Summary

五年財務摘要

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

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

下文載列本集團於過往五個財政年度之業績以及資產及負債概要，乃摘錄自已公佈的經審核財務報表，並經適當重列／重新分類：

		Year ended 31 December 截至十二月三十一日止年度				
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
RESULTS	業績					
REVENUE	收益	69,059	76,274	73,365	44,984	58,746
Direct cost	直接成本	(72,359)	(62,893)	(58,573)	(34,537)	(47,416)
Gross (loss) profit	毛(損)利	(3,300)	13,381	14,792	10,447	11,330
Other gains and losses, net	其他收益及虧損淨額	(8,984)	2,023	4,269	(1,077)	2,039
Selling and distribution expenses	銷售及分銷開支	(3,317)	(5,170)	(7,023)	(5,745)	(7,393)
Administrative expenses	行政開支	(21,495)	(29,450)	(23,356)	(13,942)	(13,508)
Impairment loss under expected credit loss model, net of reversal	預期信貸虧損模式下減值虧損(扣除撥回)	(3,662)	(1,051)	(1,520)	(146)	(3,103)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	(799)	—	—	(1,465)	—
Impairment loss on goodwill	商譽減值虧損	—	—	(12,103)	—	—
Other expenses	其他開支	—	—	(1,634)	(3,302)	(4,709)
Finance costs	融資成本	(5,010)	(2,637)	(666)	(365)	(1,313)
LOSS BEFORE TAX	除稅前虧損	(46,567)	(22,904)	(27,241)	(15,595)	(16,657)
Income tax expense	所得稅開支	(258)	—	—	—	(2,562)
LOSS FOR THE YEAR	年內虧損	(46,825)	(22,904)	(27,241)	(15,595)	(19,219)

Five Year Financial Summary (Continued)

五年財務摘要(續)

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

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
TOTAL ASSETS	資產總值	79,329	136,520	120,986	61,140	79,493
TOTAL LIABILITIES	負債總額	(59,941)	(68,592)	(29,221)	(15,532)	(37,021)
		19,388	67,928	91,765	45,608	42,472

Note:

The summary above does not form part of the audited financial statements for the year ended 31 December 2023.

附註：

上述概要並不構成截至二零二三年十二月三十一日止年度的經審核財務報表的一部分。

Schedule of Bloodstocks and Stallions

種馬及純種馬附表

As At 31 December 2023 於二零二三年十二月三十一日

Broodmares

母馬

No. 編號	Name 名稱／父系及母系	% Holding 持股百分比
1	Le Grand Cru	100.00%
2	Rockin Babe	100.00%
3	Shadow Of The Mist	50.00%
4	She's On Time	100.00%
5	Sylpheed	100.00%

Racehorses

賽馬

No. 編號	Name 名稱／父系及母系	% Holding 持股百分比
1	Bear Story	17.50%
2	Dysart	100.00%
3	Exceed Speed	25.00%
4	Getable	25.00%
5	Godzilla	10.00%
6	Going Nuclear	20.00%
7	Hachiman	40.00%
8	Immortal Island	10.00%
9	Kotaishi	25.00%
10	Leighton Hill	87.50%
11	Lord Admiral	20.00%
12	Mo'unga	5.00%
13	One Command	25.00%

Schedule of Bloodstocks and Stallions (Continued)

種馬及純種馬附表(續)

As At 31 December 2023 於二零二三年十二月三十一日

No. 編號	Name 名稱／父系及母系	% Holding 持股百分比
14	Orion The Hunter	20.00%
15	Palauga	50.00%
16	Piercing Arrow	10.00%
17	Pimpernel	30.00%
18	Port Lockroy	25.00%
19	Raikoke	40.00%
20	Rock 'N' Reign	40.00%
21	Sly Boots	20.00%
22	Transatlantic	25.00%
23	Victoon	10.00%
24	Williamsburg	15.00%
25	Zouwaler	20.00%
26	Pierro x Don't Cry Wolf 20	50.00%

Colts

小馬

No. 編號	Name 名稱／父系及母系	% Holding 持股百分比
1	Le Grand Cru x Magnus 23	100.00%
2	Omniscient x Portland Sky 23	100.00%
3	Rockin Babe x Dubious 23	100.00%
4	Starspangledbanner x Vivid 21	25.00%
5	Sylpheed x Wootton Bassett 23	100.00%
6	Tagaloa x Le Grand Cru 22	70.00%

Schedule of Bloodstocks and Stallions (Continued)

種馬及純種馬附表(續)

As At 31 December 2023 於二零二三年十二月三十一日

Fillies

雌馬

No. 編號	Name 名稱／父系及母系	% Holding 持股百分比
1	Capitalist x Shadow Of The Mist 21	100.00%
2	Portland Sky x She's On Time 23	100.00%

Stallions

種馬

No. 編號	Name 名稱／父系及母系	% Holding 持股百分比
1	All Too Hard	1.67%
2	Denman	33.33%
3	Grunt	2.00%
4	Jacquinot	2.00%
5	Portland Sky	25.00%
6	Sooboog	2.50%
7	Star Witness	2.00%



Harbour Equine Holdings Limited
維港育馬控股有限公司