



Shanxi Changcheng

Microlight Equipment Co. Ltd. *

山西長城微光器材股份有限公司

(a joint stock limited company incorporated in the People's Republic of China)

(於中華人民共和國註冊成立之股份有限公司)

(Stock Code 股份代號 : 8286)

年報 **2021**
Annual Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在主板上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

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本報告的資料乃遵照聯交所GEM證券上市規則而刊載，旨在提供有關山西長城微光器材股份有限公司（「本公司」）的資料；本公司各董事願就本報告的資料共同及個別地承擔全部責任。本公司各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

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BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Zhi
Mr. Song Zhenglai (*Vice-Chairman*)
Mr. Jiao Baoguo
Ms. Wang Lingling

Non-executive Directors

Mr. Yuan Guoliang
Mr. Wu Bo (*Chairman*)

Independent Non-executive Directors

Mr. Xu Yongfeng
Mr. Wang Weizhong
Mr. Rong Fei

Audit Committee

Mr. Xu Yongfeng (*Chairman*)
Mr. Rong Fei
Mr. Yuan Guoliang

Remuneration Committee

Mr. Rong Fei (*Chairman*)
Mr. Xu Yongfeng
Mr. Yuan Guoliang

Nomination Committee

Mr. Wu Bo (*Chairman*)
Mr. Xu Yongfeng
Mr. Wang Weizhong

Supervisors

Ms. Han Xiaou (*Chairman*)
Mr. Dong Yonghong
Mr. Song Zhenbao

Compliance Officer

Mr. Song Zhenglai

董事會

執行董事

趙智先生
宋政來先生 (*副主席*)
焦保國先生
王玲玲女士

非執行董事

袁國良先生
吳波先生 (*主席*)

獨立非執行董事

許詠風先生
王衛忠先生
榮飛先生

審核委員會

許詠風先生 (*主席*)
榮飛先生
袁國良先生

薪酬委員會

榮飛先生 (*主席*)
許詠風先生
袁國良先生

提名委員會

吳波先生 (*主席*)
許詠風先生
王衛忠先生

監事

韓曉歐女士 (*主席*)
董用宏先生
宋振寶先生

監察主任

宋政來先生

Corporate Information

公司資料

Authorised Representatives

Mr. Song Zhenglai
Ms. Fong Yip Ha Angela (appointed on 21 June 2021)

Ms. Han Lei (resigned on 6 May 2021)

Company Secretary

Ms. Fong Yip Ha Angela (appointed on 21 June 2021)

Ms. Han Lei (resigned on 6 May 2021)

Auditors

CCTH CPA Limited
Unit 1510-17, 15/F.,
Tower 2, Kowloon Commerce Centre,
No. 51 Kwai Cheong Road,
Kwai Chung, New Territories,
Hong Kong

Hong Kong Share Registrar and Transfer Office

Tricor Standard Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

Head Office and Registered Office

No. 7 Dianzi Street
Demonstration Zone
Shanxi, The PRC

Principal Place of Business in Hong Kong

Unit 1510-17, 15/F.,
Tower 2, Kowloon Commerce Centre,
No. 51 Kwai Cheong Road,
Kwai Chung, New Territories,
Hong Kong

Principal Banker

Bank of China Limited
Industrial and Commercial Bank of China Limited
Huaxia Bank Limited

Stock Code

8286

授權代表

宋政來先生
方葉夏女士(二零二一年六月二十一日
獲委任)
韓蕾女士(二零二一年五月六日辭任)

公司秘書

方葉夏女士(二零二一年六月二十一日
獲委任)
韓蕾女士(二零二一年五月六日辭任)

核數師

中正天恆會計師有限公司
香港
新界葵涌
葵昌路51號
九龍貿易中心第2座
15樓1510-17室

股份過戶登記香港分處

卓佳標準有限公司
香港皇后大道東183號
合和中心54樓

總辦事處及註冊辦事處

中國山西
示範區
電子街七號

香港主要營業地點

香港
新界葵涌
葵昌路51號
九龍貿易中心第2座
15樓1510-17室

主要來往銀行

中國銀行股份有限公司
中國工商銀行股份有限公司
華夏銀行股份有限公司

股份代號

8286

Chairman's Statement

主席報告書

I am honored to serve as the Chairman of the board of directors (the “**Board**”) of the Company.

The Board and the management team will strive to comprehensively improve the Group's operations, production, research & development and market development capabilities in order to enhance corporate value and financial performance. Although the COVID-19 pandemic (the “**pandemic**”) in 2021 still has a continuous impact on the Company's operations, the board of directors and management team have been actively working to minimize the impact to ensure that the Company could respond in a timely manner and achieve significant development.

On behalf of the Board, I would like to express my sincere gratitude to all employees for their contributions and to shareholders and investors for their support.

Wu Bo
Chairman

Taiyuan City, Shanxi Province, the PRC
10 June 2022

本人感到榮幸擔任本公司董事會（「**董事會**」）主席。

董事會及管理團隊將致力全面改善本集團的營運、生產、研發及市場開發能力，以提升企業價值及財務表現。2021年新型冠狀病毒大流行疫情（「**疫情**」）對公司的經營仍然有持續影響，但董事會及管理團隊一直積極努力將影響降低到最低，確保公司可以及時恢復，得到長足發展。

本人謹代表董事會對全體員工的貢獻表示衷心的感謝，以及股東和投資者的支持。

吳波
主席

中國山西省太原市
二零二二年六月十日

Management Discussion and Analysis

管理層討論與分析

Business Review

Business of the Group

Since the listing of the Company and its subsidiaries (together the “**Group**”) on GEM of the Stock Exchange in 2004, the Group has been engaging in the design, research, development, manufacture and sale of image transmission fiber optic products as its principal business. Image transmission fiber optics products manufactured by the Group are image transmission devices containing a rigidly bundle of optical fibers arranged in an ordered fashion so that images can be transmitted from one end of the optical fiber bundle and displayed on the other end of the bundle. A typical image transmission fiber optic product of the Group would consist of over 10 million optical fibers.

At present, the Group produces five main products, including fiber optic inverters, fiber optic straight plates, fiber optic face plates, fiber optic tapers and microchannel plates. Although fiber-optic imaging devices (fiber optic inverters, fiber optic face plates, fiber optic tapers and microchannel plates) have been increasingly used in medical imaging equipment, digital photography, physics, biochemistry and other civilian applications in recent years, they are currently mainly used in military low-light night vision devices and military low-light night vision video systems. Its customers are mainly located at China, Russia and the other Asian countries.

Change in Management Team and Board Composition

The Group underwent the change in management team members since the first quarter of 2021. As disclosed in the announcement of the Company dated 21 June 2021, Ms. Fong Yip Ha Angela was appointed as the company secretary and authorised representative.

Upon the appointment of the new management team, we continue to promote the improvement and upgrade of image transmission fiber optic production process and technology, actively explore civilian customers and expand market share and sales channels. Due to the outbreak of the novel coronavirus pandemic since 2020, which has had a great impact on the Company’s production, sales and operations, the new management team is committed to reducing the impact of the pandemic and getting the Company back on track as soon as possible.

業務回顧

本集團業務

本公司連同其附屬公司，統稱（「**本集團**」）自二零零四年於聯交所GEM上市以來，本集團一直以從事圖像傳輸光纖產品的設計、研究、開發、生產及銷售為其主要業務。本集團生產的圖像傳輸光纖產品屬圖像傳輸器件，帶有以有序方式排列的剛性光纖束以便能夠將圖像從光纖束一端傳輸到光纖束的另一端，然後顯示出來。本集團的標準圖像傳輸光纖產品一般由超過一千萬條光纖組成。

目前，本集團生產五類主要產品，包括光纖倒像器、光纖直板、光纖面板、光錐及微通道板。儘管近幾年光纖傳像器件（光纖倒像器、光纖面板、光錐及微通道板）在醫療影像設備、數碼攝影、物理、生化等民用領域的應用日益擴大，但其目前主要應用於軍用微光夜視儀與軍用微光夜視視像系統，其客戶主要分佈於中國、俄羅斯及亞洲其他國家。

管理團隊和董事會組成的變化

自二零二一年第一季度，本集團對管理團隊成員進行變更。誠如本公司日期為二零二一年六月二十一日的公告所披露，方葉夏女士獲委任為本公司公司秘書及授權代表。

新的管理團隊獲委任後，繼續推動圖像傳輸光纖生產工藝改進措施和技術升級，積極拓展民用客戶，擴大市場及銷路。但由於自二零二零年始新型冠狀病毒大流行疫情爆發，對公司的生產、銷售及運營產生較大衝擊，新的管理團隊致力於降低疫情的影響，盡快使公司回到正軌。

Management Discussion and Analysis

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Image Transmission Fiber Optic Production Improvement Measures and Technology Upgrade

Since the fourth quarter of 2018, the Group have implemented various measures (the “**Operational Measures**”) to improve the business capabilities of the Group.

In view of the image transmission fiber optic production technology upgrade, the Group received a subsidy from the industrial transformation and upgrading fund in the amount of RMB20,000,000 (the “**ITU Fund**”) from the government of Taiyuan City, Shanxi Province on 26 December 2018, which specifically supports the industrial transformation and upgrading and technological transformation project of the Group. The Group will utilise the ITU Fund to implement image transmission fiber optic production technology upgrade.

Financial Position and Going Concern Issue

As at 31 December 2021, the Group had net current liabilities and net liabilities of approximately RMB216,141,000 and RMB114,420,000 respectively. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

To improve the financial position of the Group, the directors of the Company have implemented, including but not limited to, the following measures (the “**Financial Measures**”):

(i) at capital level:

Introducing new strategic investors into the private placement of new shares/bonds, and negotiating and implementing capital operation proposals with shareholders and potential investment institutions;

圖像傳輸光纖生產工藝改進措施和技術升級

自二零一八年第四季度以來，本集團已推行各項措施（「**營運措施**」）以改善本集團的業務能力。

鑒於圖像傳輸光纖生產技術升級，於二零一八年十二月二十六日，本集團已收取山西省太原市政府工業轉型升級資金補助金額人民幣20,000,000元整（「**工業轉型升級資金**」），專項支持本集團工業轉型升級和技術改造項目。本集團將利用工業轉型升級資金實施圖像傳輸光纖生產技術升級。

財務狀況和持續經營事項

本集團於二零二一年十二月三十一日的流動負債淨額及負債淨額分別約人民幣216,141,000元及人民幣114,420,000元。該等情況顯示存在重大不確定因素，可能對本集團持續經營能力構成重大疑問，因此本集團可能無法在日常業務過程中變現其資產及履行其負債。

為改善本集團的財務狀況，本公司董事計劃和採取（包括但不限於）以下措施（「**財務措施**」）：為改善本集團的財務狀況，本公司董事已採取（包括但不限於）以下措：

(i) 資本層面：

定向增發新股／發債引入新的戰略投資者，與股東、借貸人及財務機構磋商和實施債務重組方案；

Management Discussion and Analysis

管理層討論與分析

(ii) at the operational level:

Revitalizing the long-term assets and planning to lease out the properties temporarily not used in the Company's business operations, so as to increase the property income; developing new products for extending the downstream of the industrial chain and strengthening the existing sales forces and introducing more capable strategic sales agencies; and taking the advantage of the technological advantages accumulated by the Company in the field of military products to expand into the field of civilian products and increase new customers and income sources; and

(iii) In respect of liabilities:

negotiating and implementing loan interest reduction/exemption schemes with shareholders and borrowers and seeking financial support from substantial shareholders and borrowers

Details of the implemented Financial Measures are as follows:

During the first quarter of 2020, the Company entered into a revised loan agreement with Taiyuan Changcheng Optics Electronics Industrial Company Limited ("**Taiyuan Changcheng**"), a substantial shareholder of the Company, pursuant to which Taiyuan Changcheng has agreed to revise the term of existing loan to the Company in the principal amount of RMB11,200,000 to three years from 1 January 2019 to 1 January 2022 and delay the payment of interest for the years ended 31 December 2019 and 2020 to 2021. During the first quarter of 2019, the Company entered into revised loan agreements with a former related company and the other borrower, pursuant to which a former related company and the other borrower have agreed to revise the term of existing loans to the Company to three years from 1 January 2019 to 1 January 2022 and delay the payment of interest for the years ended 31 December 2019 and 2020 to 2021. The modification to the terms of the above loans is collectively referred to as (the "**Loan Modification**").

During the second quarter of 2019, the Company entered into an agreement (i) with Taiyuan Changcheng pursuant to which Taiyuan Changcheng has agreed to waive the interest for the year of 2019 for the loan in the amount of RMB11,200,000 and (ii) the other borrower pursuant to which the other borrower has agreed to waive the interest for the year of 2019 for the loan in the amount of RMB5,824,000.

(ii) 經營層面：

盤活長期資產，擬將公司經營上暫無用途的物業對外進行出租，增加物業收入；研發新產品，向產業鏈下游延伸，同時，強化現有銷售力量，引入更有能力的戰略性銷售代理公司；利用公司在軍品領域積累的技術優勢，向民用產品領域進行拓展，增加新的客戶和收入來源；及

(iii) 負債方面：

與股東及借貸人磋商和實施減免借貸利息方案及尋求主要股東及借貸人的財務支持。

已實施的財務措施的詳情如下：

於二零二零年第一季度，本公司與太原市長城光電子有限責任公司（「**太原長城**」）（本公司的一名主要股東）訂立經修訂貸款協議，據此，太原長城已同意將本公司現有的貸款本金額人民幣11,200,000元之期限修訂為三年，自二零一九年一月一日至二零二二年一月一日，並延遲截至二零一九年和二零二零年十二月三十一日止年度的利息支付至二零二一年。於二零一九年第一季度，本公司與一家前關連公司及一名其他借貸人訂立經修訂貸款協議，據此，一家前關連公司及一名其他借貸人已同意將本公司現有的貸款之期限修訂為三年，自二零一九年一月一日至二零二二年一月一日，並延遲截至二零一九年和二零二零年十二月三十一日止年度的利息至二零二一年支付。以上貸款條文的修訂統稱為（「**貸款修訂**」）。

於二零一九年第二季度，本公司與(i)太原長城訂立協議，據此，太原長城已同意豁免二零一九年度有關人民幣11,200,000元的貸款利息及(ii)一名其他借貸人訂立協議，據此，一名其他借貸人已同意豁免二零一九年度有關人民幣5,824,000元的貸款利息。

Management Discussion and Analysis

管理層討論與分析

On 11 July 2019, Taiyuan Changcheng and Beijing Gensir Venture Capital Management Limited (“**Beijing Gensir**”, which together with Taiyuan Changcheng, the “**Lenders**”), both being the substantial shareholders of the Company, have entered into a loan agreement with the Company, pursuant to which the Lenders agreed to grant a term loan in the principal amount of RMB60,000,000 (“**Shareholders’ Loan A**”) to the Company for the purposes of funding of the technological transformation and upgrade plan and replenishing the Company’s general working capital. On 29 July 2019, the Lenders had further entered into a supplemental loan agreement with the Company in relation to the Shareholders’ Loan A.

On 30 July 2019, the Lenders have entered into another loan agreement with the Company, pursuant to which the Lenders agreed to grant a term loan in the principal amount of RMB20,000,000 (“**Shareholders’ Loan B**”) to the Company for the purposes of funding of the technological transformation and upgrade plan and replenishing the Company’s general working capital.

The key terms of the Shareholders’ Loan A and the Shareholders’ Loan B are summarized and disclosed in the Company’s announcement dated 31 July 2019. According to the update from the Lenders, the drawdown date of the Shareholders’ Loan A and Shareholders’ Loan B will be postponed to a time to be fixed with the Company.

In December 2020, the Group renewed the outstanding bank borrowing in the amount of RMB10,650,000.

Financial Review

For the year ended 31 December 2021, the sales of the Group was approximately RMB18,417,000 (2020: RMB8,061,000), representing an increase of approximately 128.5% as compared to that of the corresponding financial period. Due to the recovering of industrial and commercial activities as a result of the continuous impact of Covid-19 in 2021, for the year ended 31 December 2021, the Group’s production and sales volume increased significantly, resulting in a substantial increase in sales.

For the year ended 31 December 2021, the sales cost of the Group was approximately RMB15,100,000 (2020: RMB8,723,000), representing an increase of approximately 73.1% as compared to that of the last financial year. The increase was mainly due to the increase in sales revenue and corresponding increase in cost of sales.

於二零一九年七月十一日，太原長城和北京中澤創業投資管理有限公司（「北京中澤」，連同太原長城，「貸款人」）均為本公司的主要股東，與本公司訂立貸款協議，據此，貸款人同意向本公司授出本金額為人民幣60,000,000元的定期貸款（「股東貸款A」）以作為技術轉型及升級計劃提供資金及補充本公司一般營運資金。於二零一九年七月二十九日，貸款人進一步與本公司就股東貸款A訂立補充貸款協議。

於二零一九年七月三十日，貸款人與本公司訂立另一項貸款協議，據此，貸款人同意向本公司授出本金額為人民幣20,000,000元的定期貸款（「股東貸款B」）以作為技術轉型及升級計劃提供資金及補充本公司一般營運資金。

股東貸款A和股東貸款B的主要條款的概要已披露於本公司日期為二零一九年七月三十一日的公告。根據貸款人的更新，股東貸款A及股東貸款B的提取日期將延遲至與本公司另行確定的時間。

於二零二零年十二月，本集團將尚未償還的銀行借貸人民幣10,650,000元。

財務回顧

截至二零二一年十二月三十一日止年度，本集團的銷售額約人民幣18,417,000元（二零二零年：人民幣8,061,000元），較上一財政期間增加約128.5%。在二零二一年新冠疫情的持續影響下工商業活動在逐漸恢復，本集團的產銷量於截至二零二一年十二月三十一日止年度中顯著增加，導致銷售額大幅上升。

截至二零二一年十二月三十一日止年度，本集團的銷售成本約人民幣15,100,000元（二零二零年：人民幣8,723,000元），較上一財政年度增加約73.1%。增加乃主要由於銷售收入增加相應的銷售成本也在增加。

Management Discussion and Analysis

管理層討論與分析

For the year ended 31 December 2021, The gross profit margin of the Group was 18.01% (2020: -8.21%). Due to the impact of COVID-19 and epidemic control measures in 2020, the three customers involved in the audit report were greatly affected. The products they purchased were overstocked and they were unable to pay for the goods. After communicating with the customers, they were allowed to return the purchased products for sales return processing. Hence, the gross profit margin in 2020 was -8.21%. The gross profit margin in 2021 was moderate as the COVID-19 epidemic in 2021 were gradually stabilized and the adverse effects were partially eliminated.

For the year ended 31 December 2021, the Group recorded other income, gains and losses amounting to approximately RMB2,854,000 (2020: RMB4,022,000), representing a decrease of approximately RMB1,168,000 as compared to that of the corresponding financial period. The decrease was mainly due to the decrease in the proportion of government subsidy income according to the progress. The details of other income, gains and losses are set out in note (9) to the consolidated financial statements.

For the year ended 31 December 2021, the Group recorded administrative and other operating expenses of approximately RMB17,430,000 (2020: RMB19,464,000), representing a decrease of approximately RMB2,034,000 as compared to that of the corresponding financial period. The decrease in the administrative and other operating expenses was mainly due to the Group's cost reduction and efficiency enhancement and streamlining of management staff.

For the year ended 31 December 2021, the Group recorded finance costs of approximately RMB8,406,000 (2020: RMB9,096,000), representing a decrease of approximately RMB690,000 as compared to that of the corresponding financial period. The details of finance costs are set out in note (10) to the consolidated financial statements.

For the year ended 31 December 2021, the loss after tax of the Group was approximately RMB40,457,000 (2020: RMB27,917,000).

本集團截至二零二一年十二月三十一日止年度的毛利率為18.01%（二零二零年：-8.21%）。二零二零年因新冠疫情的影響及因疫情管制原因，審計報告中涉及的三家客戶受到巨大影響，其採購的產品也形成了積壓，無法支付貨款，經與客戶溝通，同意退回其採購的產品，做銷售退貨處理。故二零二零年毛利率為-8.21%。二零二一年新冠疫情逐漸平穩，不利影響部分消除，故二零二一年毛利率呈穩健態勢。

本集團截至二零二一年十二月三十一日止年度錄得其他收入、收益及虧損約人民幣2,854,000元（二零二零年：人民幣4,022,000元），較上一財政期間減少約人民幣1,168,000元。由於政府補助收入按進度分攤比例降低的原因導致。其他收入、收益及虧損的詳情載於綜合財務報表附註(9)。

本集團截至二零二一年十二月三十一日止年度錄得行政及其他經營開支約人民幣17,430,000元（二零二零年：人民幣19,464,000元），較上一財政期間減少約人民幣2,034,000元。行政及其他經營開支下跌主要是由於本集團降本增效，精簡管理人員導致。

本集團截至二零二一年十二月三十一日止年度錄得財務成本約人民幣8,406,000元（二零二零年：人民幣9,096,000元），較上一財政期間減少約人民幣690,000元。財務成本的詳情載於綜合財務報表附註(10)。

截至二零二一年十二月三十一日止年度，本集團之除稅後虧損約人民幣40,457,000元（二零二零年：人民幣27,917,000元）。

Management Discussion and Analysis

管理層討論與分析

Connected Transactions and Financial Assistance from Taiyuan Changcheng, Beijing Gensir and Connected Persons

The Group obtained financial assistance from Taiyuan Changcheng, a substantial shareholder of the Company. As at 31 December 2021, the amount due to Taiyuan Changcheng was approximately RMB21,964,000. The financial assistance of approximately RMB1,350,000 provided by Taiyuan Changcheng to the Company are secured by certain plant and machinery and motor vehicles of the Company

The Group obtained financial assistance from Beijing Gensir, a substantial shareholder of the Company. As at 31 December 2021, the amount due to Beijing Gensir was approximately RMB702,000

The Group obtained financial assistance from two connected persons (the “**Connected Persons**”). As at 31 December 2021, the amount due to Connected Persons was approximately RMB683,000.

For the year ended 31 December 2021, total interest charged by Taiyuan Changcheng, Beijing Gensir and Connected Persons was approximately RMB817,000, RMB18,000 and RMB25,000 respectively. The directors of the Company consider that the interest charged by Taiyuan Changcheng, Beijing Gensir and Connected Persons are based on normal commercial terms or better. The financial assistances and interest expenses are exempted from connected transaction requirements.

Bank and Other Borrowings

As at 31 December 2021, the Group had an outstanding bank borrowing in the amount of RMB10,650,000 (2020: RMB10,900,000) which had been renewed in December 2019. The term of the bank borrowing is three years commencing on 30 December 2019.

As at 31 December 2021, the Group had outstanding other borrowings in the amount of approximately RMB83,058,000 (2020: RMB79,187,000), including non-current portion of approximately RMBNil (2020: RMB8,767,000) and current portion of approximately RMB93,708,000 (2020: RMB81,320,000)

關連交易及來自太原長城、北京中澤及關連人士的財務資助

本集團來自太原長城（本公司的一名主要股東）獲得財務資助。於二零二一年十二月三十一日，應付太原長城款項約人民幣21,964,000元。太原長城向本公司提供的財務資助約人民幣1,350,000元由本公司若干廠房及機器及汽車作抵押。

本集團來自北京中澤（本公司的一名主要股東）獲得財務資助。於二零二一年十二月三十一日，應付北京中澤款項約人民幣702,000元。

本集團來自兩名關連人士（「**關連人士**」）獲得財務資助。於二零二一年十二月三十一日，應付關連人士款項約人民幣683,000元。

截至二零二一年十二月三十一日止年度，太原長城、北京中澤及關連人士徵收的利息總額分別約人民幣817,000元、人民幣18,000元及人民幣25,000元。本公司董事認為，太原長城、北京中澤及關連人士徵收的利息符合一般商業條款或屬更好。財務資助及利息開支豁免遵守關連交易規定。

銀行及其他借貸

於二零二一年十二月三十一日，本集團擁有尚未償還銀行借貸人民幣10,650,000元（二零二零年：人民幣10,900,000元），其已於二零一九年十二月續期。銀行借貸的貸款期限自二零一九年十二月三十日開始為期三年。

於二零二一年十二月三十一日，本集團擁有尚未償還其他借貸約人民幣83,058,000元（二零二零年：人民幣79,187,000元），包括非流動部分約人民幣0元（二零二零年：人民幣8,767,000元）及流動部分約人民幣93,708,000元（二零二零年：人民幣81,320,000元）。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2021, a shareholder provided guarantee to the other borrowers in relating to the other borrowings to the Group in the amount of RMB2,482,000 (2020: RMB2,482,000).

Financial Assistance to Related Parties

As at 31 December 2020, the amount due from a shareholder – Taiyuan Tanghai Automatic Control Company Limited was approximately RMB593,000. As at 31 December 2020, the amount of approximately RMB593,000 was fully impaired.

As at 31 December 2020, the amount due from a former related company – Shanxi Jindi Yucheng Medical Equipments Company Limited (formerly known as Taiyuan Huamei Medical Equipments Company Limited) was approximately RMB47,000. As at 31 December 2020, the amount of approximately RMB47,000 was fully impaired.

Liquidity and Financial Resources

As at 31 December 2021, the total assets of the Group decreased by approximately RMB25,247,000 to approximately RMB148,505,000 as compared to approximately RMB173,752,000 as at the end of the previous financial period, representing a decrease of approximately 14.53%.

As at 31 December 2021, the total liabilities of the Group increased by approximately RMB15,206,000 to approximately RMB262,925,000 as compared to approximately RMB247,719,000 as at the end of the previous financial period, representing an increase of approximately 6.14%.

As at 31 December 2021, the total equity of the Group decreased by approximately RMB40,453,000 to approximately negative RMB114,420,000 as compared to approximately negative RMB73,967,000 as at the end of the previous financial period.

Gearing Ratio

As at 31 December 2021, the gearing ratio (defined as net debt divided by total share capital plus net debt) of the Group was approximately 195% (2020: 152%).

Significant Investment Held

As at 31 December 2021, the Group held interests in associates with the carrying value of approximately RMB Nil (2020: RMB Nil).

於二零二一年十二月三十一日，一名股東就本集團其他借貸人民幣2,482,000元（二零二零年：人民幣2,482,000元）向其他借貸人提供擔保。

向關連人士提供的財務資助

於二零二零年十二月三十一日，應收一位股東太原唐海自動控制有限公司款項約人民幣593,000元。於二零二零年十二月三十一日，金額約人民幣593,000元已全數作出減值。

於二零二零年十二月三十一日，應收一家前關連公司山西錦地裕成醫療設備有限公司（前稱為太原華美醫療設備有限公司）款項約人民幣47,000元。於二零二零年十二月三十一日，金額約人民幣47,000元已全數作出減值。

流動資金及財務資源

於二零二一年十二月三十一日，本集團的資產總值減少約人民幣25,247,000元至約人民幣148,505,000元，較上一財政期間終結日約人民幣173,752,000元減少約14.53%。

於二零二一年十二月三十一日，本集團的負債總額增加約人民幣15,206,000元至約人民幣262,925,000元，較上一財政期間終結日約人民幣247,719,000元增加約6.14%。

於二零二一年十二月三十一日，本集團的權益總額減少約人民幣40,453,000元至約負人民幣114,420,000元，而於上一財政期間終結日約負人民幣73,967,000元。

資本負債比率

於二零二一年十二月三十一日，本集團的資本負債比率（以債務淨額除以股本總額加債務淨額釐訂）約為195%（二零二零年：152%）。

所持重大投資

於二零二一年十二月三十一日，本集團於聯營公司所持權益的賬面值約人民幣0元（二零二零年：人民幣0元）。

Management Discussion and Analysis

管理層討論與分析

Acquisition and Disposal of Subsidiaries

The Group had no acquisition and disposal of subsidiaries during the year ended 31 December 2021.

Pledge of Assets

As at 31 December 2021, certain plant and machinery and buildings at carrying amount of approximately RMB Nil and RMB44,317,000 (2020: RMB17,000 and RMB45,726,000) respectively were pledged to secure a bank borrowing to the Group.

As at 31 December 2021, the Group's right-of-use assets located at No. 7 Dianzi Street, Demonstration Zone, Shanxi, the PRC was pledged to secure a bank borrowing to the Group.

As at 31 December 2021, certain plant and machinery and motor vehicles at carrying amount of approximately RMB365,000 and RMB Nil (2020: RMB484,000 and RMB Nil) respectively were pledged to secure the amount due to a shareholder.

Contingent Liabilities

As at 31 December 2021, the Group had no contingent liabilities.

Exposure of Fluctuation in Exchange Rates

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets, and liabilities are principally denominated in the functional currency of the Group.

Employee Information

As at 31 December 2021, the Group had approximately 380 full-time employees. The Group remunerates its employees based on their experience, performance and value, which they contribute to the Group.

收購及出售附屬公司

截至二零二一年十二月三十一日止年度期內，本集團並無收購及出售附屬公司。

資產抵押

於二零二一年十二月三十一日，賬面值分別約人民幣0元及人民幣44,317,000元（二零二零年：人民幣17,000元及人民幣45,726,000元）之若干廠房及機器以及樓宇已質押以作為本集團銀行借貸之抵押。

於二零二一年十二月三十一日，本集團位於中國山西示範區電子街七號的使用權資產已質押以作為本集團銀行借貸之抵押。

於二零二一年十二月三十一日，賬面值分別約人民幣365,000元及人民幣零元（二零二零年：人民幣484,000元及人民幣零元）之廠房及機器及汽車已質押以作為應付一位股東款項之抵押。

或然負債

於二零二一年十二月三十一日，本集團並無或然負債。

匯率波動風險

本集團面臨的外匯風險極微，因本集團之業務交易、資產及負債主要以本集團之功能貨幣列值。

僱員資料

於二零二一年十二月三十一日，本集團擁有約380名全職僱員。本集團按照僱員經驗、表現及對本集團貢獻的價值向其僱員支付薪酬。

Management Discussion and Analysis

管理層討論與分析

Additional Information Relating to the Disclaimer of Opinion

The auditors of the Company issued disclaimer of opinion in the independent auditors' report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2021. In view of removing the disclaimer of opinion, the Board will formulate and consider the following action plan:

- (i) The management will continue to strengthen and implement financial measures and operational measures to ensure that the Group's operation be able to recover rapidly;
- (ii) The management begins to prepare for fundraising plans, such as equity financing and debt restructuring; and
- (iii) The management discusses with shareholders to finalize the Shareholder Loan A in the amount of RMB60,000,000 and the Shareholder Loan B in the amount of RMB20,000,000 as soon as practicable.

Events After the Reporting Period

Nil

有關不發表意見的其他資料

本公司核數師於獨立核數師報告中就有關本集團截至二零二一年十二月三十一日止年度的經審核之綜合財務報表出具不發表意見。鑒於移除不發表意見，董事會將考慮和制定以下行動計劃：

- (i) 管理層將繼續強化和執行財務措施及營運措施，盡可能確保本集團經營得以迅速恢復；
- (ii) 管理層著手籌備股權融資、債務重組等集資計劃；及
- (iii) 管理層與股東商議盡早落實人民幣60,000,000元的股東貸款A及人民幣20,000,000元的股東貸款B。

報告期後的事項

無

Biographical Details of Directors, Supervisors and Senior Management

董事、監事及高級管理人員之履歷詳情

Executive Directors

Mr. Zhao Zhi (“Mr. Zhao”), aged 59, graduated from the Macau University of Science and Technology and holds a master’s degree in business administration. Mr. Zhao was appointed as the chairman of the board of directors, an executive director, the chairman and a member of the nomination committee, the compliance officer and the authorized representative of the Company on 26 March 2019 and ceased to be the chairman of the board of directors, the chairman and a member of the nomination committee, the compliance officer and the authorized representative of the Company on 15 January 2020.

Prior to joining the Company, Mr. Zhao was the director, general manager, deputy general manager and party committee member of Taiyuan Dongshan Coal Mine Co., Limited and the party secretary, chairman and director of Taiyuan Dongshan Coal and Electricity Group Co., Limited. Mr. Zhao was awarded the Model Worker of Taiyuan City in 1999 and 2005, the Outstanding Entrepreneur of Taiyuan City in 2007, the Outstanding Entrepreneur and Business Entrepreneur of Shanxi Province in 2008, the Supermodel Worker and Meritorious Entrepreneur of Taiyuan City in 2010, and the Wu Yi Labor Medal of Shanxi Province in 2011. Mr. Zhao was elected as the representative of the 13th People’s Congress of Taiyuan City and the representative of the 11th Congress of Taiyuan City of the Communist Party of China.

Mr. Song Zhenglai (“Mr. ZL Song”), aged 45, holds a college degree in accounting from the School of Economics and Management of Changchun University. Mr. ZL Song was appointed as an executive director and the vice-chairman of the board of directors of the Company on 30 November 2017. Mr. ZL Song was appointed as the chairman and a member of the nomination committee, the compliance officer and the authorized representative of the Company on 15 January 2020 and ceased to be the chairman and a member of the nomination committee on 16 February 2020 and resigned as the financial controller of the Company on 11 January 2020.

執行董事

趙智先生（「趙先生」），59歲，畢業於澳門科技大學，持有工商管理碩士學位。趙先生於二零一九年三月二十六日獲委任為本公司董事會主席、執行董事、提名委員會主席及成員、監察主任及授權代表，並於二零二零年一月十五日停止出任本公司董事會主席、提名委員會主席及成員、監察主任及授權代表。

於加盟本公司前，趙先生曾為太原東山煤礦有限責任公司董事、總經理、副總經理及黨委委員及太原東山煤電集團有限公司黨委書記、董事長及董事。趙先生於一九九九年及二零零五年榮獲太原市勞動模範，二零零七年榮獲太原市傑出企業家，二零零八年榮獲山西省優秀企業家、山西省新晉商企業家，二零一零年榮獲太原市特級勞動模範、太原市功勳企業家及二零一一年榮獲山西省五一勞動獎章。趙先生當選太原市第十三屆人大代表及中國共產黨太原市第十一次代表大會代表。

宋政來先生（「宋政來先生」），45歲，持有長春大學經濟管理學院會計專業大專學歷。宋政來先生於二零一七年十一月三十日獲委任為本公司執行董事及董事會副主席。宋政來先生於二零二零年一月十五日獲委任為本公司提名委員會主席及成員、監察主任及授權代表，並於二零二零年二月十六日停止出任本公司提名委員會主席及成員並於二零二零年一月十一日辭任本公司財務總監。

Biographical Details of Directors, Supervisors and Senior Management 董事、監事及高級管理人員之履歷詳情

Mr. ZL Song served as the chief financial officer of Changchun Changling Engine Company Limited from March 2002 to September 2004, the finance director of Shenzhen Zhonghang Night Vision Technology Limited from May 2006 to March 2009 and the general manager of Changchun Faw Automotive Chassis Limited Company from May 2010 to January 2014.

Mr. Jiao Baoguo (“Mr. Jiao”), aged 54, graduated from the Dalian University of Technology and holds a master's degree in engineering. Mr. Jiao was appointed as an executive director of the Company on 26 March 2019. Mr. Jiao acted as the general manager of the Company effective from 4 February 2019 and resigned as the general manager of the Company on 11 January 2020.

Prior to joining the Company, Mr. Jiao was the deputy general manager of Taiyuan Dongshan Coal Mine and Electricity Group Co., Limited and the chairman and general manager of Shanxi Zhihengcheng Technology Co., Limited. Mr. Jiao is currently the party secretary and chairman of Taiyuan Changcheng Optics Electronics Industrial Company Limited. Mr. Jiao has won the second prize of the Shanxi Provincial Science and Technology Award and the Shanxi Provincial Science and Technology “Golden Bull Award”. Mr. Jiao has led the team to obtain four utility model patents, two software copyrights, one appearance patent and one trademark right, and independently developed a miniature ECG recorder.

Ms. Wang Lingling (“Ms. Wang”), aged 56, holds a bachelor's degree in optoelectronic from the Department of Physics of Shanxi University and a doctoral degree in material physics and chemistry from the Changchun University of Science and Technology. Ms. Wang was appointed as an executive director of the Company on 30 November 2017. Ms. Wang is currently the vice general manager of technical quality and the chief engineer of the Company.

Ms. Wang served as the craftsman in the optical fiber plant of Taiyuan Changcheng Optoelectronics Microlight Equipment Factory from July 1988 to December 1995, the chief of section of Taiyuan Changcheng Optoelectronics Microlight Equipment Factory from January 1996 to December 1998, the vice senior of workshop of the Company from January 1999 to December 2007, the manager of quality department of the Company from January 2008 to May 2009 and the vice general manager of technical quality of the Company from June 2009 to the present.

宋政來先生於二零零二年三月至二零零四年九月期間擔任長春長鈴發動機有限公司的財務處長，二零零六年五月至二零零九年三月期間擔任深圳市中航夜視技術有限公司財務總監及二零一零年五月至二零一四年一月期間擔任長春解放汽車底盤有限公司總經理。

焦保國先生（「焦先生」），54歲，畢業於大連理工大學，持有工程碩士學位，焦先生於二零一九年三月二十六日獲委任為本公司執行董事。焦保國先生自二零一九年二月四日出任本公司總經理，並於二零二零年一月十一日辭任本公司總經理。

於加盟本公司前，焦先生曾為太原東山煤電集團有限公司副總經理及山西智恒成科技有限公司董事長及總經理。焦先生現為太原市長城光電子有限責任公司黨委書記及董事長。焦先生曾獲山西省科學技術獎二等獎、山西省科技「金牛獎」等稱號。焦先生曾帶領團隊獲得四項實用新型專利、二項軟體著作權、一項外觀專利和一項商標權，自主研發了微型心電記錄儀。

王玲玲女士（「王女士」），56歲，持有山西大學物理系學光電子專業學士學位及長春理工大學材料物理與化學專業博士學位。王女士於二零一七年十一月三十日獲委任為本公司執行董事。王女士現為本公司技術質量副總經理及總工程師。

王女士曾於一九八八年七月至一九九五年十二月期間擔任太原長城光電子微光器材廠光纖分廠的工藝員，一九九六年一月至一九九八年十二月期間擔任太原長城光電子微光器材廠工段長，一九九九年一月至二零零七年十二月期間擔任本公司車間副主任，二零零八年一月至二零零九年五月期間擔任本公司質量部經理及二零零九年六月至今擔任本公司技術質量副總經理。

Biographical Details of Directors, Supervisors and Senior Management

董事、監事及高級管理人員之履歷詳情

Non-Executive Directors

Mr. Yuan Guoliang (“**Mr. GL Yuan**”), aged 60, graduated from the Changchun University of Science and Technology. Mr. GL Yuan was appointed as a non-executive director of the Company on 27 May 2011. Mr. GL Yuan was appointed as a member of the audit committee and a member of the remuneration committee of the Company on 30 November 2017. Mr. GL Yuan served as the deputy director of the Strategic Policy Committee of the Company from May 2011 to November 2017.

Prior to joining the Company, Mr. GL Yuan worked in Shanxi Jinxi Machines Factory from August 1985 to April 1990 and worked with Taiyuan City Economic Committee from May 1990 to July 2006.

Based on the interests filing disclosure, as at the latest practicable date, Mr. GL Yuan holds 3,645,000 H shares and his spouse holds 250,000 H shares of the Company.

Mr. Wu Bo (“**Mr. Wu**”), aged 55, holds economic management major of Heilongjiang Institute of Commerce. Mr. Wu was appointed as a non-executive director of the Company on 30 November 2017 and the chairman of the board of directors, the chairman and a member of the nomination committee of the Company on 16 February 2020.

From February 2008 to the present, Mr. Wu has been the executive director and general manager of Shenzhen Ronger Optics & Electronic Technology Development Company Limited, the supervisor of Kunming Ronger Optic & Electronic Technology Development Company Limited and the chairman of the board of directors of Yunnan Zhongkewei Optical Instruments Company Limited. Mr. Wu served as the general manager of Russia Zhenhui Company from April 1997 to August 2007.

非執行董事

袁國良先生（「袁國良先生」），60歲，畢業於長春理工大學。袁國良先生於二零一一年五月二十七日獲委任為本公司非執行董事。袁國良先生於二零一七年十一月三十日獲委任為本公司審核委員會成員及薪酬委員會成員。袁國良先生自二零一一年五月至二零一七年十一月期間擔任本公司戰略決策委員會副主席。

於加盟本公司前，袁國良先生曾於一九八五年八月至一九九零年四月期間任職於山西晉西機器廠及一九九零年五月至二零零六年七月期間任職於太原市經濟委員會。

根據權益申報所披露，於最後可行日期，袁國良先生持有本公司3,645,000股H股股份及其配偶持有本公司250,000股H股股份。

吳波先生（「吳先生」），55歲，持有黑龍江商業學院經濟管理專業。吳先生於二零一七年十一月三十日獲委任為本公司非執行董事，以及於二零二零年二月十六日獲委任為本公司董事會主席、提名委員會主席及成員。

自二零零八年二月至現在，吳先生為深圳市榮者光電科技發展有限公司執行董事及總經理，昆明榮者光電科技發展有限公司監事及雲南中科偉視光學儀器有限公司董事長。吳先生曾於一九九七年四月至二零零七年八月期間擔任俄羅斯真匯公司總經理。

Biographical Details of Directors, Supervisors and Senior Management

董事、監事及高級管理人員之履歷詳情

Independent Non-Executive Directors

Mr. Xu Yongfeng (“**Mr. Xu**”) was appointed as an independent non-executive director, the chairman and a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company on 26 March 2019.

Mr. Xu, aged 49, graduated from Zhongnan University of Economics and Law with a bachelor's degree in accounting. Mr. Xu obtained the Chinese Certified Public Accountant's Licensing Certificate, the Chinese Certified Tax Agent's Licensing Certificate and the Chinese Legal Licensing Certificate. Prior to joining the Company, Mr. Xu worked in the accounting department of China Construction Bank, served as the finance manager in Shenzhen Xinnan Industrial Development Co., Limited, the finance manager in Shenzhen Rihao Shopping Plaza Co., Limited and the senior audit manager in Zhonglian Certified Public Accountants Co., Limited.

Mr. Wang Weizhong (“**Mr. Wang**”) was appointed as an independent non-executive director and a member of the nomination committee of the Company on 26 March 2019.

Mr. Wang, aged 39, graduated from the Vocational and Technical College of Shanxi University with a major in computer networking and a college degree. Prior to joining the Company, Mr. Wang worked in the marketing department of Taiyuan Aode Software Engineering Co., Limited, served as the manager in Jinzhong Sina Information Technology Co., Limited and the manager in Zhangzhou Hexintong Technology Co., Limited.

Mr. Rong Fei (“**Mr. Rong**”) was appointed as an independent non-executive director, a member of the audit committee and the chairman and a member of the remuneration committee of the Company on 26 March 2019.

Mr. Rong, aged 34, graduated from Shanxi University of Finance and Economics with a bachelor's degree in international economics and trade. Prior to joining the Company, Mr. Rong worked in the administrative affairs department of Huadian Shanxi Energy Co., Limited and served as the officer of the general management department of Shanxi Hetai Real Estate Development Co., Limited.

獨立非執行董事

許詠風先生（「許先生」）於二零一九年三月二十六日獲委任為本公司獨立非執行董事、審核委員會主席及成員、薪酬委員會成員及提名委員會成員。

許先生，49歲，畢業於中南財經政法大學會計專業，本科學位。許先生取得中國註冊會計師執業資格證書、中國註冊稅務師執業資格證書及中國法律執業資格證書。於加盟本公司前，許先生曾在中國建設銀行會計部工作，深圳信南實業發展有限公司擔任財務經理，深圳日豪購物廣場有限公司擔任財務經理及中聯會計師事務所有限公司擔任審計高級經理。

王衛忠先生（「王先生」）於二零一九年三月二十六日獲委任為本公司獨立非執行董事及提名委員會成員。

王先生，39歲，畢業於山西大學職業技術學院電腦網路專業，大專學歷。於加盟本公司前，王先生曾在太原奧得軟體工程有限公司營銷部工作，晉中新浪資訊科技有限公司擔任經理及忻州和信通科技有限公司擔任經理。

榮飛先生（「榮先生」）於二零一九年三月二十六日獲委任為本公司獨立非執行董事、審核委員會成員及薪酬委員會主席及成員。

榮先生，34歲，畢業於山西財經大學國際經濟與貿易專業，本科學歷。於加盟本公司前，榮先生曾在華電山西能源有限公司行政事務部工作及山西和泰房地產開發有限公司綜合管理部擔任主任。

Biographical Details of Directors, Supervisors and Senior Management

董事、監事及高級管理人員之履歷詳情

Supervisors

Ms. Han Xiaoou (“Ms. Han”), aged 44, graduated from Shanxi Normal University with a major in Chinese language and holds a postgraduate degree of political science. Ms. Han was appointed as a supervisor of the Company since 27 May 2011. Ms. Han is currently the chairman of the labor union and the secretary of the Communist Youth League Committee of Taiyuan Changcheng Optics Electronics Industrial Company Limited. Ms. Han has been working in the Company since graduating from Shanxi Normal University in 1999 and is currently the chairman of the supervisor committee and the senior of the executive office of the Company.

Mr. Dong Yonghong (“Mr. Dong”), aged 53, graduated from Shanxi University majoring in economic management. Mr. Dong was appointed as a supervisor of the Company on 30 November 2017. Mr. Dong has been the project manager of the research and development centre of the Company since February 2006.

Mr. Song Zhenbao (“Mr. ZB Song”), aged 51, holds a master’s degree from Jilin University. Mr. ZB Song was appointed as a supervisor of the Company on 30 November 2017. Mr. ZB Song is currently a business management consultant of Changchun Huaqingyuan Technology Company Limited. Mr. ZB Song was the vice president of Changchun Yongxin Pharmaceutical from 2006 to 2008 and the chief consultant of UFIDA Software Company Limited, Jilin Branch from 2009 to 2011.

監事

韓曉歐女士（「韓女士」），44歲，畢業於山西師範大學漢語言專業，持有政治學研究生學歷。韓女士於二零一一年五月二十七日獲委任為本公司監事。韓女士現任太原市長城光電子有限責任公司工會主席、中共青年團委書記。韓女士自一九九九年山西師範大學畢業以後一直在本公司工作，現為本公司監事會主席及行政辦主任。

董用宏先生（「董先生」），53歲，畢業於山西省大學經濟管理專業。董先生於二零一七年十一月三十日獲委任為本公司監事。董先生於二零零六年二月至今擔任本公司研發中心項目經理。

宋振寶先生（「宋振寶先生」），51歲，持有吉林大學研究生學歷。宋振寶先生於二零一七年十一月三十日獲委任為本公司監事。宋振寶先生現任長春華清園科技有限公司任企業管理諮詢顧問。宋振寶先生曾於二零零六年至二零零八年期間擔任長春永新醫藥集團副總裁及二零零九年至二零一一年期間擔任用友軟件股份有限公司吉林分公司首席顧問。

Biographical Details of Directors, Supervisors and Senior Management

董事、監事及高級管理人員之履歷詳情

Senior Management

Mr. Fan Jiming (“**Mr. Fan**”), aged 60, graduated from Shanxi Provincial Electronics School. Mr. Fan currently serves as the director of infrastructure and safety of the Company. Mr. Fan served as the production manager, the commander of technical reform department, the manager of purchasing & supply and the deputy general manager of the Company. Mr. Fan has been the deputy general manager of Taiyuan Changcheng Optics Electronics Industrial Company Limited since 1999.

Mr. Qian Yun (“**Mr. Qian**”), aged 58, graduated from the Mechanical Department of Taiyuan Polytechnic University. Mr. Qian is a senior engineer. Mr. Qian currently serves as the director of enterprise planning of the Company. Prior to joining the Company in 2005, Mr. Qian served as the deputy general manager of the Taiyuan Sanjin Aluminum Company Limited.

高級管理人員

范繼民先生（「范先生」），60歲，畢業於山西省電子工業學校無線電專業。范先生現任本公司安全及基建總監。范先生曾任本公司生產部經理、技術改造部總指揮、採供部經理及副總經理。范先生自一九九九年至今擔任太原市長城光電子有限責任公司副總經理。

錢云先生（「錢先生」），58歲，畢業於太原理工大學機械系。錢先生為一名高級工程師。錢先生現時擔任本公司企業策劃總監。於二零零五年加盟本公司之前，錢先生曾在太原三晉鋁業有限公司擔任副總經理。

Report of the Directors

董事會報告

The board of directors of the Company submit the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2021.

Principal Activities

The Company continued to be principally engaged in design, research, development, manufacture, and sale of image transmission fibre optic products. The principal activities of its subsidiaries are set out in the note (18) to the consolidated financial statements.

Segment Information

Details of the Group's segmental information for the year ended 31 December 2021 are set out in the note (8) to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2021 are set out in the accompanying consolidated financial statements. The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

Five-Year Financial Summary

A summary of the audited results and of the assets and liabilities of the Group for the past five financial years is set out in the section headed "Five-year Financial Summary" of this annual report.

Business Review and Financial Review

Details of business review and financial review of the Group for the year ended 31 December 2021 are set out in the section headed "Management Discussion and Analysis" of this annual report.

Reserves

Movements in the reserves of the Group and the Company for the year ended 31 December 2021 are set out in the accompanying consolidated financial statements and note (31) to the consolidated financial statements. As at 31 December 2021, the Company had reserves in the amount to RMB Nil (2020: RMB Nil) available for dividend distribution to shareholders.

本公司董事會提交本集團截至二零二一年十二月三十一日止年度之年報連同經審核綜合財務報表。

主要業務

本公司繼續以從事傳像光纖產品的設計、研究、開發、生產及銷售為其主要業務。本公司的附屬公司之主要業務載於綜合財務報表附註(18)。

分類資料

本集團截至二零二一年十二月三十一日止年度之分類資料詳情載於綜合財務報表附註(8)。

業績及分派

本集團截至二零二一年十二月三十一日止年度之業績載於隨附之綜合財務報表。本公司董事會不建議派付截至二零二一年十二月三十一日止年度之末期股息(二零二零年：零元)。

五年財務摘要

本集團過去五個財政年度的經審核業績及資產與負債之摘要載於本年報「五年財務摘要」一節。

業務回顧及財務回顧

本集團截至二零二一年十二月三十一日止年度之業務回顧及財務回顧詳情載於本年報「管理層討論與分析」一節。

儲備

本集團及本公司截至二零二一年十二月三十一日止年度之儲備變動載於隨附之綜合財務報表及綜合財務報表附註(31)。於二零二一年十二月三十一日，本公司可作股息分派予股東之儲備金額為人民幣零元(二零二零年：零元)。

Report of the Directors

董事會報告

Share Capital

There were no movements in the Company's issued share capital during the year ended 31 December 2021.

Purchase, Sale and Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the year ended 31 December 2021.

Pre-emptive Rights

There is no provision for pre-emptive rights under the articles of association of the Company and there is no restriction against such rights under the Companies Law (Revised) in the PRC.

Property, Plant and Equipment

Movements in the property, plant and equipment of the Group are set out in the note (16) to the consolidated financial statements.

Staff Retirement Plans

All members of staff are entitled to participate in the public welfare fund, which was set up for the purpose of ensuring that the participating employees will have sufficient means to support their living after retirement. For the year ended 31 December 2021, the Group reported employer's pension scheme contributions of approximately RMB5,544,000 (2020: RMB2,791,000).

Major Customers and Suppliers

During the year ended 31 December 2021, the Group's largest customer and the five largest customers accounted for approximately 21% (2020: 51%) and 77% (2020: 92%) of the Group's total turnover respectively.

During the year ended 31 December 2021, the Group's largest supplier and the five largest suppliers accounted for approximately 43% (2020: 89%) and 96% (2020: 96%) of the Group's total purchases respectively.

To the knowledge of the directors of the Company, none of the directors or supervisors of the Company or their respective associates or any of the shareholders of the Company who owns more than 5% of the Company's issued share capital had any interest in any of the Group's five largest customers and suppliers.

股本

截至二零二一年十二月三十一日止年度，本公司之已發行股本並無任何變動。

購買、出售或贖回股份

截至二零二一年十二月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回其任何上市證券。

優先購買權

本公司之組織章程細則並無關於優先購買權之規定，以及中國公司法（經修訂）亦無有關權利之限制。

物業、廠房及設備

本集團物業、廠房及設備變動載於綜合財務報表附註(16)。

員工退休計劃

全體員工均有權參與公積金，設立公積金之目的乃為確保參與僱員於退休後有足夠收入可負擔其生活所需。截至二零二一年十二月三十一日止年度，本集團錄得僱主之退休金計劃供款約人民幣5,544,000元（二零二零年：人民幣2,791,000元）。

主要客戶及供應商

截至二零二一年十二月三十一日止年度，本集團最大客戶及五大客戶分別佔本集團總營業額約21%（二零二零年：51%）及77%（二零二零年：92%）。

截至二零二一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分別佔本集團總購貨約43%（二零二零年：89%）及96%（二零二零年：96%）。

據本公司董事所知悉，概無本公司董事、監事、彼等各自之聯繫人或擁有本公司已發行股本5%以上之本公司任何股東於本集團之任何五大客戶及供應商中擁有任何權益。

Report of the Directors

董事會報告

Connected Transactions and Financial Assistance from Taiyuan Changcheng, Beijing Gensir and Connected Persons

The Group obtained financial assistance from Taiyuan Changcheng, a substantial shareholder of the Company. As at 31 December 2021, the amount due to Taiyuan Changcheng was approximately RMB21,964,000. The financial assistance of approximately RMB1,350,000 provided by Taiyuan Changcheng to the Company are secured by certain plant and machinery and motor vehicles of the Company.

The Group obtained financial assistance from Beijing Gensir, a substantial shareholder of the Company. As at 31 December 2021, the amount due to Beijing Gensir was approximately RMB702,000.

The Group obtained financial assistance from two connected persons (the “**Connected Persons**”). As at 31 December 2021, the amount due to Connected Persons was approximately RMB683,000.

For the year ended 31 December 2021, total interest charged by Taiyuan Changcheng, Beijing Gensir and Connected Persons was approximately RMB817,000, RMB18,000 and RMB25,000 respectively. The directors of the Company consider that the interest charged by Taiyuan Changcheng, Beijing Gensir and Connected Persons are based on normal commercial terms or better. The financial assistances and interest expenses are exempted from connected transaction requirements.

Directors

The directors who held office during the year ended 31 December 2021 and up to the date of this annual report were:

Executive Directors

Mr. Zhao Zhi
Mr. Song Zhenglai (Vice-Chairman)
Mr. Jiao Baoguo
Ms. Wang Lingling

Non-executive Directors

Mr. Yuan Guoliang
Mr. Wu Bo (Chairman)

Independent Non-executive Directors

Mr. Xu Yongfeng
Mr. Wang Weizhong
Mr. Rong Fei

關連交易及自太原長城、北京中澤及關連人士的財務資助

本集團自太原長城（本公司的一名主要股東）獲得財務資助。於二零二一年十二月三十一日，應付太原長城款項約人民幣21,964,000元。太原長城向本公司提供的財務資助約人民幣1,350,000元由本公司若干廠房及機器及汽車作抵押。

本集團自北京中澤（本公司的一名主要股東）獲得財務資助。於二零二一年十二月三十一日，應付北京中澤款項約人民幣702,000元。

本集團自兩名關連人士（「**關連人士**」）獲得財務資助。於二零二一年十二月三十一日，應付關連人士款項約人民幣683,000元。

截至二零二一年十二月三十一日止年度，太原長城、北京中澤及關連人士徵收的利息總額分別約人民幣817,000元、人民幣18,000元及人民幣25,000元。本公司董事認為，太原長城、北京中澤及關連人士徵收的利息符合一般商業條款或屬更好。財務資助及利息開支豁免遵守關連交易規定。

董事

截至二零二一年十二月三十一日止年度及截至本年報日期之在任董事如下：

執行董事

趙智先生
宋政來先生（副主席）
焦保國先生
王玲玲女士

非執行董事

袁國良先生
吳波先生（主席）

獨立非執行董事

許詠風先生
王衛忠先生
榮飛先生

Report of the Directors

董事會報告

The directors of the Company are appointed for a term of three years, and are subject to re-election for appointment by shareholders at the general meeting by the end of each of three-year period. Given that the nomination process of candidates for directors of the new session of the Board has not been completed due to the specific response to the epidemic, the re-election of the Board of the Company will be postponed, in order to maintain the continuity of the work of the Board. The terms of office of the committees under the fourth session of the Board of the Company will be extended accordingly. Before the completion of the re-election of the Board, all members of the fourth session of the Board of the Company will continue to perform corresponding duties pursuant to the relevant requirements under relevant laws and regulations, the GEM Listing Rules and the Articles of Association of the Company.

Supervisors

The supervisors who held office during the year ended 31 December 2021 and up to the date of this annual report were:

Ms. Han Xiaou (*Chairman*)
Mr. Dong Yonghong
Mr. Song Zhenbao

The supervisors of the Company are appointed for a term of three years, and are subject to re-election for appointment by shareholders at the general meeting by the end of each of three-year period. Given that the nomination process of candidates for supervisors of the new session of the supervisor committee has not been completed due to the specific response to the epidemic, the re-election of the supervisor committee of the Company will be postponed, in order to maintain the continuity of the work of the supervisor committee. Before the completion of the re-election of the supervisor committee, all members of the fourth session of the supervisor committee of the Company will continue to perform corresponding duties pursuant to the relevant requirements under relevant laws and regulations, the GEM Listing Rules and the Articles of Association of the Company.

Biographical Details of Directors, Supervisors and Senior Management

Biographical details of directors, supervisors and senior management are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this annual report.

本公司董事獲委任之任期為三年，並須於每三年期間結束後於股東大會上經股東重選委任。鑒於為做好疫情的具體應對工作，新一屆董事會董事候選人的提名工作尚未結束，為確保董事會工作的連續性，本公司董事會的換屆選舉工作將延期進行。本公司第四屆董事會下屬各委員會的任期亦相應順延。在董事會換屆選舉工作完成之前，本公司第四屆董事會所有成員將根據相關法律法規、《GEM上市規則》和本公司《公司章程》的有關規定繼續履行相應職責。

監事

截至二零二一年十二月三十一日止年度及截至本年報日期之在任監事如下：

韓曉歐女士（主席）
董用宏先生
宋振寶先生

本公司監事獲委任之任期為三年，並須於每三年期間結束後於股東大會上經股東重選委任。鑒於為做好疫情的具體應對工作，新一屆監事會監事候選人的提名工作尚未結束，為確保監事會工作的連續性，本公司監事會的換屆選舉工作將延期進行。在監事會換屆選舉工作完成之前，本公司第四屆監事會所有成員將根據相關法律法規、《GEM上市規則》和本公司《公司章程》的有關規定繼續履行相應職責。

董事、監事及高級管理人員之履歷詳情

董事、監事及高級管理人員之履歷詳情載於本年報「董事、監事及高級管理人員之履歷詳情」一節。

Report of the Directors

董事會報告

Emoluments of The Directors and Supervisors and The Five Highest Paid Individuals

Details of the directors' and supervisors' emoluments and the five highest paid individuals in the Group are set out in the note (13) to the consolidated financial statements.

Directors' and Supervisors' Service Agreements

Save as disclosed, none of the directors and supervisors of the Company has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' and Supervisors' Interests or Short Positions in the Shares, Underlying Shares and Debenture of the Company

As at 31 December 2021, the directors or supervisors of the Company who had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company

| Name | Nature and capacity in the shareholding of the Company | Number and type of domestic shares/H shares | Approximate percentage of holding of the domestic shares of the Company* | Approximate percentage of holding of the H shares of the Company* | Approximate percentage of holding of the total share capital of the Company* |
|----------------------|--|---|--|---|--|
| 姓名 | 持有本公司股權之性質及身份 | 內資股/H股數目及種類 | 持有本公司內資股之概約百分比* | 持有本公司H股之概約百分比* | 持有本公司股本總數之概約百分比* |
| Yuan Guoliang 袁國良 | Personal Interest and Family Interest 個人權益及家族權益 | 3,895,000 (Note 1) 3,895,000股(附註1) | - | 3.54% | 1.26% |

* Shareholding percentages have been rounded to the nearest two decimal places.

Note:

1. According to the interests filing disclosure, 3,645,000 H shares are registered in the name of Yuan Guoliang and 250,000 H shares are registered in the name of his spouse.

董事及監事之酬金及五名最高薪人士

董事及監事之酬金及本集團五名最高薪人士之詳情均載於綜合財務報表附註(13)。

董事及監事服務協議

除所披露者外，本公司董事及監事概無與本公司訂立本公司不得於一年內免付賠償（法定賠償除外）而終止之服務合約。

董事及監事於本公司股份、相關股份及債券之權益或淡倉

於二零二一年十二月三十一日，本公司董事或監事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第352條須列入該條例所述登記冊之權益或淡倉或根據GEM上市規則第5.46條所述上市發行人董事進行交易必守標準而須知會本公司及聯交所之權益或淡倉如下：

於本公司股份及相關股份之好倉

| Name | Nature and capacity in the shareholding of the Company | Number and type of domestic shares/H shares | Approximate percentage of holding of the domestic shares of the Company* | Approximate percentage of holding of the H shares of the Company* | Approximate percentage of holding of the total share capital of the Company* |
|----------------------|--|---|--|---|--|
| 姓名 | 持有本公司股權之性質及身份 | 內資股/H股數目及種類 | 持有本公司內資股之概約百分比* | 持有本公司H股之概約百分比* | 持有本公司股本總數之概約百分比* |
| Yuan Guoliang 袁國良 | Personal Interest and Family Interest 個人權益及家族權益 | 3,895,000 (Note 1) 3,895,000股(附註1) | - | 3.54% | 1.26% |

* 持股百分比已調整至最接近之兩個小數位。

附註：

1. 根據權益申報所披露，3,645,000股H股以袁國良名義登記及250,000股H股以其配偶名義登記。

Report of the Directors

董事會報告

Save as disclosed above, as at 31 December 2021, none of the directors or supervisors of the Company nor their respective associates had any 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) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules.

Substantial Shareholders

As at 31 December 2021, so far as the directors of the Company are aware, persons other than the directors or supervisors of the Company who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, were as follows:

除上文披露外，於二零二一年十二月三十一日，本公司董事或監事或彼等各自之聯繫人概無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）之股份、相關股份或債券中擁有根據證券及期貨條例第352條須列入該條例所述登記冊之任何權益或淡倉，或根據GEM上市規則第5.46條所述上市發行人董事進行交易必守標準而須知會本公司及聯交所之任何權益或淡倉。

主要股東

於二零二一年十二月三十一日，據本公司董事所知，按照證券及期貨條例第336條所存置之登記冊所示，除本公司董事或監事外，於本公司股份或相關股份中擁有權益或淡倉的人士如下：

| Name | Nature and capacity in the shareholding of the Company | Number and type of domestic shares/H shares | Approximate percentage of holding of the domestic shares of the Company* 持有本公司 內資股之 概約百分比* | Approximate percentage of holding of the H shares of the Company* 持有本公司 H股之概約 百分比* | Approximate percentage of holding of the total share capital of the Company* 持有本公司 股本總數之 概約百分比* |
|---|--|---|---|---|--|
| 姓名 | 持有本公司股權之性質及身份 | 內資股/H股 數目及種類 | | | |
| Domestic Shares: | | | | | |
| 內資股： | | | | | |
| Zhang Shao Hui 張少輝 | Interest in a controlled corporation 受控制公司之權益 | 82,200,000 domestic shares (Note 1) 內資股（附註1） | 41.34% | - | 26.61% |
| Beijing Gensir Venture Capital Management Limited 北京中澤創業投資管理 有限公司 | Registered and beneficial owner of the domestic shares and interest in a controlled corporation 內資股之登記及實益擁有人及受控 制公司之權益 | 82,200,000 domestic shares (Note 2) 內資股（附註2） | 41.34% | - | 26.61% |
| Taiyuan Changcheng Optics Electronics Industrial Company Limited 太原市長城光電子有限 責任公司 | Registered and beneficial owner of the domestic shares 內資股之登記及實益擁有人 | 80,160,000 domestic shares 內資股 | 40.31% | - | 25.95% |

Report of the Directors

董事會報告

| Name | Nature and capacity in the shareholding of the Company | Number and type of domestic shares/H shares | Approximate percentage of holding of the domestic shares of the Company* 持有本公司 內資股之 概約百分比* | Approximate percentage of holding of the H shares of the Company* 持有本公司 H股之概約 百分比* | Approximate percentage of holding of the total share capital of the Company* 持有本公司 股本總數之 概約百分比* |
|---|--|--|---|---|--|
| 姓名 | 持有本公司股權之性質及身份 | 內資股/H股 數目及種類 | | | |
| Beijing Yuankang Technology Co., Ltd. 北京原康科技有限公司 | Registered and beneficial owner of the domestic shares 內資股之登記及實益擁有人 | 34,000,000 domestic shares 內資股 | 17.10% | - | 11.01% |
| Jia Yaotian 賈堯天 | Interest in a controlled corporation 受控制公司之權益 | 34,000,000 domestic shares (Note 3) 內資股(附註3) | 17.10% | - | 11.01% |
| Taiyuan Tanghai Automatic Control Company Limited 太原唐海自動控制有限公司 | Registered and beneficial owner of the domestic shares 內資股之登記及實益擁有人 | 24,900,000 domestic shares 內資股 | 12.52% | - | 8.06% |
| Liu Jiang 劉江 | Interest in a controlled Corporation 受控制公司之權益 | 24,900,000 domestic shares (Note 4) 內資股(附註4) | 12.52% | - | 8.06% |
| Qiu Gui Qin 邱桂青 | Family interest 家族權益 | 24,900,000 domestic shares (Note 4) 內資股(附註4) | 12.52% | - | 8.06% |

* Shareholding percentages have been rounded to the nearest two decimal places.

* 持股百分比已調整至最接近之兩個小數位。

Note:

附註：

1. According to the interests filing disclosure, part of these domestic shares (57,300,000 domestic shares) is registered in the name of Beijing Gensir, a company whose issued shares were reportedly registered as to 100% in the name of Zhang Shao Hui. As Zhang Shao Hui is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Beijing Gensir, for the purpose of the SFO, Zhang Shao Hui is deemed to be interested in the entire 57,300,000 domestic shares held by Beijing Gensir.

1. 根據權益申報所披露，部分此等內資股(57,300,000股內資股)以北京中澤名義登記，其已發行之股份之100%權益申報為張少輝所擁有。由於張少輝在北京中澤股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，張少輝被視為於北京中澤持有之全部57,300,000股內資股中擁有權益。

Report of the Directors

董事會報告

According to the interests filing disclosure, the rest of these domestic shares (24,900,000 domestic shares) are registered in the name of Taiyuan Tanghai Automatic Control Company Limited (“**Taiyuan Tanghai**”), a company whose issued shares were reportedly registered as to approximately 36.37% in the name of Beijing Gensir. As Beijing Gensir is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Taiyuan Tanghai, for the purpose of the SFO, Zhang Shao Hui is deemed to be interested in the entire 24,900,000 domestic shares held by Taiyuan Tanghai.

2. According to the interests filing disclosure, part of these domestic shares (57,300,000 domestic shares) is registered in the name of Beijing Gensir, a company whose issued shares were reportedly registered as to 100% in the name of Zhang Shao Hui. The rest of these domestic shares (24,900,000 domestic shares) are registered in the name of Taiyuan Tanghai, a company whose issued shares were reportedly registered as to approximately 36.37% in the name of Beijing Gensir. As Beijing Gensir is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Taiyuan Tanghai, for the purpose of the SFO, Beijing Gensir is deemed to be interested in the entire 57,300,000 domestic shares held by Beijing Gensir and 24,900,000 domestic shares held by Taiyuan Tanghai.
3. According to the interests filing disclosure, these 34,000,000 domestic shares are registered in the name of Beijing Yuankang Technology Co., Ltd.北京原康科技有限公司 (“Beijing Yuankang”), a company whose issued shares were reportedly registered as to approximately 51% in the name of Jia Yaotian. As Jia Yaotian is entitled to exercise or control the exercise of one third or more of the voting power at the general meeting of Beijing Yuankang, for the purpose of the SFO, Jia Yaotian is deemed to be interested in the entire 34,000,000 domestic shares held by Beijing Yuankang.
4. According to the interests filing disclosure, these 24,900,000 domestic shares are registered in the name of Taiyuan Tanghai, a company whose issued shares were reportedly registered as to approximately 47.29% in the name of Liu Jiang. As Liu Jiang is entitled to exercise or control the exercise of one-third or more of the voting power at the general meeting of Taiyuan Tanghai, for the propose of the SFO, Liu Jiang is deemed to be interested in the entire 24,900,000 domestic shares held by Taiyuan Tanghai. Qiu Gui Qin, as the spouse of Liu Jiang, is taken to be interested in the shares held by Liu Jiang by virtue of Part XV of the SFO.

Save as disclosed above, the directors of the Company are not aware of other person who, as at 31 December 2021, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

根據權益申報所披露，餘下此等內資股(24,900,000股內資股)以太原唐海自動控制有限公司(「**太原唐海**」)名義登記，其已發行之股份約36.37%的權益申報為北京中澤所擁有。由於北京中澤在太原唐海股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，張少輝被視為於太原唐海持有之全部24,900,000股內資股中擁有權益。

2. 根據權益申報所披露，部分此等內資股(57,300,000股內資股)以北京中澤名義登記，其已發行之股份的100%權益申報為張少輝所擁有。餘下此等內資股(24,900,000股內資股)則以太原唐海名義登記，其已發行之股份約36.37%的權益申報為北京中澤所擁有。由於北京中澤在太原唐海股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，北京中澤被視為於北京中澤持有之全部57,300,000股內資股及太原唐海持有之全部24,900,000股內資股中擁有權益。
3. 根據權益申報所披露，此等34,000,000股內資股以北京原康科技有限公司(「**北京原康**」)之名義登記，其已發行之股份約51%的權益申報為賈堯天所擁有。由於賈堯天在北京原康股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，賈堯天被視為於北京原康持有之全部34,000,000股內資股中擁有權益。
4. 根據權益申報所披露，此等24,900,000股內資股以太原唐海之名義登記，其已發行之股份約47.29%的權益申報為劉江所擁有。由於劉江在太原唐海股東大會上有權行使或控制行使三分之一或以上投票權，故就證券及期貨條例而言，劉江被視為於太原唐海持有之全部24,900,000股內資股中擁有權益。根據證券及期貨條例第XV部，劉江之配偶邱桂青被視為於劉江所持股份中擁有權益。

除上文所披露者外，於二零二一年十二月三十一日，按照證券及期貨條例第336條須予存置之登記冊所示，本公司董事並不知悉有其他人士於本公司股份或相關股份中擁有權益或淡倉。

Report of the Directors

董事會報告

Share Option Scheme

The Group do not have share option scheme.

Directors' and Supervisors' Rights to Acquire H Shares

During the year ended 31 December 2021, none of the directors or supervisors of the Company was granted options to subscribe for H shares of the Company. As at 31 December 2021, none of the directors or supervisors of the Company nor their spouses or children under the age of 18 had any right to acquire H shares of the Company or had exercised any such right during the year.

Contracts of Significance

Save as disclosed, no contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a director or a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the year ended 31 December 2021 or at any time during the year ended 31 December 2021.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

Competing Interests

The directors of the Company believe that none of the directors, supervisors and management shareholders of the Company nor any of their respective associates had an interest in a business which competes or may compete with the business of the Group during the year ended 31 December 2021.

CONNECTED TRANSACTIONS

Mr. Wu Bo, a Director of the Group, is the equity owner of Shenzhen Ronger Optics & Electronic Technology Development Company Limited and Rongsheng Optoelectronics (Hong Kong) Co., Ltd. (榮盛光電(香港)有限公司), of which the sales with the Company as at 31 December 2021 amounting to approximately RMB6,853,000.

The Group obtained financial assistance from Shenzhen Kenman (深圳凱恩曼), a substantial shareholder of Beijing Gensir, a substantial shareholder of the Company, and as at 31 December 2021, the principal and interest due to Shenzhen Kenman (深圳凱恩曼) amounted to approximately RMB7,905,000 (12% per annum).

購股權計劃

本集團並無任何購股權計劃。

董事及監事購買H股之權利

截至二零二一年十二月三十一日止年度，本公司董事或監事概無獲授可認購本公司H股之購股權。確認於二零二一年十二月三十一日，本公司董事或監事及彼等之配偶或未滿十八歲之子女於年內亦概無擁有或已行使任何可購買本公司H股之權利。

重大合約

除所披露者外，截至二零二一年十二月三十一日止年度或截至二零二一年十二月三十一日止年度內之任何時間，概無存在本公司或其任何附屬公司所訂立而對本集團業務而言屬重大，且本公司董事或監事於當中直接或間接擁有重大權益之合約。

管理合約

年內，本集團並無訂立或存有任何有關管理及監管全部或任何絕大部分業務之合約。

競爭權益

本公司董事相信，截至二零二一年十二月三十一日止年度，本公司董事、監事及管理層股東或任何彼等各自之聯繫人概無於與本集團業務構成或可能構成競爭之業務中擁有權益。

關聯交易

本集團董事吳波先生為深圳市榮者光電科技發展有限公司及榮盛光電(香港)有限公司權益所有人，截止2021年12月31日止與本公司的銷售額為約人民幣6,853,000元。

本集團自深圳凱恩曼(本公司一名主要股東北京中澤的主要股東)獲得財務資助，於二零二一年十二月三十一日，應付深圳凱恩曼款項本息約人民幣7,905,000元(年利率12%)。

Report of the Directors

董事會報告

Confirmation of Independence by Independent Non-Executive Directors

The Company has received the annual confirmation of independence from all the incumbent independent nonexecutive directors of the Company pursuant to Rule 5.09 of the GEM Listing Rules and considered them to be independent.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

Audit Committee

In compliance with Rules 5.28 and 5.33 of the GEM Listing Rules, the Company has established an audit committee. The primary duties of the audit committee are to review and to provide supervision over the financial reporting system, risk management and internal control system of the Group. The audit committee comprises two independent non-executive directors and one non-executive director, namely Mr. Xu Yongfeng, Mr. Rong Fei and Mr. Yuan Guoliang respectively. Mr. Xu Yongfeng has been appointed as the chairman of the audit committee. The audit committee has reviewed the audited annual results of the Group for the year ended 31 December 2021.

Auditors

CCTH CPA Limited (the "CCTH") was re-appointed as the auditor of the Group by the board of directors of the Company. The consolidated financial statements for the year ended 31 December 2021 were audited by CCTH whose term of office will expire upon the forthcoming annual general meeting. The audit committee has recommended to the board of directors of the Company that CCTH be re-appointed as the auditors of the Group at the forthcoming annual general meeting.

Corporate Governance

Details of the corporate governance of the Group are set out in the section headed "Corporate Governance Report" of this annual report.

On behalf of the board of directors

Wu Bo
Chairman

Taiyuan City, Shanxi Province, the PRC
10 June 2022

獨立非執行董事之獨立性確認

本公司已收到本公司所有現任獨立非執行董事根據GEM上市規則第5.09條發出之年度獨立性確認，並認為彼等均具備獨立性。

充足公眾持股量

根據本公司所得之公開資料，以及本公司董事所知，於本報告日期，公眾至少持有本公司全部已發行股本之25%。

審核委員會

根據GEM上市規則第5.28及5.33條之規定，本公司已設立審核委員會。審核委員會之主要職責為審閱及監督本集團之財務匯報系統、風險管理及內部監控系統。審核委員會分別由兩名獨立非執行董事許詠風先生及榮飛先生及一名非執行董事袁國良先生組成。許詠風先生已獲委任為審核委員會主席。審核委員會已審閱本集團截至二零二一年十二月三十一日止年度之經審核年度業績。

核數師

中正天恆會計師有限公司（「中正天恆」）獲本公司董事會重新委任為本集團核數師。截至二零二一年十二月三十一日止年度之綜合財務報表由中正天恆審核，中正天恆之任期將應屆股東週年大會舉行時屆滿。審核委員會已向本公司董事會建議於應屆股東週年大會上重選中正天恆為本集團核數師。

企業管治

本集團之企業管治詳情載於本年報「企業管治報告」一節。

代表董事會

吳波
主席

中國山西省太原市
二零二二年六月十日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company recognizes the importance of corporate governance practice of a listed company and is committed to adopting the standards of corporate governance.

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 of the GEM Listing Rules. In the opinion of the Board of the Company, the Company has complied with the code provisions except for no arrangement of insurance cover in respect of legal action against the directors of the Company (code provisions C.1.8) due to insufficient budget provided.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiries of all directors of the Company, the Company was not aware of any non-compliance with the Required Standard of Dealings regarding securities transactions by directors for the year ended 31 December 2021.

BOARD OF DIRECTORS

The board of directors of the Company has the collective responsibility for leadership of, and for promoting the success of, the Group by directing and supervising the Group’s affairs.

BOARD COMPOSITION

The board of directors of the Company currently comprises nine directors, of which four are executive directors, namely Mr. Zhao Zhi, Mr. Song Zhenglai, Mr. Jiao Baoguo and Ms. Wang Lingling; two non-executive directors, namely Mr. Yuan Guoliang and Mr. Wu Bo and three independent non-executive directors, namely Mr. Xu Yongfeng, Mr. Wang Weizhong and Mr. Rong Fei.

企業管治常規

本公司董事會深明上市公司企業管治常規的重要性，亦一直致力採納企業管治標準。

本公司已遵守GEM上市規則附錄十五之企業管治守則（「企業管治守則」）所載之守則條文。本公司董事會認為，除由於所提供的預算不足，本公司並無就本公司董事可能面對的法律行動為彼等作投購保險安排（守則條文第C.1.8條）外，本公司已遵守守則條文。

董事進行證券交易

本公司已採納GEM上市規則第5.48至5.67條所載之交易必守標準（「交易必守標準」）作為董事進行證券交易的指引。經向本公司所有董事作出具體查詢後，本公司並不知悉有關截至二零二一年十二月三十一日止年度董事進行證券交易之任何不符合交易必守標準的情況。

董事會

本公司董事會透過指導和監督本公司事務，共同負責領導本集團，並促進本集團的成功。

董事會架構

本公司董事會現時由九名董事組成，包括四名執行董事：趙智先生、宋政來先生、焦保國先生及王玲玲女士；兩名非執行董事：袁國良先生及吳波先生及三名獨立非執行董事：許詠風先生、王衛忠先生及榮飛先生。

Corporate Governance Report

企業管治報告

The directors of the Company are appointed for a term of three years, and are subject to re-election for appointment by shareholders at the general meeting by the end of each of three-year period. Given that the nomination process of candidates for directors of the new session of the Board has not been completed due to the specific response to the epidemic, the re-election of the Board of the Company will be postponed, in order to maintain the continuity of the work of the Board. The terms of office of the committees under the fourth session of the Board of the Company will be extended accordingly. Before the completion of the re-election of the Board, all members of the fourth session of the Board of the Company will continue to perform corresponding duties pursuant to the relevant requirements under relevant laws and regulations, the GEM Listing Rules and the Articles of Association of the Company.

The Company has received the annual confirmation of independence from all the incumbent independent nonexecutive directors of the Company pursuant to Rule 5.09 of the GEM Listing Rules and considered them to be independent.

To the knowledge of the directors of the Company, the members of the board of directors of the Company have no financial, business, family or other material/relevant relationships among themselves and between the chairman and the chief executive officer.

BOARD MEETING

The board of directors of the Company met eleven times during the year ended 31 December 2021 and the attendance of the members is as follows:

| Name of director | 董事姓名 | Number of attendance 出席次數 |
|-------------------|-------|------------------------------|
| Mr. Zhao Zhi | 趙智先生 | 11/11 |
| Mr. Song Zhenglai | 宋政來先生 | 11/11 |
| Mr. Jiao Baoguo | 焦保國先生 | 11/11 |
| Ms. Wang Lingling | 王玲玲女士 | 11/11 |
| Mr. Yuan Guoliang | 袁國良先生 | 11/11 |
| Mr. Wu Bo | 吳波先生 | 11/11 |
| Mr. Xu Yongfeng | 許詠風先生 | 11/11 |
| Mr. Wang Weizhong | 王衛忠先生 | 11/11 |
| Mr. Rong Fei | 榮飛先生 | 11/11 |

本公司董事獲委任之任期為三年，並須於每三年期間結束後於股東大會上經股東重選委任。鑒於為做好疫情的具體應對工作，新一屆董事會董事候選人的提名工作尚未結束，為確保董事會工作的連續性，本公司董事會的換屆選舉工作將延期進行。本公司第四屆董事會下屬各委員會的任期亦相應順延。在董事會換屆選舉工作完成之前，本公司第四屆董事會所有成員將根據相關法律法規、《GEM上市規則》和本公司《公司章程》的有關規定繼續履行相應職責。

本公司已收到本公司所有現任獨立非執行董事根據GEM上市規則第5.09條發出之年度獨立性確認，並認為彼等均具備獨立性。

就本公司董事所知，本公司董事會成員之間及與主席及行政總裁之間概無財政、業務、家族或其他重大／相關關係。

董事會會議

截至二零二一年十二月三十一日止年度，本公司董事會曾舉行十一次會議，成員之出席情況如下：

Corporate Governance Report

企業管治報告

DIRECTOR'S CONTINUOUS TRAINING AND DEVELOPMENT

The directors of the Company should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution into the board of directors of the Company remains informed and relevant. The individual training record of each director of the Company during the year ended 31 December 2021 is as follows:

董事持續培訓及發展

本公司董事須參與持續專業發展，以增進並更新其知識及技能，從而確保彼等在知情情況下為本公司董事會作出切合需要之貢獻。截至二零二一年十二月三十一日止年度，本公司董事接受培訓之個人記錄如下：

Updating on the
business, operations
and corporate
governance matter
有關業務、經營及
企業管治事宜之
最新資訊

| Name of director | 董事姓名 | |
|-------------------|-------|---|
| Mr. Zhao Zhi | 趙智先生 | ✓ |
| Mr. Song Zhenglai | 宋政來先生 | ✓ |
| Mr. Jiao Baoguo | 焦保國先生 | ✓ |
| Ms. Wang Lingling | 王玲玲女士 | ✓ |
| Mr. Yuan Guoliang | 袁國良先生 | ✓ |
| Mr. Wu Bo | 吳波先生 | ✓ |
| Mr. Xu Yongfeng | 許詠風先生 | ✓ |
| Mr. Wang Weizhong | 王衛忠先生 | ✓ |
| Mr. Rong Fei | 榮飛先生 | ✓ |

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse the board of directors and sees increasing diversity at the board of directors' level as an essential element in maintaining the Company's competitive advantage. The Company has adopted the board diversity policy (the "Policy"). The nomination committee has reviewed the Policy during the year ended 31 December 2021 and where appropriate, recommends revision to the board of directors of the Company for consideration and approval.

董事會多元化政策

本公司了解及認同具有多元化董事會成員的裨益，並認為董事會多元化是維持本公司競爭優勢的重要元素。本公司已採納董事會多元化政策（該「政策」）。截至二零二一年十二月三十一日止年度，提名委員會已審閱該政策，並於合適時向本公司董事會作出修訂建議，以供考慮及批准。

Corporate Governance Report

企業管治報告

The factors listed below would be used as reference by the nomination committee in assessing the suitability of a proposed candidate: qualification and experience, character and integrity, accomplishment and reputation, relevant skills and experience to contribute to the board of directors, commitment in respect of available time and relevant interest, diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Zhao Zhi resigned as the chairman of the board of directors of the Company on 15 January 2020. Mr. Wu Bo was appointed as the chairman of the board of directors of the Company on 16 February 2020.

Mr. Jiao Baoguo resigned as the general manager of the Company on 11 January 2020. Following the resignation of Mr. Jiao Baoguo as the general manager of the Company, Mr. Zhao Taibing was appointed as the general manager of the Company with effect from 15 January 2020.

The chairman of the board of directors of the Company provides leadership for the board of directors of the Company and ensures that the board of directors of the Company works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The chief executive officer is responsible for the management of the business of the Group, implementation of the policies and objectives set out by the board of directors of the Company and is accountable to the board of directors of the Company for the overall operation of the Group.

BOARD COMMITTEES

The Company has set up three committees including audit committee, remuneration committee and nomination committee, each committee with its specific terms of reference as set out in the CG Code.

提名委員會於評估擬任候選人之合適性時，將參考下列因素：資質及經驗、品格及誠信、成就及聲譽、為董事會作出貢獻之相關技能及經驗、承諾付出之時間及相關利益及各方面之多元性，包括但不限於性別、年齡（十八歲或以上）、文化及教育背景、種族、專業經驗、技能、知識及年資。

主席及行政總裁

趙智先生於二零二零年一月十五日辭任董事會主席。吳波先生於二零二零年二月十六日獲委任為本公司董事會主席。

焦保國先生於二零二零年一月十一日辭任本公司總經理。隨焦保國先生辭任本公司總經理後，趙太兵先生獲委任為本公司總經理，由二零二零年一月十五日起生效。

本公司董事會主席負責領導本公司董事會，亦負責確保本公司董事會有效運作及履行職責，以及適時討論所有重要及適當事宜。行政總裁負責管理本集團業務，實施本公司董事會所制定之政策及目標，並就本集團整體營運向本公司董事會負責。

董事會轄下之委員會

本公司已設立三個委員會，包括審核委員會、薪酬委員會及提名委員會，而每個委員會均具備企業管治守則所規定之具體職權範圍。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in consistence with the CG Code. The audit committee comprises two independent non-executive directors and one non-executive director, namely Mr. Xu Yongfeng, Mr. Rong Fei and Mr. Yuan Guoliang. Mr. Xu Yongfeng was appointed as the chairman of the audit committee.

The primary duties of the audit committee include (i) to consider the appointment of external auditors and any questions of resignation or dismissal; (ii) to review financial information and (iii) to oversight of the financial reporting system, risk management and internal control system. The audit committee discharged its duties by reviewing the financial matters, quarterly, interim and annual financial reports and financial statements during the year ended 31 December 2021. The audited financial statements for the year ended 31 December 2021 have been reviewed by the audit committee.

The audit committee met four times during the year ended 31 December 2021 and the attendance of the members is as follows:

| Name of member | 成員姓名 | Number of Attendance 出席次數 |
|-------------------|-------|------------------------------|
| Mr. Xu Yongfeng | 許詠風先生 | 4/4 |
| Mr. Rong Fei | 榮飛先生 | 4/4 |
| Mr. Yuan Guoliang | 袁國良先生 | 4/4 |

REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in consistence with the CG Code. The remuneration committee comprises two independent nonexecutive directors and one non-executive director, namely Mr. Rong Fei, Mr. Xu Yongfeng and Mr. Yuan Guoliang. Mr. Rong Fei was appointed as the chairman of the remuneration committee.

審核委員會

本公司已設立審核委員會，其書面職權範圍符合企業管治守則。審核委員會由兩名獨立非執行董事許詠風先生、榮飛先生及一名非執行董事袁國良先生組成。許詠風先生已獲委任為審核委員會主席。

審核委員會之主要職責包括：(i)考慮外聘核數師之委任及與辭職或辭退有關之任何問題；(ii)審閱財務資料及(iii)監督財務匯報系統、風險管理及內部監控系統。截至二零二一年十二月三十一日止年度，審核委員會已履行其職責，包括審閱財務事宜、季度、中期及年度財務報告及財務報表。審核委員會已審閱截至二零二一年十二月三十一日止年度之經審核財務報表。

截至二零二一年十二月三十一日止年度，審核委員會曾舉行四次會議，成員之出席情況如下：

薪酬委員會

本公司已設立薪酬委員會，其書面職權範圍符合企業管治守則。薪酬委員會由兩名獨立非執行董事榮飛先生及許詠風先生及一名非執行董事袁國良先生組成。榮飛先生已獲委任為薪酬委員會主席。

Corporate Governance Report

企業管治報告

The primary duties of the remuneration committee include (i) to make recommendation to the board of directors on the policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and (ii) to review and approve the management's remuneration proposals. The remuneration reviewed the remuneration policy of all directors' and senior management during the year ended 31 December 2021.

The remuneration committee met one time during the year ended 31 December 2021 and the attendance of the members is as follows:

薪酬委員會之主要職責包括：(i)就全體董事及高級管理人員之薪酬政策及架構，以及就設立正規而具透明度制定薪酬政策的程序，向董事會提出建議及(ii)檢討及批准管理層的薪酬建議。截至二零二一年十二月三十一日止年度，薪酬委員會已審閱全體董事及高級管理人員的薪酬政策。

截至二零二一年十二月三十一日止年度，薪酬委員會曾舉行一次會議，成員之出席情況如下：

| Name of member | 成員姓名 | Number of attendance 出席次數 |
|----------------|-------|------------------------------|
| Mr. Rong Fei | 榮飛先生 | 1/1 |
| Xu Yongfeng | 許詠風先生 | 1/1 |
| Yuan Guoliang | 袁國良先生 | 1/1 |

Remuneration paid to members of senior management (including directors and supervisors) fell within the following bands:

支付高級管理層人員（包括董事及監事）的薪酬介乎下列範圍：

| | | Number of Individuals 人數 |
|-------------------------|-------------------------|-----------------------------|
| RMB120,000 or below | 人民幣120,000元或以下 | 12 |
| RMB120,001 – RMB300,000 | 人民幣120,001元—人民幣300,000元 | 3 |

NOMINATION COMMITTEE

The Company has established a nomination committee with written terms of reference in consistence with the CG Code. The nomination committee comprises the chairman of the board of directors and two independent non-executive directors, namely Mr. Wu Bo, Mr. Xu Yongfeng and Mr. Wang Weizhong. Mr. Wu Bo was appointed as the chairman of the nomination committee.

提名委員會

本公司已設立提名委員會，其書面職權範圍符合企業管治守則。提名委員會由董事會主席吳波先生及兩名獨立非執行董事許詠風先生及王衛忠先生組成。吳波先生已獲委任為提名委員會主席。

Corporate Governance Report

企業管治報告

The primary duties of the nomination committee include (i) to review the structure, size and composition (including the skills, knowledge and experience) of the board of directors; (ii) to identify individuals suitably qualified to become members of the board of directors and (iii) to make recommendations to the board of directors on the appointment or re-appointment of directors. The nomination reviewed the structure, size and composition of the board of directors of the Company and the board diversity policy during the year ended 31 December 2021.

The nomination committee met one time during the year ended 31 December 2021 and the attendance of the members is as follows:

提名委員會之主要職責包括：(i)檢討董事會的架構、人數及組成（包括技能、知識及經驗方面）；(ii)物色具備合適資格可擔任董事會成員之人士及(iii)就董事委任或重新委任向董事會提出建議。截至二零二一年十二月三十一日止年度，提名委員會已審閱本公司董事會的架構、人數及組成，以及董事會多元化政策。

截至二零二一年十二月三十一日止年度，提名委員會曾舉行一次會議，成員之出席情況如下：

| Name of member | 成員姓名 | Number of attendance 出席次數 |
|-------------------|-------|------------------------------|
| Mr. Wu Bo | 吳波先生 | 1/1 |
| Mr. Xu Yongfeng | 許詠風先生 | 1/1 |
| Mr. Wang Weizhong | 王衛忠先生 | 1/1 |

ANNUAL GENERAL MEETING

The annual general meeting of the Company was held on 30 June 2021.

股東週年大會

本公司股東週年大會已於二零二一年六月三十日舉行。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT

Financial reporting

The board of directors of the Company is responsible for presenting annual; interim; and quarterly reports, price sensitive announcements and other disclosure requirements under the GEM Listing Rules and other regulatory requirements.

The audit committee reviewed the financial matters, quarterly, interim and annual financial reports and financial statements of the Group during the year ended 31 December 2021.

The respective responsibilities of the directors of the Company and the auditors for preparing financial statements of the Group for the year ended 31 December 2021 are set out in the section headed “Independent Auditors’ Report” of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The board of directors of the Company acknowledged its responsibility for the effectiveness of the Group’s risk management and internal control systems. In light of the size and scale of the Group’s businesses, the board of directors of the Company is delegated with the responsibility for overseeing the risk management and internal control systems of the Group on an ongoing basis and for reviewing its effectiveness. Therefore, the Group currently do not have an internal audit department. During the revision of the risk management and internal control systems of the Group, the board of directors of the Company identified that the Group has material uncertainty in going concern.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

As at 31 December 2021, the Group had net current liabilities and net liabilities of approximately RMB216,141,000 and RMB114,420,000 respectively. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

問責及審核

財務匯報

本公司董事會負責提交年度、中期及季度報告、股價敏感資料公告及GEM上市規則及其他監管規定所要求之其他披露規定。

截至二零二一年十二月三十一日止年度，審核委員會已審閱本集團財務事宜、季度、中期及年度財務報告及財務報表。

本公司董事及核數師就編製本集團截至二零二一年十二月三十一日止年度的財務報表各自的責任載於本年報「獨立核數師報告」一節。

風險管理及內部監控

本公司董事會承認其對本集團風險管理及內部監控制度之效力之責任。鑒於本集團業務之大小及規模，本公司董事會獲授權負責持續監督本集團風險管理及內部監控制度之責任，並檢討其成效。因此，本集團現時並無內部審計部門。於對本集團風險管理及內部監控制度進行檢討過程中，本公司董事會確定本集團在持續經營方面存在重大不明朗因素。

有關持續經營之重大不明朗因素

本集團於二零二一年十二月三十一日的流動負債淨額及負債淨額分別約人民幣216,141,000元及人民幣114,420,000元。該等情況顯示存在重大不確定因素，可能對本集團持續經營能力構成重大疑問，因此本集團可能無法在日常業務過程中變現其資產及履行其負債。

Corporate Governance Report

企業管治報告

The directors of the Company have been taking active steps to improve the liquidity position of the Group. These steps include: (i) at the capital level, introducing new strategic investors into the private placement of new shares/bonds, and negotiating and implementing a debt restructuring plan with shareholders, borrowers and financial institutions; (ii) at the operational level, revitalizing the long-term assets and planning to lease out the properties temporarily not used in the Company's business operations, so as to increase the property income; developing new products for extending the downstream of the industrial chain and strengthening the existing sales forces and introducing more capable strategic sales agencies; and taking the advantage of the technological advantages accumulated by the Company in the field of military products to expand into the field of civilian products and increase new customers and income sources; and (iii) in respect of liabilities, negotiating and implementing interest reduction/exemption program with shareholders and borrowers and seeking financial support from shareholders and borrowers

Provided that these measures can successfully improve the liquidity position of the Group, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities. The effect of these adjustments has not been reflected in the financial statements.

AUDITORS' REMUNERATION

The external auditors provide services to the Group during the year ended 31 December 2021. The remuneration of the external auditors for the provision of audit service for the year under review is RMB500,000 and the provision of non-audit services is RMBNil.

本公司董事已採取積極措施改善本集團的流動資金狀況。這些步驟包括(i)資本層面：定向增發新股／發債引入新的戰略投資者，與股東、借貸人及財務機構磋商和實施債務重組方案；(ii)經營層面：盤活長期資產，擬將公司經營上暫無用途的物業對外進行出租，增加物業收入；研發新產品，向產業鏈下游延伸，同時，強化現有銷售力量，引入更有能力的戰略性銷售代理公司；利用公司在軍品領域積累的技術優勢，向民用產品領域進行拓展，增加新的客戶和收入來源；及(iii)負債方面：與股東及借貸人磋商和實施減免借貸利息方案及尋求股東及借貸人的財務支持。

倘該等措施能成功改善本集團的流動資金狀況，本公司董事對本集團能夠在可預見的將來到期的財務責任感到滿意。因此，財務報表乃按持續經營基準編製。如果本集團無法持續經營，則必須進行調整以將資產價值減記至其可收回金額，以計提可能產生的任何進一步負債，並將非流動資產和負債重新分類為流動資產和負債。這些調整的影響尚未反映在財務報表中。

核數師酬金

截至二零二一年十二月三十一日止年度，外聘核數師向本集團提供服務。外聘核數師於回顧年度就提供核數服務所收取之酬金為人民幣50萬元及就提供非核數服務收取人民幣0元。

Corporate Governance Report

企業管治報告

AUDITORS

In 2021, CCTH has been re-appointed as the auditors of the Group. The account for the year ended 31 December 2021 was audited by CCTH whose term of office will expire upon the forthcoming annual general meeting. The audit committee has recommended to the board of directors of the Company that CCTH be re-appointed as the auditor of the Group at the forthcoming annual general meeting.

Company Secretary

Ms. Fong Yip Ha of SBA Stone Forest Limited, an external service provider, has been engaged by the Company as the company secretary and an authorized representative with effect from 21 June 2021 in replacement of Ms. Han Lei.

Her primary contact person at the Company is Ms. Guo Weiwei, secretary of the board of the Company.

During the year ended 31 December 2021, Ms. Fong has complied with taking no less than 15 hours of the relevant professional training requirement under Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting and putting forward proposal at shareholders' meeting

Pursuant to article 53 of the articles of association of the Company, an extraordinary general meeting ("EGM") be convened on the written requisition of shareholder holding more than 10% (including 10%) of the voting shares issued by the Company. When the board of directors receives the written requisition, the board of directors shall convene an EGM within two months.

核數師

於二零二一年，中正天恆獲重新委任為本集團核數師。截至二零二一年十二月三十一日止年度之賬目經由中正天恆審核，彼之任期於即將舉行之股東週年大會上任滿。審核委員會已向董事會建議，於即將舉行之股東週年大會上續聘中正天恆為本集團之核數師。

公司秘書

外聘服務供應商中瀚石林有限公司的方葉夏女士自二零二一年六月二十一日起獲本公司委聘為公司秘書及授權代表，以代替韓蕾女士。

彼於本公司的主要聯絡人為本公司董事會秘書郭薇薇女士。

截至二零二一年十二月三十一日止年度，方女士已遵守GEM上市規則第5.15條項下有關接受不少於15小時相關專業培訓的規定。

股東權利

召開臨時股東大會及於股東大會上提出建議

根據本公司組織章程細則第53條，臨時股東大會（「臨時股東大會」）可由持有本公司發行在外的有表決權的股份百分之十以上（含百分之十）的股東以書面形式要求召開。當董事會收到書面要求時，應當在兩個月內召開臨時股東大會。

Corporate Governance Report

企業管治報告

Pursuant to article 73 of the articles of association of the Company, if shareholders request to convene an EGM or a class meeting of shareholders, the following procedures should be followed: an EGM may be convened on the written requisition of any two or more shareholders of the Company holding more than 10% of the paid up capital of the Company which carries the right of voting at general meetings of the Company (the “**Requisitionists**”). Such written requisition must specify the resolution(s) to be considered in the EGM and must be signed by the Requisitionists and deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such principal office, the registered office of the Company. Shareholders should follow the requirements and procedures as set out in such article for convening an EGM. If the board of directors of the Company does not convene the EGM within 30 days from the receipt of such requisition, the Requisitionists are entitled to convene the EGM themselves within four months after the board of directors of the Company received their requisition at the Company’s expense.

ENQUIRIES PUT TO THE BOARD

Shareholders may send written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong or by email to ccoegvv@126.com, for the attention of the secretary of the board of directors of the Company.

INVESTOR RELATIONS

The Company establishes different communication channels with investors to update the latest business development and financial performance including the publication of quarterly, interim and annual reports, notices, announcements and circulars on the GEM website and the Company’s website in order to maintain a high level of transparency, and to ensure there is no selective disclosure of inside information.

根據本公司組織章程細則第73條，股東要求召集臨時股東大會或者類別股東會議，應當按照下列程序辦理：臨時股東大會可由本公司持有附帶權利並可於本公司股東大會上表決的本公司百分之十以上繳足股本的任何兩名或以上股東（「呈請人」）提出書面呈請而召開。有關書面呈請必須列明臨時股東大會上將予考慮的決議案，並且必須由呈請人簽署並存置於本公司於香港的主要營業地點（倘本公司不再設置該主要辦事處，則為本公司註冊辦事處）。股東應遵守有關細則所載有關召開臨時股東大會的規定及程式。倘本公司董事會未能於收到該呈請日起計三十日內發出召開臨時股東大會的通知，則呈請人有權於本公司董事會收到彼等的呈請後四個月內自行召開臨時股東大會，費用由本公司承擔。

向董事會提出查詢

股東可將有關彼等權利的書面查詢或要求寄發至本公司香港主要營業地點或透過電郵發送至 ccoegvv@126.com，收件人為本公司董事會秘書。

投資者關係

本公司與投資者建立不同的通訊途徑，以更新最新業務發展及財務表現，包括於GEM網站及本公司網站刊發季度、中期及年度報告、通告、公告及通函，以維持高度透明，且確保概無選擇性披露內幕消息。

Environmental, Social and Governance Report

環境、社會及管治報告

SCOPE AND REPORTING PERIOD

This is the ESG report of the Group, highlighting its Environmental, Social, and Governance (the “ESG”) performance, with disclosure reference made to the ESG Reporting Guide as set out in Appendix 20 of the GEM Listing Rules.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of the business operations in the PRC including the headquarter office and production facilities from 1 January 2021 to 31 December 2021, unless otherwise stated.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant aspects for the Group to report on for this ESG report, key stakeholders including investors, shareholders and employees of the Group have been involved in regular engagement sessions to discuss and to review areas of attention which will help the business meets its potential growth and be prepared for future challenges.

STAKEHOLDER’S FEEDBACK

The Group welcomes stakeholders’ feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at ccoegvv@126.com.

I. Environmental

To demonstrate the Group’s commitment to sustainable development and compliance with laws and regulations relating to environmental protection, the Group endeavors to minimise the environmental impact of the business activities.

The Group has established system to ensure environmental compliance. It seeks to optimise its production by adopting low energy consumption and environmental pollution techniques, implementing environmental-friendly waste disposal methods and enhancing the environmental awareness of the employees through regular trainings. The management team has the overall responsibility for environmental protection matters within the Group.

範圍及報告期間

此為本集團環境、社會及管治報告書，以強調本集團於環境、社會及管治（「環境、社會及管治」）方面之表現，乃參考GEM上市規則附錄二十所載「環境、社會及管治報告指引」所披露。

除另有說明外，本環境、社會及管治報告書涵蓋本集團中國業務運作包括總部辦事處及生產設施於二零二一年一月一日至二零二一年十二月三十一日止環境及社會兩個主要範疇之整體表現。

持分者的參與及重要性

為確定本集團於本環境、社會及管治報告中所匯報之最重要方向，主要持分者包括本集團的投資者、股東及僱員已定期參與討論及審閱有助本集團業務發揮潛在增長及裝備應付未來挑戰的注意事項。

持分者意見

本集團歡迎持分者就我們的環境、社會及管治方針及表現提供意見。敬請閣下透過電郵向我們提出建議或分享意見，電郵地址為ccoegvv@126.com。

I. 環境

為表明本集團對於可持續發展以及遵守與環境保護有關的法例及法規的承諾，本集團致力於盡量降低業務活動的環境影響。

本集團已設立制度以確保環境合規。其尋求透過採取低耗能及低環境污染的技术、實施環保的廢物處置方法及以定期訓練提升僱員環保意識，以優化生產。管理層團隊對本集團內的環保事宜負整體責任。

Environmental, Social and Governance Report

環境、社會及管治報告

Emissions

The manufacturing process of the Group produces certain amount of waste water, solid waste and to a lesser extent gas. In accordance with relevant environmental laws and regulations and our relevant environmental policies, the Group must ensure that national emissions standards are met. Regular assessments are conducted on the air and greenhouse gas emissions of the production facilities, as well as the generation and disposal of hazardous and nonhazardous waste. The Group does not generate significant air emissions or hazardous waste.

Use of Resources

The resources used by the Group are principally attributed to electricity and water consumed at its production facilities and office. Under our relevant environmental policies, the Group proactively seeks opportunities for increasing operating efficiency to reduce the use of resources, such as energy savings on lights and air-conditioning systems. The Group also closely monitors the utilisation of resources and reports to senior management on this aspect of performance.

The Environment and Natural Resources

Due to the nature of the business, in addition to the above-mentioned emissions and resource usage, the Group does not have any direct and significant impacts on the environment and natural resources in the course of its operation.

The Group has established system to ensure environmental compliance by adopting low energy consumption and environmental pollution techniques. The Group has also appointed dedicated staff to monitor the Group's compliance with relevant laws and regulations as well as review and update the internal environmental protection policies.

排放

本集團的生產工序產生一定數量的廢水、固體廢料及程度較輕的廢氣。根據有關環境法例及法規以及本集團的有關環境政策，本集團須確保符合國家排放標準。生產設施的廢氣及溫室氣體排放以及有害及無害廢棄物的產生及處理會定期進行評估。本集團並無產生大量氣體排放或有害廢棄物。

資源使用

本集團使用的資源主要為其生產設施及辦公室所耗用的水電。根據本集團的有關環境政策，本集團積極尋求提高經營效率的機會以降低資源使用（例如照明及空調系統的節能）。本集團亦密切監察資源的使用並就該方面表現向高級管理層報告。

環境及自然資源

由於業務性質，除上述排放及資源使用外，本集團在經營過程中對環境及自然資源概無任何直接嚴重影響。

本集團透過採取低耗能及低環境污染的技術，設立制度以確保環境合規。本集團亦已委任專責職員，監察本集團就相關法例及法規的合規，以及檢討並更新內部環保政策。

Environmental, Social and Governance Report

環境、社會及管治報告

II. Social

The Group believes that one of the key aspects of its success is the good relationship it maintains with employees. The Group provides a friendly and harmonious working environment.

Employment and Labor Practices

Employment

The Group had a total number of approximately 380 employees as of 31 December 2021. The Group rewards and recognises performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

The Group strictly complies with relevant laws and regulations in the PRC, and the relevant administrative rules and measures are strictly enforced. These rules and regulations specify the requirements relating to employment, labor relations, employees' remuneration and welfare to protect the rights of employees.

Health and Safety

The Group has been committed to protect employees' health and safety. It maintains the occupational health and workplace safety management system and policies in conformity to the internationally applied occupational health and safety management systems requirements and in strict compliance with the relevant regulations in the PRC. During the Year, the Group did not encounter any major accidents during the operation.

Development and Training

Training is an important way to improve the overall quality and provide comprehensive development of the employees. The Group has continuously perfected and modified the employee training management system, established a multilevel training system, created various learning opportunities for the employees, in order to enhance their competence, job skills, knowledge and performance.

II. 社會

本集團認為其成功的重要方面之一為與僱員保持良好關係。本集團亦提供友好和諧的工作環境。

僱傭及勞工常規

僱傭

於二零二一年十二月三十一日，本集團合共約有380名僱員。本集團提供優厚的薪酬福利及推行全面表現評核計劃，以獎勵及表揚表現優秀的員工，並透過適當培訓及提供機會協助彼等在集團內發展事業及晉升。

本集團嚴格執行中國之相關法規條例，制定並嚴格執行相關管理制度及辦法，對員工的聘用、勞動關係、待遇、福利等方面作出明確規定，致力保障員工的權益。

健康及安全

本集團一直致力於保障員工的健康及安全。本集團維持符合國際通用的職業健康及安全管理系統標準，並嚴格遵照中國的有關法規條例。於本年度，本集團於營運時並未發生重大的安全事故。

發展及培訓

培訓是提高員工整體素質及全面發展的重要途徑。本集團不斷完善和修訂員工培訓管理制度，建立多層次的培訓體系，為員工創造不同的學習機會，提升其能力、工作技能、知識及表現。

Environmental, Social and Governance Report

環境、社會及管治報告

In daily operations, the Group provides induction training for new employees. Experienced employees will act as mentors to guide the new comers on jobs. The Group arranges the trainings designated according to the roles and responsibilities of the employees, mainly includes human resources management, managerial skills, legal affairs, risk management, project running, financial and auditing, technical research and development, environmental protection, occupational health and safety etc. The Group also updates the latest information of the industry and laws and regulations which is essential to the Group's operation and their job responsibilities from time to time.

Labor Standards

The Group provides its staff with a safe, health, comfortable working environment with labor protection, reasonable remuneration and various welfares. The Group enters employment contract with each of its employee in accordance with relevant laws and regulations in the PRC and prohibits forced labor.

Operating Practices

Supply Chain Management

To provide top quality services to customers, the Group carefully sourced its raw materials, packaging materials and equipment with standardized procurement procedure and policies. The Group's procurement policy and its comprehensive procurement management systems help screening out undesirable products in the aspects of raw materials, packaging materials and equipment selection, product formulation, product packaging, quality management system in factories, transportation, etc.

Suppliers for raw materials, packaging materials and equipment are selected based upon rational and clear criteria, such as reputation, technical skills and consistent production quality, compliance with industrial standards, so as to procure superior goods and services from the most competitive sources. The Group's research and development department set out product specification for the suppliers to follow, while the quality control department performs sample test to ensure that goods and materials received by the Group are in compliance with the quality and specifications before they are accepted and transferred to the warehouse.

在日常營運中，本集團為新員工安排入職培訓。資深的員工對初級員工進行工作指導。本集團會根據員工的角色和責任要求進行指定專業知識和技能培訓，主要包括人力資源管理、法律事務、風險管理、項目營運、財務審計、技術研發、環保、職業健康安全等。本集團會不時提供有關對本集團營運及員工工作息息相關的最新行業資訊及相關法例的更新。

勞工準則

本集團致力為員工營造安全、健康及舒適的工作環境，並提供勞動保護及向員工支付合理薪酬和提供各項福利。本集團按照中國之相關法規條例與每一位員工訂立僱用合約，並禁止一切強制勞動。

營運慣例

供應鏈管理

為向客戶提供優質服務，本集團審慎購買符合標準採購程序及政策的原材料、包裝物料及設備。本集團之採購政策及全面之採購管理制度，有助篩選出在原材料、包裝物料及設備挑選、產品配方、產品包裝、工場之品質管理系統及運輸等方面之不良產品。

本集團根據合理清晰之準則挑選原材料、包裝物料及設備供應商，例如聲譽、工藝技術及穩定的生產品質、遵守行業標準，務求以最具競爭力之資源採購最優越的貨品及服務。本集團的研發部門陳述產品規範以便供應商遵守，而品質控制部門則進行抽檢以確保本集團收到的貨品及物料符合品質及規範，其後方會接受貨品及物料並將其入庫。

Environmental, Social and Governance Report

環境、社會及管治報告

Product Responsibility

The Group aims to achieve the highest possible standard with all the products sold. The Group has established relevant policies which cover product quality guarantee and safety and set up a dedicated quality control department. They work in collaboration with the Group's research and development department, procurement department and production and warehousing department to ensure that the products are of high quality and safe and comply with all applicable laws and regulations.

Anti-corruption

The Group requires employees to strictly conform to code of business ethics and put any corruption bribe behavior to an end as stipulated in the employment contracts and the relevant policies of the Group. In the cases of conflict of interest, it must be reported to the Group's management.

Community

Community Investment

The Group always seeks to be a positive force in the communities in which it operates and maintain close communications and interactions with the communities in order to contribute to local development.

The Group believes that the creation of a peaceful community relies on the cooperation of people, corporations and the government. By working together with various community partners, the Group believes can bring a tremendous impact on the sustainable development of the communities in which it operates.

The Group will also actively encourage staff to volunteer their time and skills to benefit local communities. It gives employees the opportunities to find out more about the issues of the society and environment and reinforce the Group's corporate values.

產品責任

本集團致力向客戶提供最高標準的產品。本集團制定了相關管理政策，內容涵蓋產品品質保證及安全，以及成立專門的質量監控部門。該部門與本集團的研發部門、採購部門以及生產及倉儲部門合作，確保產品優質安全並符合所有適用法例及規例。

反貪污

按照僱傭合約及本集團的有關政策規定，本集團要求員工嚴格遵守商業道德準則，杜絕任何貪污及賄賂行為。如有利益衝突，需要及時向本集團管理層申報。

社區

社區投資

本集團努力尋求成為營運所處社區的正面力量，並一直與社區維持密切溝通和互動，為社區發展作出貢獻。

本集團相信創造平和的社區需要市民、企業及政府共同的參與。透過與不同的社區夥伴通力合作，本集團相信可為營運所處社區的可持續發展帶來重大影響。

本集團亦將積極鼓勵員工無償付出時間和技能，以惠及本地社區，借此給予僱員機會了解更多社會及環境問題，以及增強本集團企業價值。

Independent Auditor's Report

獨立核數師報告



CCTH CPA LIMITED

中正天恆會計師有限公司

TO THE SHAREHOLDERS OF SHANXI CHANGCHENG MICROLIGHT EQUIPMENT CO. LTD.

(Incorporated in the Peoples Republic of China with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Shanxi Changcheng Microlight Equipment Co. Ltd. and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 147, which comprise the consolidated statement of financial position as at 31 December 2021, 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 a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致山西長城微光器材股份有限公司各股東

(於中華人民共和國註冊成立之有限公司)

不作出意見

我們已獲委聘審核列載於第52至147頁山西長城微光器材股份有限公司及其附屬公司(統稱為「貴集團」)的綜合財務報表，此綜合財務報表包括於二零二一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及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註並包括主要會計政策概要。

我們不會就貴集團之綜合財務報表發表意見。因為本報告中下述不作出意見的基礎一節所述事宜之重要性，我們未能獲得充足及適當的審核憑證以作為對該等綜合財務報表提供審核意見的基礎。就其他方面而言，我們認為，綜合財務報表已根據香港公司條例之披露規定妥善編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(a) Going concern

We draw attention to note 2 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately RMB40,390,000 for the year ended 31 December 2021 and that as at 31 December 2021, the Group had net current liabilities and net liabilities of approximately RMB216,141,000 and RMB114,420,000 respectively. In addition, as detailed in note 28 to the consolidated financial statements, the Group had outstanding bank and other borrowings amounted to approximately RMB93,708,000 as at 31 December 2021, of which (i) the borrowings amounted to approximately RMB92,908,000 have been overdue for repayments and (ii) the borrowings amounted to approximately RMB800,000 is repayable within 12 months after 31 December 2021. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforementioned, the consolidated financial statements have been prepared on a going concern basis. Should the going concern basis be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at other than the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively.

In the absence of sufficient appropriate audit evidence to substantiate that the Group can operate as a going concern, we are unable to form our view as whether it is appropriate for the preparation of the consolidated financial statements on a going concern basis.

不作出意見的基礎

(a) 持續經營

我們敬請垂注綜合財務報表附註2，貴集團截至二零二一年十二月三十一日止年度錄得貴公司擁有人應佔虧損約人民幣40,390,000元，而於二零二一年十二月三十一日，貴集團之流動負債淨額及負債淨額分別約人民幣216,141,000元及人民幣114,420,000元。此外，如綜合財務報表附註28所詳述，貴集團於二零二一年十二月三十一日的未償還銀行及其他借貸約為人民幣93,708,000元，其中(i)借貸約人民幣92,908,000元已逾期償還及(ii)借貸約人民幣800,000元須於二零二一年十二月三十一日後的12個月內償還。該等情況顯示存在重大不確定因素，可能對貴集團的持續經營能力構成重大疑問，因此貴集團可能無法在日常業務過程中變現其資產及履行其負債。

儘管如前文所述，綜合財務報表已按持續經營基準編製。倘持續經營基準屬不恰當，則可能須作出調整以反映可能須變現該等資產之情況，而非按其現時於綜合財務狀況表列賬之金額列值。此外，貴集團可能須為可能產生之進一步負債作出撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。

鑒於缺乏適當足夠審核憑據以證實貴集團可按持續經營基準運營，我們就按持續經營基準編製綜合財務報表是否屬合適無法形成我們意見。

Independent Auditor's Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(b) Impairment of property, plant and equipment

As referred to note 16 to the consolidated financial statement, the carrying amount of the Group's property, plant and equipment at 31 December 2021 amounted to approximately RMB114,212,000 and impairment loss on property, plant and equipment, based on their estimated replacement costs, amounted to approximately RMB5,211,000 was recognized in the consolidated financial statements. We are unable to obtain sufficient appropriate audit evidence to assess additional impairment losses, if any, to be made on the Group's property, plant and equipment based on their recoverable amounts, which are the higher of the fair value less cost of disposal of the related assets and their value in use. Any adjustments to be made for the impairment of the Group's property, plant and equipment, if any, might have significant impacts on the consolidated financial position of the Group at 31 December 2021 and the Group's financial performance for the year then ended.

OTHER MATTERS

Had we not disclaimed our opinion in respect of the matters described in the Basis for Disclaimer of Opinion section above, we would otherwise have reported the following information contained in the annual report:

Connected party transactions

As disclosed in note 35, (i) the Group made sales of goods to related parties at the sale prices of approximately RMB6,853,000 for the year ended 31 December 2021; and (ii) the Group obtained loans from the holding company of a substantial shareholder of the Company amounting to approximately RMB7,905,000 with interest bearing at 12% per annum. We are unable to obtain relevant documents to substantiate that these related parties are regarded as connected parties of the Company and that the transactions with these related parties are regarded connected party transactions to be approved by independent shareholders and to be disclosed in the annual report in accordance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

不作出意見的基礎

(b) 物業、廠房及設備減值

如綜合財務報表附註16所述，貴集團於二零二一年十二月三十一日之物業、廠房及設備之賬面值約人民幣114,212,000元，並且已於綜合財務報表確認物業、廠房及設備之減值虧損（基於其估計重置成本）約人民幣5,211,000元。我們無法取得充足適當之審核憑據，以評估就貴集團之物業、廠房及設備基於其可收回金額（為有關資產之公平值減出售成本與其使用價值二者中之較高者）將作出之額外減值虧損（如有）。對貴集團之物業、廠房及設備之減值作出之任何調整（如有）可能對貴集團於二零二一年十二月三十一日之綜合財務狀況及貴集團截至該日止年度之財務表現產生重大影響。

其他事項

倘我們就上節「不作出意見的基礎」所述事項否認我們的意見，則我們將會報告年報內所載之下列資料：

關連方交易

如附註35所披露，(i)截至二零二一年十二月三十一日止年度，貴集團以售價約人民幣6,853,000元向關連方銷售貨品；及(ii)貴集團自貴公司一名主要股東之控股公司取得貸款約人民幣7,905,000元，按年利率12%計息。我們無法獲取相關文件以證實該等相關方被視作貴公司之關連方，以及與該等相關方之交易根據香港聯合交易所有限公司GEM證券上市規則被視作待由獨立股東批准之關連方交易並將於年報內披露。

Independent Auditor's Report

獨立核數師報告

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (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.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report that include 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 person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會（「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》之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為就編製綜合財務報表所必要的內部控制，以使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

管治層負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

我們的責任為根據香港會計師公會頒佈之香港審計準則對貴集團之綜合財務報表進行審核並發表包含我們根據我們的協定委聘條款僅向閣下（作為整體）出具的意見的核數師報告，除此以外，並無其他用途。我們不會就本報告的內容向任何其他人士負責或承擔責任。然而，由於本報告不作出意見的基礎一節所述各項事宜，我們未能獲取充分及適當審核憑證就該等綜合財務報表之審核意見提供基準。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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.

CCTH CPA Limited

Certified Public Accountants
Hong Kong, 10 June 2022

Ng Kam Fai

Practising Certificate Number: P06573

Unit 1510-1517, 15/F., Tower 2,
Kowloon Commerce Centre,
No. 51 Kwai Cheong Road, Kwai Chung,
New Territories, Hong Kong

核數師就審核綜合財務報表須承 擔的責任 (續)

根據香港會計師公會之專業會計師道德守則(「守則」),我們獨立於貴集團,並已遵循守則履行其他道德責任。

CTH CPA Limited

執業會計師
香港,二零二二年六月十日

Ng Kam Fai

執業證書編號: P06573

香港新界
葵涌葵昌路51號
九龍貿易中心2座
15樓1510-1517室

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | Notes 附註 | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 (Restated) (重列) |
|---|----------------------|-------------|-----------------------------------|---|
| Revenue | 收益 | 8 | 18,417 | 8,061 |
| Cost of sales and services | 銷售及服務成本 | | (15,100) | (8,723) |
| Gross profit/(loss) | 毛利／(毛損) | | 3,317 | (662) |
| Other income, gains and losses, net | 其他收入、收益及虧損，淨額 | 9 | 2,854 | 4,022 |
| Impairment loss recognised on property, plant and equipment | 就物業、廠房及設備確認之減值虧損 | 16 | (5,211) | – |
| Allowance recognised on: | 就以下確認之撥備： | | | |
| – trade receivables | – 應收貿易賬款 | 21 | (5,104) | (2,121) |
| – other receivables | – 其他應收款項 | 22 | (5,000) | – |
| Loss on legal claims recognised | 已確認法律索償之虧損 | 25 | (5,124) | – |
| Selling and distribution expenses | 銷售及分銷開支 | | (353) | (554) |
| Administrative and other operating expenses | 行政及其他經營開支 | | (17,430) | (19,464) |
| Share of loss of an associate | 分佔一家聯營公司之虧損 | | – | (42) |
| Finance costs | 財務費用 | 10 | (8,406) | (9,096) |
| Loss before tax | 除稅前虧損 | | (40,457) | (27,917) |
| Income tax expense | 所得稅開支 | 11 | – | – |
| Loss and total comprehensive loss for the year | 年內虧損及年內全面虧損總額 | 12 | (40,457) | (27,917) |
| Loss for the year attributable to: | 以下應佔年內虧損： | | | |
| Owners of the Company | 本公司擁有人 | | (40,390) | (27,911) |
| Non-controlling interests | 非控股權益 | | (67) | (6) |
| | | | (40,457) | (27,917) |
| Total comprehensive loss for the year attributable to: | 以下應佔年內全面虧損總額： | | | |
| Owners of the Company | 本公司擁有人 | | (40,390) | (27,911) |
| Non-controlling interests | 非控股權益 | | (67) | (6) |
| | | | (40,457) | (27,917) |
| Loss per share (RMB) | 每股虧損 (人民幣元) | 15 | | |
| – Basic | – 基本 | | (0.131) | (0.090) |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2021 於二零二一年十二月三十一日

| | | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 (Restated) (重列) |
|--|-----------------|-------------|-----------------------------------|---|
| | | Notes 附註 | | |
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 16 | 114,212 | 124,325 |
| Right-of-use assets | 使用權資產 | 17 | 9,658 | 9,948 |
| Interests in associates | 於聯營公司之權益 | 19 | - | - |
| | | | 123,870 | 134,273 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 20 | 10,455 | 12,696 |
| Trade and bills receivables | 應收貿易賬款及票據 | 21 | 8,486 | 21,427 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 22 | 5,295 | 4,140 |
| Cash and cash equivalents | 現金及現金等值項目 | 23 | 399 | 1,216 |
| | | | 24,635 | 39,479 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 應付貿易賬款 | 24 | 8,638 | 8,958 |
| Accruals and other payables | 應計款項及其他應付款項 | 25 | 110,374 | 99,277 |
| Contract liabilities | 合約負債 | 26 | 5,522 | 5,480 |
| Deferred government grants | 遞延政府資助 | 29 | 2,250 | 2,305 |
| Amounts due to shareholders | 應付股東款項 | 27 | 20,284 | 19,595 |
| Bank and other borrowings | 銀行及其他借貸 | 28 | 93,708 | 81,320 |
| | | | 240,776 | 216,935 |
| NET CURRENT LIABILITIES | 流動負債淨額 | | (216,141) | (177,456) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | | (92,271) | (43,183) |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Deferred government grants | 遞延政府資助 | 29 | 19,767 | 22,017 |
| Amounts due to shareholders | 應付股東款項 | 27 | 2,382 | - |
| Bank and other borrowings | 銀行及其他借貸 | 28 | - | 8,767 |
| | | | 22,149 | 30,784 |
| NET LIABILITIES | 負債淨額 | | (114,420) | (73,967) |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2021 於二零二一年十二月三十一日

| | | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 (Restated) (重列) |
|--|---------------|----|-----------------------------------|---|
| EQUITY | 權益 | | | |
| Share capital | 股本 | 30 | 30,886 | 30,886 |
| Reserves | 儲備 | 31 | (145,190) | (104,804) |
| Deficit attributable to owners of the Company | 本公司擁有人應佔虧絀 | | (114,304) | (73,918) |
| Non-controlling interests | 非控股權益 | | (116) | (49) |
| TOTAL DEFICIT ON EQUITY | 權益虧絀總額 | | (114,420) | (73,967) |

The consolidated financial statements on pages 52 to 147 were approved and authorised for issue by the board of directors on 10 June 2022 and are signed on its behalf by:

第52至147頁的綜合財務報表於二零二二年六月十日獲董事會批准並授權刊發，並由以下董事代表簽署：

Wu Bo
吳波
Director
董事

Jiao Baoguo
焦保國
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | |
|--|------------------------|---|--------------------|---|--------------------------|-------------------------------|------------------|--|--------------------------------------|
| | | Issued capital | Capital reserve | Statutory surplus reserve 法定盈餘 儲備 | Other reserve 其他儲備 | Accumulated losses 累計虧損 | Total | Non- controlling interest 非控股權益 | Total deficit on equity 總權益 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| At 1 January 2020 | 於二零二零年一月一日 | 30,886 | 18,561 | 11,860 | 977 | (108,291) | (46,007) | (43) | (46,050) |
| Loss and total comprehensive for the year | 年內虧損及全面虧損總額 | - | - | - | - | (27,911) | (27,911) | (6) | (27,917) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 30,886 | 18,561 | 11,860 | 977 | (136,202) | (73,918) | (49) | (73,967) |
| At 1 January 2021 | 於二零二一年一月一日 | 30,886 | 18,561 | 11,860 | 977 | (136,202) | (73,918) | (49) | (73,967) |
| Loss and total comprehensive for the year | 虧損及年內全面虧損總額 | - | - | - | - | (40,390) | (40,390) | (67) | (40,457) |
| Fair value gain arising from shareholders' loan (note 27) | 股東貸款產生之公平值收益 (附註27) | - | - | - | 4 | - | 4 | - | 4 |
| At 31 December 2021 | 於二零二一年 十二月三十一日 | 30,886 | 18,561 | 11,860 | 981 | (176,592) | (114,304) | (116) | (114,420) |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營業務之現金流量 | | |
| Loss before tax | 除稅前虧損 | (40,457) | (27,917) |
| Adjustments for: | 就以下各項作出調整： | | |
| Interest expense | 利息開支 | 10 8,406 | 9,096 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 16 4,911 | 6,553 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 17 290 | 293 |
| Deferred government grants released to profit or loss | 撥至損益之遞延政府資助 | 9 (2,305) | (3,563) |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | (478) | - |
| Interest income | 利息收入 | 9 (5) | (1) |
| Impairment loss on property, plant and equipment | 物業、廠房及設備之減值虧損 | 16 5,211 | - |
| Allowance for inventories recognised | 確認存貨撥備 | 458 | 1,596 |
| Allowance recognised on: | 就以下確認之撥備： | | |
| – trade receivables | – 應收貿易賬款 | 5,104 | 2,121 |
| – other receivables | – 其他應收款項 | 5,000 | - |
| Loss on legal claims recognised | 已確認法律索償之虧損 | 25 5,124 | - |
| Impairment loss recognised on investments in associates | 就於聯營公司之投資確認之減值虧損 | 92 | 374 |
| Share of loss of an associate | 分佔聯營公司虧損 | - | 42 |
| Fair value gain on other borrowings | 其他借貸之公平值收益 | 9 - | (422) |
| Operating cash flows before working capital changes | 經營活動現金流量，未計營運資變動 | (8,649) | (11,828) |
| Decrease/(increase) in inventories | 存貨減少／（增加） | 1,783 | (3,315) |
| Decrease in trade and bills receivables | 應收貿易賬款及票據減少 | 7,837 | 5,404 |
| Increase in prepayments, deposits and other receivables | 預付款項、按金及其他應收款項增加 | (1,155) | (362) |
| Decrease in trade payables | 應付貿易賬款減少 | (320) | (74) |
| Increase in accruals and other payables | 應計費用及其他應付款項增加 | 973 | 30,000 |
| Increase in contract liabilities | 合約負債增加 | 42 | 310 |
| Increase in deferred government grants | 遞延政府補助增加 | 29 - | 730 |
| Net cash generated from operating activities | 經營業務所產生之現金流量淨額 | 511 | 20,865 |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

| | | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|-------------|---------------------------|-----------------------------------|-----------------------------------|
| | Notes 附註 | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | 投資活動之現金流量 | | |
| Purchase of property, plant and equipment | 16 | 購買物業、廠房及設備 | (9) | (22,978) |
| Proceeds on disposal of property, plant and equipment | | 出售物業、廠房及設備之所得款項 | 478 | - |
| Interest received | | 已收利息 | 5 | 1 |
| Advance to an associate | | 墊款予一家聯營公司 | (92) | (374) |
| Net cash generated from/(used in) investing activities | | 投資活動所產生／(所用)現金流量淨額 | 382 | (23,351) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | 融資活動之現金流量 | | |
| Advance from shareholders | 32 | 來自股東的墊款 | 2,240 | 9 |
| Proceeds from other borrowings | 32 | 其他借貸之所得款項 | 45 | 7,195 |
| Repayment of bank and other borrowings | 32 | 銀行及其他借貸之還款 | (3,150) | (2,100) |
| Interest paid | 32 | 已付利息 | (845) | (1,546) |
| Net cash (used in)/generated from financing activities | | 融資活動(所用)／所產生現金流量淨額 | (1,710) | 3,558 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | 現金及現金等值項目(減少)／增加淨額 | (817) | 1,072 |
| Cash and cash equivalents at beginning of the year | | 於年初之現金及現金等值項目 | 1,216 | 144 |
| Cash and cash equivalents at end of the year | | 於年終之現金及現金等值項目 | 399 | 1,216 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | 現金及現金等值項目結餘分析 | | |
| Bank balances and cash | 23 | 銀行結餘及現金 | 399 | 1,216 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

1. GENERAL INFORMATION

Shanxi Changcheng Microlight Equipment Co. Ltd. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 10 November 2000 as a joint stock limited company. The Company’s H shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section of this annual report.

The principal activities of the Company and its subsidiaries (collectively the “Group”) include design, research, development, manufacture and sale of image transmission fiber optic products. The principal activities of the Company’s subsidiaries are set out in note 18 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company. All amounts contained in these consolidated financial statements are rounded to the nearest thousand of RMB except where otherwise indicated.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately RMB40,390,000 for the year ended 31 December 2021 and that as at 31 December 2021, the Group had net current liabilities and net liabilities of approximately RMB216,141,000 and RMB114,420,000 respectively. In addition, as detailed in note 28, the Group had outstanding bank and other borrowings amounted to approximately RMB93,708,000 as at 31 December 2021, of which (i) the borrowings amounted to approximately RMB92,908,000 have been overdue for repayments and (ii) the borrowings amounted to approximately RMB800,000 is repayable within 12 months after 31 December 2021. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. 一般資料

山西長城微光器材股份有限公司（「本公司」）於二零零零年十一月十日在中華人民共和國（「中國」）註冊成立為股份有限公司。本公司之H股於香港聯合交易所有限公司（「聯交所」）GEM上市。有關本公司註冊辦事處及主要營業地點之地址於本年報「公司資料」一節披露。

本公司及其附屬公司（統稱為「本集團」）之主要業務包括設計、研究、開發、生產及銷售傳像光纖產品。本公司附屬公司之主要業務載列於綜合財務報表附註18。

綜合財務報表以人民幣（「人民幣」）呈列，人民幣亦為本公司之功能貨幣。而除另有指明外，綜合財務報表內所載之所有金額均四捨五入至最近的人民幣千位數。

2. 持續經營基準

本集團於截至二零二一年十二月三十一日止年度錄得本公司擁有人應佔虧損約人民幣40,390,000元，而於二零二一年十二月三十一日，本集團之流動負債淨額及負債淨額分別約人民幣216,141,000元及人民幣114,420,000元。此外，如附註28所詳述，本集團於二零二一年十二月三十一日的未償還銀行及其他借貸約人民幣93,708,000元，其中(i)約人民幣92,908,000元的借貸已逾期償還及(ii)約人民幣800,000元的借貸須予二零二一年十二月三十一日後十二個月內償還。該等情況顯示存在重大不確定因素，可能對本集團持續經營能力構成重大疑問，因此本集團可能無法在日常業務過程中變現其資產及履行其負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

2. GOING CONCERN BASIS (continued)

The directors of the Company have been taking steps to improve the liquidity position of the Group. These steps include (i) negotiating and implementing debts restructuring plan with shareholders, borrowers and banker; (ii) negotiating and implementing loan interest reduction plan with shareholders and borrowers; and (iii) seeking financial support from substantial shareholders and borrowers.

Provided that these measures can successfully improve the liquidity position of the Group, the directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following 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 2021 for the preparation of the consolidated financial statements:

| | |
|---|--|
| Amendments to HKFRS 16 | Covid-19-Related Rent Concessions |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 |

2. 持續經營基準 (續)

本公司董事一直採取措施改善本集團的流動資金情況。該等措施包括：(i) 與股東、借貸人及銀行磋商和實施債務重組方案；(ii) 與股東及借貸人磋商和實施減免貸款利息方案；及(iii) 尋求主要股東及借貸人的財務資助。

若該等措施能夠成功改善本集團的流動資金狀況，則董事信納本集團將能夠於可見未來應付其到期的財務責任。因此，綜合財務報表已按持續經營基準編製。如果本集團無法持續經營，則必須進行調整以將資產價值減記至其可收回金額，以計提可能產生的任何進一步負債，並將非流動資產和非流動負債分別重新分類為流動資產和流動負債。該等調整的影響並未反映於綜合財務報表內。

3. 應用香港財務報告準則（「香港財務報告準則」）之修訂本

本年度強制生效之香港財務報告準則之修訂本

於本年度，本集團就編製綜合財務報表已首次應用下列由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂本，有關修訂本於二零二一年一月一日或之後開始之年度期間強制生效：

| | |
|---|----------------|
| 香港財務報告準則第16號之修訂本 | Covid-19相關租金減免 |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂本 | 利率基準改革—第二階段 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Amendments to HKFRSs that are mandatorily effective for the current year (continued)

The application of the 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.

New and 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:

| | |
|---|---|
| HKFRS 17 | Insurance Contracts and the related Amendments ³ |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework ² |
| Amendments to HKFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021 ¹ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretations 5 (2020) ³ |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies ³ |
| Amendments to HKAS 8 | Definition of Accounting Estimates ³ |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³ |
| Amendments to HKAS 16 | Property, Plant and Equipment – Proceeds before Intended Use ² |
| Amendments to HKAS 37 | Onerous Contracts – Cost of Fulfilling a Contract ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018-2020 ² |

3. 應用香港財務報告準則（「香港財務報告準則」）之修訂本（續）

本年度強制生效之香港財務報告準則之修訂本（續）

於本年度應用該等香港財務報告準則之修訂本對本公司於本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載披露並無任何重大影響。

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提早採納以下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17號 | 保險合約及相關修訂 ³ |
| 香港財務報告準則第3號之修訂本 | 概念框架的引用 ² |
| 香港財務報告準則第16號之修訂本 | 二零二一年六月三十日後之Covid-19相關租金減免 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號之修訂本 | 投資者與其聯營公司或合營公司之間之資產出售或投入 ⁴ |
| 香港會計準則第1號之修訂本 | 分類負債為流動或非流動及香港詮釋第5號之有關修訂本（二零二零年） ³ |
| 香港會計準則第1號及香港財務報告準則實務報告第2號之修訂本 | 會計政策之披露 ³ |
| 香港會計準則第8號之修訂本 | 會計估計之定義 ³ |
| 香港會計準則第12號之修訂本 | 與單一交易產生之資產及負債有關之遞延稅項 ³ |
| 香港會計準則第16號之修訂本 | 物業、廠房及設備—擬定用途前之所得款項 ² |
| 香港會計準則第37號之修訂本 | 有償合約—履行合約之成本 ² |
| 香港財務報告準則之修訂本 | 香港財務報告準則二零一八年至二零二零年之年度改進 ² |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

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

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

1. Effective for annual periods beginning on or after 1 April 2021.
2. Effective for annual periods beginning on or after 1 January 2022.
3. Effective for annual periods beginning on or after 1 January 2023.
4. Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company 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 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 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.

3. 應用香港財務報告準則（「香港財務報告準則」）之修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本（續）

本集團並無提早採納以下已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：（續）

1. 於二零二一年四月一日或之後開始之年度期間生效。
2. 於二零二二年一月一日或之後開始之年度期間生效。
3. 於二零二三年一月一日或之後開始之年度期間生效。
4. 於待定日期或之後開始之年度期間生效。

除下述香港財務報告準則之修訂本外，本公司董事預期於可見將來應用所有其他新訂香港財務報告準則及其修訂本對綜合財務報表將不會造成重大影響。

香港會計準則第1號及香港財務報告準則實務報告第2號之修訂本會計政策之披露

香港會計準則第1號予以修訂，以「重大會計政策資料」取代所有「重大會計政策」一詞。倘與實體財務報表所載之其他資料一併考慮時，可合理預期會影響一般用途財務報表之主要使用者基於該等財務報表作出之決定，則會計政策資料屬重大。

該等修訂亦釐清，由於相關交易之性質、其他事件或情況，即使金額並不重大，會計政策資料亦可能屬重大。然而，並非所有有關重大交易、其他事件或情況之會計政策資料本身均屬重大。倘實體選擇披露不重大之會計政策資料，則有關資料不得隱瞞重大會計政策資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

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

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies (continued)

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 is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

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 – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

3. 應用香港財務報告準則（「香港財務報告準則」）之修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本（續）

香港會計準則第1號及香港財務報告準則實務報告第2號之修訂本會計政策之披露（續）

香港財務報告準則實務報告第2號作出重大判斷（「實務報告」）亦予以修訂，以說明實體如何將「四個步驟之重大程序」應用於會計政策披露及判斷有關會計政策之資料是否對其財務報表屬重大。指引及例子已加入實務報告。

預期應用該等修訂本不會對本集團之財務狀況或表現構成重大影響，惟可能影響本集團重大會計政策之披露。應用之影響（如有）將於本集團日後之綜合財務報表中披露。

香港會計準則第8號之修訂本會計估計之定義

該等修訂本將會計估計定義為「財務報表中存在計量不確定性之貨幣金額」。會計政策可能要求財務報表中之項目以涉及計量不確定性之方式計量 – 即會計政策可能要求該等項目以無法直接觀察之貨幣金額計量，而必須進行估計。在此情況下，實體會制定會計估計以達致會計政策所載之目標。制定會計估計時涉及根據最新可得及可靠資料作出判斷或假設。

此外，香港會計準則第8號會計估計變動之概念於額外釐清後保留。

應用該等修訂本預期不會對本集團之綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis at the end of each reporting period, 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.

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.

4. 綜合財務報表之編製基準及重要會計政策

綜合財務報表之編製基準

綜合財務報表乃按香港會計師公會所頒佈之香港財務報告準則而編製。就編製綜合財務報表而言，倘合理預期有關資料會影響主要使用者作出之決定，則有關資料被視為重大。此外，綜合財務報表包括聯交所GEM證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

綜合財務報表乃於各報告期末按歷史成本法而編製（見下文會計政策所闡述）。

歷史成本一般根據用作交換貨品及服務所給予代價之公平值計量。

公平值為於計量日期市場參與者之間進行有秩序交易出售資產將收取之價格或轉讓負債時將支付之價格，而不論該價格是否直接可觀察或使用另一項估值方法估計。於評估資產或負債之公平值時，如市場參與者於計量日期對資產或負債定價時會考慮資產或負債特性，則本集團亦會考慮資產或負債特性。於該等綜合財務報表中計量及／或披露之公平值均採用上述基準釐定，惟屬香港財務報告準則第2號以股份為基礎之付款範圍內之以股份為基礎之付款交易、根據香港財務報告準則第16號租賃入賬之租賃交易以及與公平值存在若干相似之處但並非公平值之計量（例如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Significant accounting policies

(a) 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

綜合財務報表之編製基準 (續)

此外，就財務申報而言，公平值計量按照公平值計量輸入數據之可觀察程度及公平值計量輸入數據對其整體之重要性劃分為第一、二或三級，詳情如下：

- 第一級：輸入數據指實體可於計量日期評估之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級：輸入數據指資產或負債之可直接或間接觀察輸入數據（不包括納入第一級之報價）；及
- 第三級：輸入數據為資產或負債之不可觀察輸入數據。

重要會計政策

(a) 綜合基準

綜合財務報表納入本公司以及本公司及其附屬公司所控制實體之財務報表。本公司於以下情況下擁有控制權：

- 對投資對象擁有權力；
- 自參與投資對象營運所得可變動回報承擔風險或享有權利；及
- 能夠運用其權力影響其回報。

若有事實及情況顯示上述控制權之三個要素當一個或多個要素發生變動，本集團會重新評估是否尚對投資對象擁有控制權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(a) Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(a) 綜合基準 (續)

倘本集團於投資對象之投票權未能佔大多數，則當投票權足以賦予其實際能力以單方面指揮投資對象之相關活動時即對投資對象擁有權力。本集團於評估本集團於投資對象之投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相對其他投票權持有人所持投票權之數量及分散情況，本集團持有投票權之數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 需要作出決定時，本集團目前能夠或不能指揮相關活動之任何額外事實及情況（包括於過往股東會議上之投票模式）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(a) Basis of consolidation (continued)

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.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(a) 綜合基準 (續)

當本集團取得附屬公司之控制權時，會開始將附屬公司綜合入賬，而當本集團失去該附屬公司之控制權時，則不再將附屬公司綜合入賬。特別是年內所收購或出售附屬公司之收支乃自本集團取得控制權日期起直至本集團失去該附屬公司之控制權日期止計入綜合損益表。

損益及其他全面收益各項目乃計入本公司擁有人及非控股權益。附屬公司之全面收益總額會計入本公司擁有人及非控股權益，即使此舉導致非控股權益錄得虧絀結餘。

如有必要，附屬公司之財務報表會作出調整，令其會計政策得以配合本集團之會計政策。

本集團內公司間之所有資產及負債、權益、收入、支出及與本集團各成員公司間交易有關之現金流量已於綜合賬目時悉數對銷。

於附屬公司之非控股權益於本集團之權益內分別呈列，其指現所有權權益賦予其持有人權利於清盤時按比例分佔有關附屬公司之資產淨值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(b) Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments ("HKFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(b) 本集團於現有附屬公司權益之變動

本集團於附屬公司權益之變動如並無導致本集團失去對該等附屬公司之控制權，則按權益交易入賬。本集團相關權益部分及非控股權益之賬面值將予調整，以反映其於該等附屬公司相關權益之變動，包括根據本集團與非控股權益之權益比例重新分配本集團與非控股權益之間之相關儲備。

就非控股權益金額所作調整與已支付或已收取代價之公平值之任何差額，直接於權益內確認，並歸屬於本公司擁有人。

當本集團失去於附屬公司之控制權時，將終止確認該附屬公司之資產及負債及非控股權益（如有）。盈虧於損益確認，並按(i)已收代價之公平值與任何保留權益之公平值之總和與(ii)本公司擁有人應佔該附屬公司之資產（包括商譽）及負債之賬面值之間之差額計算。先前就該附屬公司於其他全面收益中確認之所有金額均已入賬，猶如本集團已直接出售該附屬公司之相關資產或負債（即重新分類至損益或轉撥至適用香港財務報告準則指明／准許之其他類別權益）。於失去控制權當日保留於前附屬公司之任何投資之公平值被視為根據香港財務報告準則第9號財務工具（「香港財務報告準則第9號」）就後續會計處理於初步確認時之公平值，或初始確認於聯營公司或合營公司之投資之成本（如適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(c) Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statement using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(c) 於聯營公司之權益

聯營公司為本集團具有重大影響之實體。重大影響乃指參與被投資方之財務及經營政策決策，但非控制或共同控制該等政策之權力。

聯營公司之業績及資產與負債乃採用權益會計法計入綜合財務報表。為進行權益入賬所採用聯營公司之財務報表，乃採用與本集團在類似情況下就類似交易及事件所用者一致之會計政策編製。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表確認，其後作出調整，以確認本集團應佔聯營公司之損益及其他全面收益。聯營公司資產淨值（損益及其他全面收益除外）之變動均不予入賬，除非有關變動導致本集團所持所有權權益出現變動。當本集團應佔聯營公司虧損超過其於聯營公司之權益（包括實質上構成本集團於聯營公司淨投資之任何長期權益），則本集團終止確認其應佔之進一步虧損。僅當本集團已產生法定或推定責任或代表聯營公司支付款項，則確認額外虧損。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(c) Interests in associates (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(c) 於聯營公司之權益 (續)

於聯營公司的投資由被投資方成為聯營公司當日起使用權益法入賬。於收購於聯營公司的投資時，投資成本超出本集團分佔被投資方可識別資產及負債的公平淨值的任何部分確認為商譽，計入該投資的賬面值。本集團分佔可識別資產及負債的公平淨值超出投資成本的任何部分，經重新評估後即時於收購投資期間在損益確認。

本集團評估有否客觀證據表明於聯營公司的權益可能出現減值。當存在任何客觀證據時，該投資的全部賬面值（包括商譽）按照香港會計準則第36號作為單一資產測試減值，方法為比較其可收回金額（使用價值與公平值減出售成本的較高者）與賬面值。所確認的任何減值虧損不會被分配至構成該投資賬面值的一部分的任何資產（包括商譽）。倘其後該投資的可收回金額增加，則按照香港會計準則第36號確認撥回該減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(c) Interests in associates (continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(c) 於聯營公司之權益 (續)

倘本集團對聯營公司失去重大影響力，其入賬列作出售被投資方的全部權益，所產生的收益或虧損於損益確認。倘本集團保留於前聯營公司的權益，且該保留權益為香港財務報告準則第9號範圍內的金融資產，則本集團於該日按公平值計量保留權益，而該公平值被視為於初步確認時的公平值。聯營公司的賬面值與任何保留權益的公平值及出售聯營公司相關權益的任何所得款項之間的差額計入釐定出售該聯營公司的收益或虧損。此外，本集團會將先前在其他全面收益就該聯營公司確認的所有金額入賬，基準與倘該聯營公司已直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收益確認收益或虧損，其將於出售相關資產或負債時重新分類至損益，本集團於出售／部分出售有關聯營公司時將收益或虧損由權益重新分類至損益（作為重新分類調整）。

當本集團減少其於聯營公司的擁有權益但本集團繼續使用權益法時，倘有關收益或虧損將於出售相關資產或負債時重新分類至損益，則本集團將先前已於其他全面收益確認的與該擁有權益減少有關的收益或虧損部分重新分類至損益。

倘集團實體與本集團聯營公司進行交易，與聯營公司進行交易所產生的溢利及虧損於本集團綜合財務報表內確認，惟僅以與本集團無關的聯營公司權益為限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(d) 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

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 foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(d) 外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易乃按交易日期當時之匯率確認。於報告期末，以外幣列值之貨幣項目以該日之匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差異乃於產生期間內於損益確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按報告期末之現行匯率換算為本集團之呈列貨幣（即人民幣），而收入及開支則按年內平均匯率換算，除非該期間之匯率出現重大波幅，於此情況下，則將採用交易日期之現行匯率。所產生匯兌差異（如有）於其他全面收益確認並於權益項下換算儲備（於適當情況下由非控股權益應佔）累計。

於出售海外業務（即出售本集團於海外業務之全部權益，或涉及失去對包含海外業務之一間附屬公司之控制權之出售，或部分出售包含海外業務之聯營公司之權益（其中保留權益成為金融資產））時，就本公司擁有人應佔該業務而於權益累計之所有匯兌差異重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(d) Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(e) Property, plant and equipment

Property, plant and equipment are tangible assets, including land and buildings, held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(d) 外幣 (續)

因收購海外業務而產生之所收購可識別資產之商譽及公平值調整，被視作該海外業務之資產與負債，並按各報告期末之現行匯率換算。所產生之匯兌差額於其他全面收益確認。

(e) 物業、廠房及設備

物業、廠房及設備為有形資產（包括持作生產或提供貨品或服務或作行政管理用途之土地及樓宇），乃於綜合財務狀況表內按成本減其後之累計折舊及累計減值虧損（如有）列賬。

當本集團作出物業擁有權權益付款（包括租賃土地及樓宇部分）時，全部代價按初始確認時之相對公平值按比例分配至租賃土地及樓宇部分。倘相關款項能夠得到合理分配，租賃土地權益於綜合財務狀況表中以「使用權資產」呈列。倘該代價無法合理分配至非租賃樓宇部分和相關租賃土地之未拆分權益中，全部物業則分類為物業、廠房及設備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets 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. The principal useful lives are as follows:

| | |
|------------------------|--|
| Buildings | 50 years or over the lease terms, whichever is shorter |
| Leasehold improvements | 10 years or over the lease terms, whichever is shorter |
| Plant and machinery | 10 years |
| Furniture and fixtures | 5 – 10 years |
| Motor vehicles | 5 years |

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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(e) 物業、廠房及設備 (續)

折舊乃以直線法在資產之估計可使用年期內撇銷其成本減其剩餘價值後確認。估計可使用年期、剩餘價值及折舊方法均於各報告期末予以檢討，而估計之任何變動之影響則預先入賬。主要年可使用年期如下：

| | |
|--------|----------------|
| 樓宇 | 50年或租期(以較短者為準) |
| 租賃物業裝修 | 10年或租期(以較短者為準) |
| 廠房及機器 | 10年 |
| 傢俬及裝置 | 5至10年 |
| 汽車 | 5年 |

物業、廠房及設備項目於出售或預期不會自持續使用該資產產生未來經濟利益時取消確認。因出售或不再使用一項物業、廠房及設備而產生之任何收益或虧損乃按出售所得款項與該項資產之賬面值之差額計算，並於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(f) 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 on or 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.

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 standalone price of the lease component and the aggregate stand-alone price of the 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 associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of properties 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(f) 租賃

租賃之定義

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

就首次應用港財務報告準則第16號當日或之後訂立或修訂之或源自業務合併之合約而言，本集團會於開始、修訂日期或收購日期（倘適用）根據香港財務報告準則第16號項下之定義評估合約是否為租賃或包含租賃。除非合約所載條款及條件其後有變，否則有關合約不予重新評估。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之合計獨立價格基準將合約代價分配至各項租賃組成部分。

本集團採用可行權宜方法，不將非租賃組成部分與租賃組成部分分開，而是將租賃組成部分及任何相關非租賃組成部分作為單一租賃組成部分入賬。

短期租賃

本集團對自開始日期起計租期為12個月或以下並且不包括購買選擇權之物業租賃，應用短期租賃確認豁免。短期租賃之租賃付款於租期內按直線法或另一系統性基準確認為費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(f) Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

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

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(f) 租賃 (續)

本集團作為承租人 (續)

使用權資產

使用權資產成本包括：

- 租賃負債之初步計量金額；
- 於開始日期或之前作出之任何租賃付款減任何已收租賃優惠；及
- 本集團產生之任何初始直接成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並按租賃負債之任何重新計量調整。

使用權資產於估計使用期或租期（以較短者為準）按直線法折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

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，初步按公平值計量。初始確認時對公平值作出之調整被視為額外租賃款項，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按當日未付租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含之利率難以釐定，則本集團使用租賃開始日期之增量借貸利率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(f) 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.

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

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

Except for Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(f) 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) 減任何應收租賃優惠。

於開始日期後，租賃負債就利息增長及租賃付款作出調整。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

租賃修訂

除本集團已應用實際權宜方法的 Covid-19 相關租金減免外，倘出現以下情況，本集團將租賃修訂以一項單獨租賃入賬：

- 該修訂透過增加使用一項或多項相關資產之權利而擴大租賃範圍；及
- 租賃代價增加，增加之金額相當於範圍擴大對應之單獨價格及為反映特定合約之實際情況而對該單獨價格進行之任何適當調整。

針對未有入賬列作一項單獨租賃之租賃修訂，本集團透過使用修訂生效日期之經修訂貼現率貼現經修訂租賃款項而基於經修訂租賃之租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(f) Leases (continued)

The Group as a lessee (continued)

Lease modifications (continued)

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.

When the modified contract contains one or more additional 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. The associated non-lease components are included in the respective lease components.

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(f) 租賃 (續)

本集團作為承租人 (續)

租賃修訂 (續)

當經修訂合約包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額，將經修訂合約中的代價分配至各租賃組成部分。

當經修訂合約包含一項或多項額外租賃組成部分時，本集團根據租賃組成部分的相對獨立價格，將經修訂合約中的代價分配至各租賃組成部分。相關非租賃組成部分計入各自的租賃組成部分。

Covid-19相關租金減免

就Covid-19疫情直接影響下產生的相關租金減免而言，本集團已選擇應用實際權宜方法而非評估變動是否為一項租賃修訂，惟須達成以下所有條件：

- 租賃付款之變動使租賃代價有所修改，而經修改之代價與緊接變動前的租賃代價大致相同，或少於緊接變動前的租賃代價；
- 租賃付款之任何減幅僅影響原到期日為二零二一年六月三十日或之前之付款；及
- 租賃之其他條款及條件並無實質變動。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(f) Leases (continued)

The Group as a lessee (continued)

Covid-19-related rent concessions (continued)

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(f) 租賃 (續)

本集團作為承租人 (續)

Covid-19相關租金減免 (續)

應用實際權宜方法將租金寬減導致的租賃付款變動列賬的承租人將以同一方式根據香港財務報告準則第16號的變動入賬(倘變動並非租賃修訂)。租賃付款的寬減或豁免入賬被列作可變租賃付款。相關租賃負債獲調整以反映寬減或豁免的金額,並於該事項發生的期間內在損益中確認相應調整。

本集團作為出租人

租賃之分類及計量

本集團作為出租人的租賃分類為融資或經營租賃。當租賃條款將相關資產擁有權附帶的絕大部分風險及回報轉移至承租人時,該合約乃分類為融資租賃。所有其他租賃乃分類為經營租賃。

經營租賃之租金收入乃按有關租賃之租期以直線法於損益中確認。協商及安排所產生之初步直接成本乃加至租賃資產之賬面值,有關成本於租賃期內按直線法確認為開支。

將代價分配至合約組成部分

當合約包括租賃及非租賃組成部分時,本集團應用香港財務報告準則第15號客戶合約收益將合約的代價分配至租賃及非租賃組成部分。非租賃組成部分基於其相對獨立售價而與租賃組成部分分開呈列。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(f) 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.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(f) 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根據香港財務報告準則第9號入賬，初步按公平值計量。初始確認時對公平值作出之調整被視為承租人之額外租賃款項。

租賃修訂

並非原有條款及條件一部分之租賃合約代價變動入賬列作租賃修訂，包括透過寬免或減少租金提供之租賃優惠。

本集團將經營租賃修訂入賬列作自修訂生效日期起生效之新租賃，並將與原租賃相關之任何預付或應計租賃款項視為新租賃之租賃款項一部分。

(g) 存貨

存貨以成本及可變現淨值之較低者列賬。成本按加權平均法釐定。製成品及在製品之成本包括原材料、直接勞工及適當比例之全部生產間接費用以及（如適當）分包費用。可變現淨值指在日常業務過程中之估計售價，減估計完成成本及進行銷售所需的估計成本。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) 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 Revenue from Contract with Customers (“HKFRS 15”). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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 or 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具

倘集團實體成為工具合約條文之訂約方，則會確認金融資產及金融負債。所有以正規途徑購買或銷售之金融資產乃按交易日期基準確認及終止確認。正規途徑購買或銷售乃要求於市場法規或慣例所確定之時間框架內交付資產之金融資產購買或銷售。

金融資產及金融負債初步按公平值計量，惟產生自客戶合約之貿易應收賬款乃按照香港財務報告準則第15號客戶合約收入（「香港財務報告準則第15號」）初步計量除外。因收購或發行金融資產及金融負債而直接產生之交易成本，於初步確認時加入或扣自（視適用情況而定）金融資產或金融負債之公平值。

實際利率法乃在相關期間內用於計算金融資產或金融負債之已攤銷成本以及分配利息收入及利息開支之方法。實際利率為可將金融資產或金融負債預計年期或（如適用）較短期間之估計未來現金收款及付款（包括屬於實際利率整體部分之所有已付或已收費用、交易成本及其他溢價或折讓）準確貼現至首次確認之賬面淨值之利率。

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綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) 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.

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產

金融資產之分類及其後計量

符合下列條件之金融資產其後按攤銷成本計量：

- 持有金融資產之業務模式目的為收取合約現金流量；及
- 合約條款於特定日期產生僅為收回本金及未償還本金利息的現金流量。

其後按攤銷成本計量之金融資產之利息收入按實際利息法為基準確認。利息收入乃對金融資產之賬面總額應用實際利率計算，惟其後出現信貸減值之金融資產除外（見下文）。對於後來成為信貸減值的金融資產，利息收入通過將實際利率應用於下一報告期間金融資產的攤銷成本確認。如信用減值金融工具的信貸風險改善，使金融資產不再信貸減值，則通過將實際利率應用於確定資產不再是信貸用減值的報告期開始後金融資產的賬面總額確認利息收入。

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綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, deposits and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9 Financial Instruments (“HKFRS 9”). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is 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 without significant financing component. The ECL on trade receivables are assessed on individual basis.

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產 (續)

金融資產之減值

本集團對根據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」)須進行減值評估之金融資產(包括應收貿易賬款、按金及其他應收款項及銀行結餘),按預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損金額於各報告日期更新,以反映自初始確認以來的信貸風險變動。

全期預期信貸虧損指將相關工具的預期年期內所有可能違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)指將預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損其中一部分。評估乃根據本集團的歷史信貸虧損經驗,並就債務人特有的因素、一般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而作出調整。

本集團一直就不涉及重大融資成分之應收貿易賬款確認全期預期信貸虧損。應收貿易賬款之預期信貸虧損乃按單獨基準評估。

就所有其他工具而言,本集團計量之虧損撥備等於12個月預期信貸虧損,惟當信貸風險自初始確認以來出現顯著增加,則在此情況下,本集團會確認全期預期信貸虧損。應否確認全期預期信貸虧損之評估乃基於自初始確認以來發生違約之機率或風險有否顯著增加而作出。

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綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (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;
- 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;

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

- (i) 信貸風險顯著增加
- 於評估自初始確認以來信貸風險有否顯著增加時，本集團將於報告日期金融工具發生之違約風險與於初始確認日期金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理可靠之定量及定質資料，包括過往經驗及無需付出額外成本或精力而可得之前瞻性資料。

具體而言，評估信貸風險有否顯著增加時會考慮以下資料：

- 金融工具外部 (如適用) 或內部信貸評級之實際或預期顯著轉差；
- 信貸風險之外部市場指標顯著轉差，例如信貸息差、債務人之信貸違約掉期價格大幅增加等；
- 商業、金融或經濟情況之目前或預期不利變動，預計將導致債務人之償還債務能力顯著下降；

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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 (a) it has a low risk of default; (b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (c) 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

- (i) 信貸風險顯著增加 (續)
- 債務人經營業績實際或預期顯著轉差；
 - 債務人之監管、經濟或技術環境之實際或預計重大不利變動，導致債務人之償還債務能力顯著下降。

不論上述評估結果如何，本集團均假設合約付款逾期超過30日後信貸風險自初始確認以來顯著增加，除非本集團有合理可靠資料則另作別論。

儘管上文所述，倘一項債務工具於報告日期被釐定為低信貸風險，則本集團假設該項債務工具之信貸風險自初始確認以來並無顯著增加。在下列情況下，一項債務工具被釐定為具有低信貸風險：(a)其違約風險低；(b)借款人近期具充分履行合約現金流量責任之能力；及(c)長遠經濟及業務狀況之不利變動或會（但非必然）降低借款人履行其合約現金流量責任之能力。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

- (i) Significant increase in credit risk (continued)
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.
- (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.
- (iii) Credit impaired financial assets
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

- (i) 信貸風險顯著增加 (續)
本集團定期監察用作識別信貸風險是否大幅增加的標準的作用，並作出適用修訂，確保有關標準能夠於有關金額到期前發現信貸風險大幅增加。
- (ii) 違約之定義
就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源之資料顯示債務人不大可能全數向其債權人（包括本集團）還款時發生。
- (iii) 信貸減值金融資產
金融資產在一項或多項違約事件（對該金融資產估計未來現金流量構成不利影響）發生時出現信貸減值。金融資產出現信貸減值之證據包括有關下列事件之可觀察數據：
- (a) 發行人或借款人出現重大財政困難；
 - (b) 拖欠或逾期事件等違約行為；
 - (c) 借款人之貸款人因有關借款人財政困難之經濟或合約理由，而授予借款人原先貸款人不會另行考慮之優惠；或

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綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

- (iii) Credit impaired financial assets (continued)
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(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. 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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

- (iii) 信貸減值金融資產 (續)
- (d) 借款人可能陷入破產或其他財務重組。

(iv) 撇銷政策

當有資料顯示對手方處於嚴重財政困難及無實際收回可能(例如對手方已處於清盤狀態或已進行破產程序),則本集團將撇銷金融資產。經考慮法律意見後(倘適用),遭撇銷之金融資產可能仍須按本集團收回程序強制執行。撇銷構成終止確認事件。任何其後收回在損益內確認。

- (v) 計量及確認預期信貸虧損
預期信貸虧損之計量為違約概率、違約損失率(即違約虧損程度)及違約風險之函數。違約概率及違約損失率之評估乃基於歷史數據及前瞻性資料。預期信貸虧損之估計反映無偏頗概率加權金額,其以發生違約之風險為權重確定。

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之間的差額(按初始確認時釐定之實際利率貼現)作出估計。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

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 receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. 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 instruments

Classification as debt or equity

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

Equity instruments

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

(v) 計量及確認預期信貸虧損 (續)

利息收入乃根據金融資產之賬面總額計算，除非金融資產作出信貸減值，在此情況下，利息收入按金融資產之攤銷成本計算。

本集團透過調整全部金融工具之賬面值於損益確認其減值收益或虧損，惟應收貿易賬款之相關調整乃透過虧損撥備賬確認。

終止確認金融資產

僅於資產現金流量之合約權利屆滿時，本集團方會終止確認金融資產。於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收或應收代價之總和之差額於損益確認。

金融負債及股本工具

分類為債務或股本

債務及集團實體發行之股本工具按合約安排性質，以及金融負債及股本工具之定義分類為金融負債或股本。

權益工具

股本工具為證明實體扣除其所有負債後集團實體資產剩餘權益之任何合約。本公司所發行股本工具乃按已收所得款項確認，並扣除直接發行成本。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

The Group's financial liabilities including trade payables, other payables and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

(i) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

(j) Revenue from contracts with customers

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

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(h) 金融工具 (續)

金融負債及股本工具 (續)

金融負債

本集團之金融負債(包括應付貿易款項、其他應付款項及銀行及其他借貸)其後以實際利息法按攤銷成本計量。

終止確認金融負債

本集團於且僅於其責任已解除、註銷或屆滿時終止確認金融負債。已終止確認之金融負債之賬面值與已付及應付代價間之差額於損益確認。

(i) 現金及現金等值項目

就現金流量表而言，現金及現金等值項目包括銀行及手頭現金、存於銀行及其他金融機構之活期存款，以及可隨時轉換為已知數額現金而價值變動風險不大之短期高流通量投資。

(j) 客戶合約之收益

本集團於完成履約責任時(即於特定履約責任相關貨品之「控制權」轉移至客戶時)確認收益。

履約責任指明確之貨品(或一批貨品)或一系列大致相同之明確貨品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(j) Revenue from contracts with customers (continued)

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or 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 goods.

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

(k) Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(j) 客戶合約之收益 (續)

倘符合以下其中一項條件，控制權隨時間轉移，而收益則根據完全達成相關履約責任之進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供之利益；
- 本集團履約時會創建及增強客戶控制之資產；或
- 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

否則，收益於客戶取得產品或服務之控制權時確認。

合約負債指本集團因已自客戶收取代價（或應收代價金額），而須轉讓貨品予客戶之責任。

(k) 存在重大融資成分

於釐定交易價時，倘向客戶轉移貨品或服務時（不論以明示或暗示方式）協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就金錢的時間價值的影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成分。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均存在重大融資成分。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(k) Existence of significant financing component (continued)

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

(l) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(k) 存在重大融資成分 (續)

對於相關貨品或服務之支付與轉移期間少於一年之合約，本集團就任何重大融資成分應用不調整交易價之實際權宜方法。

(l) 僱員福利

(i) 僱員享有之休假

僱員年假及長期服務假於僱員享有休假時確認。本公司會就僱員直至報告期末之服務年期所享有年假及長期服務假期估計須承擔之負債作出撥備。

僱員病假及產假於實際休假時始予確認。

(ii) 退休金責任

本集團為所有僱員向定額供款退休計劃供款。本集團及僱員之計劃供款根據僱員基本薪金之百分比計算。自損益扣除退休福利計劃成本代表本集團須向基金支付之供款。

(iii) 終止僱用福利

終止僱用福利於本集團不能提供該等福利時及本集團確認重組成本並涉及支付終止僱用福利時（以較早日期為準）確認。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(m) 借貸成本

收購、建造或生產合資格資產 (即必需花上一段長時間方能作其擬定用途或出售之資產) 直接應佔之借貸成本均撥充資本, 作為此等資產成本之一部分, 直至此等資產大體上已可作其擬定用途或出售為止。指定用途借貸在用作合資格資產之開支前作短暫投資所賺取的投資收入自合資格資本化之借貸成本中扣除。

如借貸之一般目的及用途為獲取合資格資產, 合資格資本化之借貸成本金額則採用資本化比率計算該項資產開支之方法釐定。資本化比率為適用於本集團於該期間未償還借貸之借貸成本加權平均值, 但為獲得合資格資產之特別借貸除外。

所有其他借貸成本均於產生期間於損益中確認。

(n) 政府資助

政府資助乃當可合理保證本集團將符合其所附帶條件且資助將可獲取時予以確認。

與收入有關之政府資助乃作遞延處理, 並在與其擬補償之相關成本相配之期間內於損益中確認。

提供本集團作為已產生開支或虧損的補償或給予即時財務援助而日後不再有相關成本之政府資助乃於可收取之期間在損益中確認。

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綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(n) Government grants (continued)

Government grants relating to the purchase of assets are deducted from the carrying amount of the assets. The grant is recognised in profit or loss over the life of a depreciable asset by way of a reduced depreciation charge.

(o) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(n) 政府資助 (續)

有關購買資產之政府資助自資產賬面值扣除。資助於可折舊資產的使用年期內透過扣減折舊費用之方式於損益確認。

(o) 稅項

所得稅指即期稅項及遞延稅項之總和。

應繳即期稅項按年內應課稅溢利計算。由於不包括其他年度應課稅或可扣稅收入或開支項目及從不課稅或不可扣稅項目，應課稅溢利與於損益中確認之溢利不同。本集團之即期稅項負債按報告期末已頒佈或實際上頒佈之稅率計算。

遞延稅項就財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基兩者間之差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額、未動用虧損或未動用稅項抵免可予動用時確認。倘因商譽或因初步確認一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中其他資產及負債引致之暫時差額，則不會確認該等資產及負債。

除非本集團可控制暫時差額撥回及暫時差額不大可能於可見將來撥回，否則會就與於附屬公司及聯營公司的投資所產生的應課稅暫時差額確認遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(o) Taxation (continued)

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

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

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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(o) 稅項 (續)

遞延稅項資產的賬面值乃於各報告期末進行檢討，如不再有足夠應課稅溢利可供收回全部或部分資產，則遞延稅項資產須相應減少。

遞延稅項乃按預期於基於報告期末實行或實質上實行的稅率結算負債或變現資產期間應用的稅率計算。遞延稅項在損益內確認，惟當遞延稅項與在其他全面收益或直接於權益內確認的項目有關則除外，而在此情況下，遞延稅項亦在其他全面收益或直接於權益內確認。

遞延稅項資產及負債之計量反映隨本集團預期於報告期末收回或償還其資產及負債賬面值所產生之稅務後果。

遞延稅項資產及負債於有可依法執行權利抵銷即期稅項資產與即期稅項負債、遞延稅項資產及負債涉及由相同稅務機關徵收的所得稅以及本集團擬按淨額基準結算即期稅項負債及資產時抵銷。

就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而言，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(o) Taxation (continued)

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

Current and deferred tax are recognised in profit or loss.

(p) Segment reporting

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

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(o) 稅項 (續)

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號所得稅規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，初步確認相關使用權資產及租賃負債之暫時差額並無確認。因重新計量租賃負債及租賃修訂而對使用權資產及租賃負債的賬面值進行後續修訂所產生的暫時差額（不受初始確認豁免規限）於重新計量或修訂日期確認。

即期及遞延稅項於損益確認。

(p) 分類呈報

經營分類及各分類項目於財務報表內呈報之金額，是根據定期提供予本集團最高行政管理層就分配資源及評估本集團之各業務範疇表現之財務資料中識別出來。

就財務報告而言，除非分類具備相似之經濟特徵及在產品及服務性質、生產過程性質、客戶類型或類別、用於分銷產品或提供服務之方法以及監管環境之性質方面相似，否則各個重大經營分類不會進行合算。個別非重大之經營分類如符合上述大部分準則，則可進行合算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(q) Related parties

A related party is a person or entity that is related to the Group.

(i) A person or a close member of that person's family is related to the Group if that person:

- (a) has control or joint control over the Group;
- (b) has significant influence over the Group; or
- (c) is a member of the key management personnel of the Company or of a parent of the Company

(ii) An entity is related to the Group (reporting entity) if any of the following conditions applies:

- (d) The entity and the Company are members of the same group (which means that each parent, subsidiaries and fellow subsidiaries is related to the others).
- (e) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (f) Both entities are joint ventures of the same third party.
- (g) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(q) 關聯方

關聯方為與本集團有關的個人或實體。

(i) 一名個人或其近親將被視為本集團的關聯方，倘該個人：

- (a) 能控制或共同控制本集團；
- (b) 能對本集團構成重大影響；或
- (c) 為本公司或本公司母公司的關鍵管理人員。

(ii) 一個實體將被視為本集團的關聯方（報告實體），倘該實體符合以下任一情況：

- (d) 該實體及本公司為同一集團內的成員公司（即每個母公司、附屬公司及同系附屬公司均互相為關聯方）。
- (e) 一個實體為另一實體的聯營公司或合營公司（或為該集團成員公司的聯營公司或合營公司，且另一實體為該集團成員公司）。
- (f) 兩個實體均為同一第三方的合營公司。
- (g) 一個實體為第三方的合營公司，且另一實體為該第三方的聯營公司。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(q) Related parties (continued)

(ii) An entity is related to the Group (reporting entity) if any of the following conditions applies: (continued)

(h) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(i) The entity is controlled or jointly controlled by a person identified in (a).

(j) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(k) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

(r) Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(q) 關聯方 (續)

(ii) 一個實體將被視為本集團的關聯方(報告實體)，倘該實體符合以下任一情況：(續)

(h) 該實體是為本集團或為本集團關聯實體的僱員福利而設的離職後福利計劃。倘本集團本身為一項計劃，則贊助的僱主亦為本集團的關聯方。

(i) 該實體由(a)中識別的個人控制或共同控制。

(j) (a)(i)中識別的一名個人對該實體構成重大影響，或為該實體(或實體的母公司)的關鍵管理人員。

(k) 該實體或實體所屬集團的任何成員公司向本公司或本公司的母公司提供主要管理人員服務。

(r) 物業、廠房及設備以及使用權資產減值

本集團於報告期末審核物業、廠房及設備以及使用權資產的賬面值，以釐定是否有任何跡象顯示此等資產出現減值虧損。倘出現任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損(如有)的情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(r) Impairment on property, plant and equipment and right-of-use assets (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 of an asset 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.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(r) 物業、廠房及設備以及使用權資產減值 (續)

物業、廠房及設備以及使用權資產的可收回金額可單獨作出估計。倘資產的可收回金額不可單獨作出估計，本集團則估計該資產所屬現金產生單位的可收回金額。於測試現金產生單位的減值時，倘可設立合理及一貫的分配基準，則公司資產分配至相關現金產生單位，或分配至現金產生單位內可設立合理及一貫分配基準的最小組別。可收回金額按公司資產所屬現金產生單位或現金產生單位組別釐定，並與相關現金產生單位或現金產生單位組別的賬面值相比較。

可收回金額為公平值減去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折現率折現至現值，以反映市場現時所評估之金錢時間值及估計未來現金流量未經調整的資產（或現金產生單位）之特定風險。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(r) Impairment on property, plant and equipment and right-of-use assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or 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.

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

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(r) 物業、廠房及設備以及使用權資產減值 (續)

倘資產或現金產生單位之可收回金額估計將少於其賬面值，則資產或現金產生單位之賬面值會減少至其可收回金額。就未能按合理一致之基準分配至現金產生單位之企業資產或部分企業資產，本集團會比較一個組別之現金產生單位賬面值（包括已分配至該組現金產生單位之企業資產或部分企業資產之賬面值）與該組現金產生單位之可收回金額。於分配減值虧損時，減值虧損被先分配減低任何信譽（如適用）之賬面值，然後按該單位或一組現金產生單位各項資產之賬面值所佔比例分配至其他資產。資產賬面值不得減少至低於其公允價值減出售成本（如可計量）、其使用價值（如可釐定）及零中之最高值。已另行分配至資產之減值虧損金額按比例分配至該單位或一組現金產生單位之其他資產。減值虧損會即時於損益內確認。

倘其後撥回減值虧損，該資產（或現金產生單位或一組現金產生單位）的賬面值將增至重新估計的可收回數額，惟增加後的賬面值不得超過資產（或現金產生單位或一組現金產生單位）於過往年度並無確認減值虧損時釐定的賬面值。所撥回之減值虧損會即時於損益內確認。

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綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies (continued)

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

5. CRITICAL JUDGMENTS AND KEY ESTIMATES

Critical judgments in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements apart from those involving estimations, which are dealt with below.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the favourable outcomes of the steps being taken by the directors of the Company as described in note 2 to the consolidated financial statements.

4. 綜合財務報表之編製基準及重要會計政策 (續)

重要會計政策 (續)

(s) 撥備及或然負債

當本集團須就已發生的事件承擔現有法律或推定責任，因而有可能會導致經濟效益外流以解除該責任且在可以作出可靠的估計時，本集團便會就該時間或數額不定的負債計提撥備。倘貨幣時間值屬重大，則按預期解除該責任所需支出的現值計列撥備。

倘需要經濟效益外流的可能性較低，或無法對有關金額作出可靠的估計，則該責任作為或然負債披露，但經濟效益外流的可能性極低則除外。倘本集團的潛在責任須視乎某宗或多宗未來事件是否發生才能確定是否存在，亦會披露為或然負債，但經濟效益外流的可能性極低則除外。

5. 關鍵判斷及主要估計

應用會計政策的關鍵判斷

於應用會計政策的過程中，董事作出以下對於綜合財務報表內確認之金額具最重大影響的判斷，惟涉及估計的判斷除外，討論如下。

持續經營基準

該等綜合財務報表按持續經營基準編製，其是否有效取決於綜合財務報表附註2所述本公司董事所採取措施是否取得良好成果。

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綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

5. CRITICAL JUDGMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property plant and equipment, right-of-use assets, depreciation and impairment

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment and right-of-use assets. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment and right-of-use assets of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are expected to be different from those previously estimated, or the Group will write-off or write-down technically obsolete or non-strategic assets.

Property, plant and equipment and right-of-use assets are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires management's estimate of the fair value with reference to a valuation report of each asset or group of assets less cost of disposal. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and comprehensive income.

5. 關鍵判斷及主要估計 (續)

不確定估計之主要來源

下文為有關未來之主要假設及於報告期末之估計不明朗因素之其他主要來源，而該等假設及來源均存在導致下一財政年度之資產及負債賬面值須作出重大調整之重大風險（如下文所討論）。

(a) 物業、廠房及設備、使用權資產、折舊及減值

本集團釐定其物業、廠房及設備及使用權資產之估計可使用年期、剩餘價值以及相關折舊開支。此估計乃根據性質及功能相近之物業、廠房及設備及使用權資產之實際可使用年期及剩餘價值之過往經驗而作出。當可使用年期及剩餘價值預期與原先估計者不同時，本集團會對折舊開支進行相應調整，或本集團將技術過時或非策略資產撇銷或撇減。

物業、廠房及設備及使用權資產按特定資產基準或類似組別資產（視適用情況而定）評估可能出現之減值。管理層須於此過程中參考估值報告估計各資產或資產組別減出售成本的公平值。倘此評估過程顯示出現減值，則相關資產之賬面值會撇減至可收回金額，而撇減金額會自綜合損益及全面收益表內扣除。

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5. CRITICAL JUDGMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(b) Allowance for credit losses of trade receivables

Trade receivable with credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using collective assessment. The provision rates are based on ageing, repayment history and/or past due status of respective trade receivables 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 or effort. 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 is disclosed in note 21.

(c) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

5. 關鍵判斷及主要估計 (續)

不確定估計之主要來源 (續)

(b) 應收貿易賬款之信貸虧損撥備

信貸減值的應收貿易賬款乃個別就預期信貸虧損作評估。此外，對於並不作個別評估的應收貿易賬款，本集團使用實際權宜方法集體評估該等應收貿易賬款之預期信貸虧損。撥備率乃依據賬齡、還款歷史及／或各項應收貿易賬款的逾期狀況釐定，而各項應收賬款的分組乃經考慮本集團的歷史違約率及合理可靠且無需耗費不必要成本或資源即可獲得的前瞻性資料而作出。於各報告日期，本集團會重新評估過往觀察到的違約率，並考慮前瞻性資料變動。

預期信貸虧損撥備對估計的變化較為敏感。有關預期信貸虧損及本集團貿易應收款項的資料於附註21披露。

(c) 存貨之可變現淨值

存貨之可變現淨值乃日常業務過程中之估計售價，減估計完成成本及出售開支。該等估計乃基於現時市況以及製造及銷售類似性質產品之過往經驗。其可能因客戶偏好轉變及競爭對手行動而大幅變動。本集團將於各報告期末重新評估有關估計。

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6. 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.

During the reporting period, the capital structure of the Group consists of debt which includes interest-bearing loans and equity attributable to owners of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the associated risks and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from that of the prior year.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios, so that it can continue to provide returns for the shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 2020.

Management regards equity attributable to owners of the Company as capital, for capital management purpose. Such equity at 31 December 2021 represents deficit on equity attributable to owners of the Company amounted to approximately RMB114,304,000 (2020: RMB73,918,000).

6. 資本管理風險

本集團管理其資本，旨在透過在債務與權益間作出最佳平衡，確保本集團的實體可持續經營，亦為股東締造最大回報。

於報告期間，本集團之資本結構由債務（包括計息借貸）及本公司擁有人應佔權益（包括已發行股本及儲備）組成。本公司董事定期檢討資本結構。作為該檢討之一環，董事考慮資本成本及相關風險，並採取適當行動以調整本集團之資本結構。本集團之整體策略與上一年度維持不變。

本集團資本管理之主要目的為保障本集團有能力持續經營以及維持穩健之資本比率，按風險程度為產品合理定價及按合理成本進行融資，使本集團能繼續向股東提供回報及向其他利益相關者提供利益。

本集團根據經濟狀況的變動及相關資產的風險特色管理資本結構並就此加以調整。為維持或調整資本結構，本集團或會調整派付予股東之股息金額、發行新股、退還資本予股東、籌集新債務融資或出售資產以減少債務。本集團不受任何外部施加的資本規定所限。截至二零二一年及二零二零年十二月三十一日止年度，資本管理之目的、政策或程序並無變動。

為管理資本，管理層將本公司擁有人應佔權益視為資本。於二零二一年十二月三十一日該權益指本公司擁有人應佔權益之虧絀，金額為約人民幣114,304,000元（二零二零年：人民幣73,918,000元）。

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綜合財務報表附註

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6. CAPITAL RISK MANAGEMENT (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes trade payables, accruals and other payables, amounts due to shareholders and bank and other borrowings less cash and cash equivalents. Total capital includes equity attributable to owners of the Company. The gearing ratios as at the end of the reporting period were as follows:

6. 資本管理風險 (續)

本集團通過以債務淨額除以資本總額加債務淨額計算得出的資本負債率來監控資本。債務淨額包括應付貿易賬款、應計負債及其他應付款項、應付股東款項以及銀行及其他借貸，減去現金及現金等值項目。資本總額包括本公司擁有人應佔權益。於報告期末之資本負債率如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Trade payables | 應付貿易賬款 | 8,638 | 8,958 |
| Accruals and other payables | 應計款項及其他應付款項 | 110,374 | 99,277 |
| Amounts due to shareholders | 應付股東款項 | 22,666 | 19,595 |
| Bank and other borrowings | 銀行及其他借貸 | 93,708 | 90,087 |
| Less: Cash and cash equivalents | 減：現金及現金等值項目 | (399) | (1,216) |
| Net debt | 債務淨額 | 234,987 | 216,701 |
| Deficit attributable to owners of the Company | 本公司擁有人應佔虧絀 | (114,304) | (73,918) |
| Capital and net debt | 資本及債務淨額 | 120,683 | 142,783 |
| Gearing ratio | 資本負債率 | 195% | 152% |

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7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The Group has significant concentration of credit risk arising from its ordinary course of business due to its small customer bases and limited counterparties involved. This credit risk mainly arises from the Group's trade and other receivables. The Group reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure that adequate provision for impairment is made for irrecoverable amounts. There is no requirement for collaterals by the Group.

At 31 December 2021, the Group had concentration of credit risk relating to its customers as the amounts due by the Group's largest debtor of RMB3,552,000 (2020: RMB12,065,000) and the Group's largest three debtors of RMB5,945,000 (2020: RMB18,519,000) at 31 December 2021 represent approximately 42% (2020: 56%) and 70% (2020: 86%) respectively of the Group's total trade and bills receivables at that date.

7. 財務風險管理

本集團業務活動令其承擔多種財務風險：外幣風險、利率風險、信貸風險及流動資金風險。本集團的整體風險管理項目集中於金融市場的不可預測性及尋求將對本集團財務表現造成的潛在不利影響減至最低。

(a) 外幣風險

由於大部分業務交易主要以本集團之功能貨幣列值，故本集團所承受之外匯風險減至最低。本集團目前並無就外幣交易、資產及負債設立外匯對沖政策。本集團將密切監察其外匯風險，並將於需要時考慮對沖重大外匯風險。

(b) 信貸風險

由於本集團的客戶基礎相對較小及所涉及對手有限，故產生自日常業務過程之信貸風險極為集中。該信貸風險主要來自本集團之應收貿易賬款及其他應收款項。本集團於各報告期末檢討每名個別債務人之可收回款項以確保為不可收回之款項作出足夠減值撥備。本集團並無要求提供抵押品。

於二零二一年十二月三十一日，本集團有與其客戶有關集中的信貸風險，因於二零二一年十二月三十一日本集團最大債務人應付金額人民幣3,552,000元（二零二零年：人民幣12,065,000元）及本集團三大債務人應付金額人民幣5,945,000元（二零二零年：人民幣18,519,000元）分別佔於該日本集團應收貿易賬款及票據總額的約42%（二零二零年：56%）及70%（二零二零年：86%）。

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7. FINANCIAL RISK MANAGEMENT

(continued)

(b) Credit risk (continued)

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant changes in the operating results of the borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment, unless the Group has reasonable and supportable information that demonstrates otherwise. A default on a financial asset has occurred when the counterparty fails to make contractual payments within 365 days after the payments fall due.

Trade and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments after 270 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

(c) Interest rate risk

As the Group has no significant assets and liabilities which carry interests at variable interest rates, the Group's operating cash flows are substantially independent of changes in market interest rates.

7. 財務風險管理 (續)

(b) 信貸風險 (續)

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以按持續基準評估金融資產之信貸風險有否於各報告期內大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用下列資料：

- 內部信貸評級；
- 借方經營業績之實際或預期重大變動；及
- 借方預期表現及行為之重大變動，包括借方之付款狀況變動。

倘涉及合約付款之債務人逾期超過30日，則假定信貸風險大幅增加，除非本集團有合理有據資料另行證明。當交易對方無法於合約付款到期後365日內支付款項，則金融資產出現違約。

應收貿易賬款及其他應收款項於合理預期無法收回（例如債務人無法與本集團達成還款計劃）時撇銷。倘債務人於逾期270日後未能履行合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項撇銷，則本集團（在實際可行及符合經濟效益之情況下）繼續採取強制行動試圖收回到期應收款項。

(c) 利率風險

由於本集團並無按可變利率計息之重大資產及負債，本集團之經營現金流基本不受市場利率變化的影響。

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7. FINANCIAL RISK MANAGEMENT

(continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

| 2021 | | Weighted average interest rate | Repayable on demand or less than 1 year 按要求 或少於1年 RMB'000 人民幣千元 | More than 1 year but less than 2 years 1年以上 但少於2年 RMB'000 人民幣千元 | Total undiscounted cash flows 未貼現 現金流量總額 RMB'000 人民幣千元 | Carrying amount 賬面值 RMB'000 人民幣千元 |
|-----------------------------|-------------|---|--|--|--|---|
| 二零二一年 | | | | | | |
| Trade payables | 應付貿易賬款 | - | 8,638 | - | 8,638 | 8,638 |
| Accruals and other payables | 應計款項及其他應付款項 | - | 110,374 | - | 110,374 | 110,374 |
| Amounts due to shareholders | 應付股東款項 | 4.35% | 20,382 | 2,441 | 22,823 | 22,666 |
| Bank and other borrowings | 銀行及其他借貸 | 2%-30% | 93,800 | - | 93,800 | 93,708 |
| | | | 233,194 | 2,441 | 235,635 | 235,386 |

| 2020 | | Weighted average interest rate | Repayable on demand or less than 1 year 按要求 或少於1年 RMB'000 人民幣千元 | More than 1 year but less than 2 years 1年以上 但少於2年 RMB'000 人民幣千元 | Total undiscounted cash flows 未貼現 現金流量總額 RMB'000 人民幣千元 | Carrying amount 賬面值 RMB'000 人民幣千元 |
|-----------------------------|-------------|---|--|--|--|---|
| 二零二零年 | | | | | | |
| Trade payables | 應付貿易賬款 | - | 8,958 | - | 8,958 | 8,958 |
| Accruals and other payables | 應計款項及其他應付款項 | - | 99,277 | - | 99,277 | 99,277 |
| Amounts due to shareholders | 應付股東款項 | 4.35% | 20,373 | - | 20,373 | 19,595 |
| Bank and other borrowings | 銀行及其他借貸 | 2%-30% | 88,767 | 9,397 | 98,164 | 90,087 |
| | | | 217,375 | 9,397 | 226,772 | 217,917 |

7. 財務風險管理 (續)

(d) 流動資金風險

本集團之政策為定期監管目前及預期的流動資金需求，確保本集團保持充裕的現金水平，以應付短期及較長期的流動資金需求。

本集團金融負債按未貼現現金流的到期日分析如下：

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7. FINANCIAL RISK MANAGEMENT (continued)

7. 財務風險管理 (續)

(e) Categories of financial instruments

(e) 金融工具之分類

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Financial assets: | 金融資產： | | |
| <u>Financial assets at amortised cost</u> | <u>按攤銷成本計量之金融資產</u> | | |
| – Trade and bills receivables | – 應收貿易賬款及票據 | 8,486 | 21,427 |
| – Deposits and other receivables | – 按金及其他應收款項 | 3,355 | 2,166 |
| – Cash and cash equivalents | – 應收票據 現金及現金等值項目 | 399 | 1,216 |
| | | 12,240 | 24,809 |
| Financial liabilities: | 金融負債： | | |
| <u>Financial liabilities at amortised cost</u> | <u>按攤銷成本計量之金融負債</u> | | |
| – Trade payables | – 應付貿易賬款 | 8,638 | 8,958 |
| – Financial liabilities included in accruals and other payables | – 計入應計款項及其他應付 款項之金融負債 | 110,374 | 99,277 |
| – Amounts due to shareholders | – 應付股東款項 | 22,666 | 19,595 |
| – Bank and other borrowings | – 銀行及其他借貸 | 93,708 | 90,087 |
| | | 235,386 | 217,917 |

(f) Fair value

The carrying amounts of the Group's financial assets and financial liabilities as recorded at amortised cost in the consolidated financial statements approximate their respective fair values. The fair values of financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

(f) 公平值

綜合財務報表內按攤銷成本列賬之本集團金融資產及金融負債之賬面值與其各自的公平值相若。金融資產及金融負債之公平值乃根據公認定價模式基於貼現現金流量分析釐定，大部分重大輸入數據為反映對手方信貸風險的貼現率。

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8. REVENUE AND OPERATING SEGMENT INFORMATION

The Group's revenue and results from business operations were mainly derived from its sale of fiber optic inverters, fiber optic straight plates, fiber optic face plates, fiber optic tapers, fiber optic tapers billets and microchannel plates (collectively referred to as "Fiber Optic Products"), which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the directors of the Company, being the chief operating decision maker ("CODM"), for purposes of resource allocation and performance assessment. The measures of segment results, segment assets and segment liabilities are consistent with the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position which are reported internally to the CODM. Accordingly, no segment information is presented other than entity-wide disclosures.

Entity-wide disclosures

(a) Information about products

The following table sets forth the total sales to external customers by products and the percentage of total revenue by products:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|------------------------------|------------|-----------------------------------|-----------------------------------|
| Revenue, gross amount | 收益總額 | 18,437 | 25,258 |
| Less: Sale returns (note) | 減：銷售退貨(附註) | (20) | (17,197) |
| Revenue, net of sale returns | 收益，扣除銷售退貨 | 18,417 | 8,061 |

8. 收益及經營分類資料

本集團業務營運之收益及業績主要來自銷售光纖倒像器、光纖直板、光纖面板、光錐及微通道板(統稱為「光纖產品」)，被視為單一呈報分類，與向本公司董事(即主要經營決策者(「主要經營決策者」))作內部呈報資料以供資源分配及表現評估之方式一致。分類業績、分類資產及分類負債之計量與向主要經營決策者作內部呈報之綜合損益及其他全面收益表及綜合財務狀況表一致。因此，除整體披露外，毋須呈列分類資料。

整體披露

(a) 有關產品之資料

下表載列向外部客戶銷售的總額(按產品計)及佔總收益之百分比(按產品計)：

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8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

Entity-wide disclosures (continued)

(a) Information about products (continued)

| | | 2021 二零二一年 | | 2020 二零二零年 | |
|-----------------------------|-------|------------------|------------|------------------|------------|
| | | RMB'000 人民幣千元 | % | RMB'000 人民幣千元 | % |
| Fiber optic inverters | 光纖倒像器 | 12,383 | 67 | 4,988 | 62 |
| Fiber optic straight plates | 光纖直板 | 1,552 | 9 | 2,867 | 36 |
| Fiber optic face plates | 光纖面板 | 785 | 4 | 104 | 1 |
| Fiber optic tapers | 光錐 | 1,269 | 7 | 251 | 3 |
| Microchannel plates | 微通道板 | 2,428 | 13 | (647) | (8) |
| Others | 其他 | - | - | 498 | 6 |
| | | 18,417 | 100 | 8,061 | 100 |

Note: In the prior year ended 31 December 2019, certain goods were sold by the Group to three customers for an aggregate sale price of RMB17,197,000 and the sales were recognised as the Group's revenue for that year. During the prior year ended 31 December 2020, the customers claimed the related goods to be defective and made returns of these goods to the Group, accordingly, adjustments for these sale returns amounted to RMB17,197,000 were made against the Group's revenue for the year ended 31 December 2020.

During the prior year ended 31 December 2020, the Group made certain modifications to the goods returned in accordance with certain customer's requirements and thereafter sold these goods to the customers at the sale price of approximately RMB14,195,000, which was recognised in the consolidated financial statements and was included in the Group's revenue for the year ended 31 December 2020.

8. 收益及經營分類資料 (續)

整體披露 (續)

(a) 有關產品之資料 (續)

附註：於截至二零一九年十二月三十一日止上一年度，本集團向三家客戶出售之若干貨品總銷售價人民幣17,197,000元及該等銷售於該年度確認為本集團之收益。截至二零二零年十二月三十一日止上一年度，客戶聲稱相關貨品存在缺陷，並向本集團退還該等貨品，因此，截至二零二零年十二月三十一日止年度，已對本集團之收益就該等銷售退貨金額人民幣17,197,000元作出調整。

截至二零二零年十二月三十一日止上一年度，本集團根據若干客戶之要求對已退回貨品作出若干修訂，其後按銷售價約人民幣14,195,000元將該等貨品售予客戶，其已於綜合財務報表確認及計入本集團截至二零二零年十二月三十一日止年度之收益。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

Entity-wide disclosures (continued)

(b) Geographical information

The Group principally operates in the PRC and the Group's non-current assets are all located in Shanxi, the PRC.

The following is an analysis of the Group's revenue from external customers by geographical location.

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-------------|-----|-----------------------------------|-----------------------------------|
| The PRC | 中國 | 10,302 | 11,751 |
| Hong Kong | 香港 | 3,444 | (5,115) |
| Russia | 俄羅斯 | 3,389 | 866 |
| Europe | 歐洲 | 1,092 | 559 |
| Middle East | 中東 | 190 | – |
| | | 18,417 | 8,061 |

(c) Information about major customers

Revenue from major customers, each of whom contributed to 10% or more of the total revenue, is set out below:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|----------------------|------------|-----------------------------------|-----------------------------------|
| Customer A | 客戶甲 | 3,555 | 4,320 |
| Customer B | 客戶乙 | 3,885 | 3,222 |
| Customer C (note i) | 客戶丙 (附註i) | 2,968 | N/A |
| Customer D (note i) | 客戶丁 (附註i) | 2,285 | N/A |
| Customer E (note ii) | 客戶戊 (附註ii) | N/A | 12,562 |
| Customer F (note ii) | 客戶己 (附註ii) | N/A | 2,211 |

8. 收益及經營分類資料 (續)

整體披露 (續)

(b) 地域資料

本集團主要於中國進行經營，而本集團之非流動資產全部位於中國山西。

本集團來自外部客戶之收益按地域位置分析如下：

(c) 有關主要客戶之資料

來自主要客戶 (每名客戶佔總收益之10%或以上) 之收益載於如下：

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

Entity-wide disclosures (continued)

(c) Information about major customers (continued)

Notes:

- (i) The customers did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2020.
- (ii) The customers did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2021.

(d) Disaggregation of revenue from contracts with customers

8. 收益及經營分類資料 (續)

整體披露 (續)

(c) 有關主要客戶之資料 (續)

附註：

- (i) 該等客戶對本集團截至二零二零年十二月三十一日止年度之總收益未貢獻逾10%以上。
- (ii) 該等客戶對本集團截至二零二一年十二月三十一日止年度之總收益未貢獻逾10%以上。

(d) 來自客戶合約之收益分拆

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-------------------------------|--------|-----------------------------------|-----------------------------------|
| Geographical markets | 地區市場 | | |
| The PRC | 中國 | 10,302 | 11,751 |
| Hong Kong | 香港 | 3,444 | (5,115) |
| Russia | 俄羅斯 | 3,389 | 866 |
| Europe | 歐洲 | 1,092 | 559 |
| Middle East | 中東 | 190 | - |
| | | 18,417 | 8,061 |
| Major products | 主要產品 | | |
| Fiber optic inverters | 光纖倒像器 | 12,383 | 4,988 |
| Fiber optic straight plates | 光纖直板 | 1,552 | 2,867 |
| Fiber optic face plates | 光纖面板 | 785 | 104 |
| Fiber optic tapers | 光錐 | 1,269 | 251 |
| Microchannel plates | 微通道板 | 2,428 | (647) |
| Others | 其他 | - | 498 |
| | | 18,417 | 8,061 |
| Timing of revenue recognition | 確認收益時間 | | |
| At point in time | 於時間點 | 18,417 | 8,061 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

8. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

Manufacturing and sales of Fiber Optic Products

The Group manufactures and sells of fiber optic products to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

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

8. 收益及經營分類資料 (續)

光纖產品製造及銷售

本集團製造及向客戶銷售光纖產品。銷售於轉移產品的控制權時(即產品交付客戶)確認,並不存在可能影響客戶對產品的接受及客戶已獲得產品的合法所有權的未履行的義務。

銷售通常給予客戶90天的信用期限。對於新客戶,可要求收取按金或貨到付款。收到的按金確認為合約負債。

應收款項於產品交付予客戶時確認,此時收取代價為無條件,因為在付款到期之前僅須隨時間流逝。

9. OTHER INCOME, GAINS AND LOSSES, NET

9. 其他收入、收益及虧損,淨額

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Deferred government grants released to profit or loss (note 29) | 撥至損益之遞延政府資助 (附註29) | 2,305 | 3,563 |
| Bank interest income | 銀行利息收入 | 5 | 1 |
| Gross rental income from transmitting station | 發射台租金收入總額 | 23 | 23 |
| Fair value gain on other borrowings (note 28) | 其他借貸之公平值收益 (附註28) | - | 422 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | 478 | - |
| Foreign exchange losses | 匯兌虧損 | (37) | (28) |
| Others | 其他 | 80 | 41 |
| | | 2,854 | 4,022 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

10. FINANCE COSTS

10. 財務費用

| | | 2021 | 2020 |
|---|------------|--------------|---------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Interest on bank borrowing | 銀行借貸利息 | 780 | 876 |
| Interest on other borrowings | 其他借貸利息 | 6,726 | 8,584 |
| Interest on amounts due to shareholders | 應付股東款項之利息 | 835 | 797 |
| Interest on discounted bills receivable | 已貼現應收票據之利息 | 65 | - |
| | | 8,406 | 10,257 |
| Less: Interest waiver granted | 減：獲授之利息豁免 | | |
| - Other borrowing | - 其他借貸 | - | (677) |
| - Amounts due to shareholders | - 應付股東款項 | - | (484) |
| | | 8,406 | 9,096 |

11. INCOME TAX EXPENSE

11. 所得稅開支

| | | 2021 | 2020 |
|-----------------------------|-----------|---------|---------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Current tax: | 即期稅項： | | |
| - Hong Kong profits tax | - 香港利得稅 | - | - |
| - PRC Enterprise Income Tax | - 中國企業所得稅 | - | - |
| | | - | - |

No provision for Hong Kong profits tax and the PRC Enterprise Income Tax has been made in the consolidated financial statements as the Group had no assessable profits arising in or derived from Hong Kong and PRC for both of the years presented. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdiction in which the Group operates.

由於本集團於兩個呈報年度並無在香港及中國產生或來自香港及中國之應課稅溢利，因此並無於綜合財務報表計提香港利得稅及中國企業所得稅撥備。其他地區之應課稅溢利乃按本集團經營業務所在司法權區當時之稅率課稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

11. INCOME TAX EXPENSE (continued)

According to the applicable Enterprise Income Tax Law of the PRC, the Company, which operates in the Taiyuan Economic and Technology Development Zone (太原經濟技術開發區), the PRC, and which is registered as a New and High Technical Enterprise (高新技術企業), is entitled to a concessionary Enterprise Income Tax rate of 15% over 3 years, beginning on 29 November 2018. The certificate was renewed on 7 December 2021, so the Company is entitled to another concessionary Enterprise Income Tax rate of 15% over 3 years, until 6 December 2024. For the year ended 31 December 2021, the Company was still entitled to a concessionary Enterprise Income Tax rate of 15% (2020: 15%).

The income tax expense can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 所得稅開支 (續)

本公司在中國太原經濟技術開發區營運並註冊為高新技術企業，根據中國適用企業所得稅法，可於二零一八年十一月二十九日起3年內享有15%之企業所得稅優惠稅率。該證書已於二零二一年十二月七日重續，因此本公司有權於三年內另行享有15%之企業所得稅優惠稅率，直至二零二四年十二月六日。截至二零二一年十二月三十一日止年度，本公司仍享有15%（二零二零年：15%）之企業所得稅優惠稅率。

所得稅開支可與綜合損益及其他全面收益表內稅前虧損對賬如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 (Restated) (重列) |
|--|----------------------------|-----------------------------------|---|
| Loss before tax | 除稅前虧損 | (40,457) | (27,917) |
| Tax calculated at the domestic tax rate of 15% (2020: 15%) | 按國內稅率15% (二零二零年：15%) 計算之稅款 | (6,068) | (4,188) |
| Tax effect of revenue not taxable for tax purposes | 毋須課稅收益之稅務影響 | (346) | (597) |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅開支之稅務影響 | 5 | 2 |
| Tax effect of temporary differences not recognised | 未確認之稅項差異之稅項影響 | 4,142 | 796 |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅務影響 | 2,267 | 3,987 |
| Income tax expense | 所得稅開支 | - | - |

As at 31 December 2021, the Group has estimated unused tax losses and other deductible temporary differences totalled approximately RMB67,641,000 (2020: RMB47,405,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses and other deductible temporary differences due to the unpredictability of future profit streams. The unused tax losses of approximately RMB40,027,000 at 31 December 2021 (2020: RMB42,098,000) is due to expire within one to five years for offsetting against future taxable profits of the Group in which the losses arise.

於二零二一年十二月三十一日，本集團可用作抵銷未來溢利之估計未動用稅項虧損及其他可扣減暫時差額總計約人民幣67,641,000元（二零二零年：人民幣47,405,000元）。由於無法預測未來溢利來源，故並無就該等稅項虧損及其他可扣減暫時差額確認遞延稅項資產。於二零二一年十二月三十一日，未動用稅項虧損約人民幣40,027,000元（二零二零年：人民幣42,098,000元）將於一至五年內屆滿，用以抵銷招致虧損之本集團之未來應課稅溢利。

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12. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:–

12. 年內虧損

本集團之年內虧損已扣除以下項目：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Auditors' remuneration | 核數師酬金 | 500 | 379 |
| Cost of inventories sold | 銷售存貨成本 | 15,100 | 8,723 |
| Staff costs (including directors' remuneration) | 員工成本(包括董事酬金) | | |
| Wages and salaries | 工資及薪金 | 11,708 | 11,086 |
| Pension scheme contributions | 退休計劃供款 | 5,544 | 2,791 |
| | | 17,252 | 13,877 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 4,911 | 6,553 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 290 | 293 |
| Net foreign exchange losses | 匯兌虧損淨額 | 37 | 28 |
| Share of loss of an associate | 分佔一家聯營公司之虧損 | – | 42 |
| Research and development costs | 研究及開發成本 | 741 | 836 |
| Impairment loss recognised on investments in associates | 就聯營公司投資確認之減值虧損 | 92 | 374 |
| Allowance for inventories recognised | 已確認存貨撥備 | 458 | 1,596 |

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of directors' and chief executive's remuneration for the year are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | 348 | 348 |
| Other emoluments | 其他酬金 | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 8 | 8 |
| Pension scheme contributions | 退休計劃供款 | 2 | 2 |
| | | 358 | 358 |

The emoluments of each director and the chief executive, on a named basis, are set out below:

年內董事及主要行政人員之薪酬詳情如下：

各董事及主要行政人員之酬金按姓名載列如下：

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

| | | Fees RMB'000 人民幣千元 | Salaries, allowances and other benefits in kind 薪金、津貼及其他 RMB'000 人民幣千元 | Pension scheme contributions 退休計劃供款 RMB'000 人民幣千元 | Total emoluments 酬金總額 RMB'000 人民幣千元 |
|--------------------------------------|----------|--------------------------|---|--|--|
| Executive directors: | 執行董事： | | | | |
| Song Zhenglai | 宋政來 | 48 | - | - | 48 |
| Wang Lingling | 王玲玲 | 36 | 8 | 2 | 46 |
| Zhao Zhi | 趙智 | 36 | - | - | 36 |
| Jiao Baoguo | 焦保國 | 36 | - | - | 36 |
| Non-executive directors: | 非執行董事： | | | | |
| Yuan Guoliang | 袁國良 | 36 | - | - | 36 |
| Wu Bo | 吳波 | 48 | - | - | 48 |
| Independent non-executive directors: | 獨立非執行董事： | | | | |
| Xu Yongfeng | 許詠風 | 36 | - | - | 36 |
| Wang Weizhong | 王衛忠 | 36 | - | - | 36 |
| Rong Fei | 榮飛 | 36 | - | - | 36 |
| | | 348 | 8 | 2 | 358 |

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

13. 董事及五名最高薪人士之酬金 (續)

(a) 董事及主要行政人員之酬金 (續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

| | | Salaries, allowances and other benefits in kind 薪金、津貼 及其他 袍金 RMB'000 人民幣千元 | Pension scheme contributions 退休 計劃供款 RMB'000 人民幣千元 | Total emoluments 酬金總額 RMB'000 人民幣千元 |
|--------------------------------------|----------|---|--|---|
| Executive directors: | 執行董事： | | | |
| Song Zhenglai | 宋政來 | 48 | – | 48 |
| Wang Lingling | 王玲玲 | 36 | 8 | 46 |
| Zhao Zhi | 趙智 | 36 | – | 36 |
| Jiao Baoguo | 焦保國 | 36 | – | 36 |
| Non-executive directors: | 非執行董事： | | | |
| Yuan Guoliang | 袁國良 | 36 | – | 36 |
| Wu Bo | 吳波 | 48 | – | 48 |
| Independent non-executive directors: | 獨立非執行董事： | | | |
| Xu Yongfeng | 許詠風 | 36 | – | 36 |
| Wang Weizhong | 王衛忠 | 36 | – | 36 |
| Rong Fei | 榮飛 | 36 | – | 36 |
| | | 348 | 8 | 358 |

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(b) SUPERVISORS' REMUNERATION

Details of supervisors' remuneration for the year are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | - | - |
| Other emoluments | 其他酬金 | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 5 | 75 |
| Pension scheme contributions | 退休計劃供款 | - | 17 |
| | | 5 | 92 |

The emoluments of each supervisor, on a named basis, are set out below:

13. 董事及五名最高薪人士之酬金 (續)

(b) 監事薪酬

年內監事之薪酬詳情如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|------------|-----------------------------------|-----------------------------------|
| Fees | 袍金 | - | - |
| Other emoluments | 其他酬金 | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 5 | 75 |
| Pension scheme contributions | 退休計劃供款 | - | 17 |
| | | 5 | 92 |

各監事之薪酬按姓名載列如下：

For the year ended 31 December 2021
截至二零二一年十二月三十一日止年度

| | | Salaries, allowances and other benefits in kind 薪金、津貼 及其他 袍金 RMB'000 人民幣千元 | Pension scheme contributions 退休 計劃供款 RMB'000 人民幣千元 | Total emoluments 酬金總額 RMB'000 人民幣千元 |
|---------------|-----|---|--|---|
| Han Xiaou | 韓曉歐 | - | - | - |
| Dong Yonghong | 董用宏 | - | - | - |
| Song Zhenbao | 宋振寶 | 5 | - | 5 |
| | | 5 | - | 5 |

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(b) SUPERVISORS' REMUNERATION (continued)

| | | | Salaries, allowances and other benefits in kind 薪金、津貼 及其他 | Pension scheme contributions 退休 計劃供款 | Total emoluments 酬金總額 |
|---------------|------|------------------|---|--|-----------------------------|
| | Note | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| | 附註 | | 袍金 實物福利 | | |
| Han Xiaoou | | - | 15 | 4 | 19 |
| Dong Yonghong | | - | 50 | 13 | 63 |
| Song Zhenbao | | - | 5 | - | 5 |
| Yuan Shaopu | (i) | - | 5 | - | 5 |
| | | - | 75 | 17 | 92 |

Note:

- (i) Mr. Yuan Shaopu ("Mr. Yuan"), a supervisor of the Company, resigned as a supervisor of the Supervisory Committee of the Company with effect from 16 November 2020.

There was no arrangement under which a director, the chief executive or a supervisor waived or agreed to waive any remuneration during the year.

During the year, no emoluments were paid by the Group to a director, the chief executive or a supervisor as an inducement to join, or upon joining the Group, or as compensation for loss of office.

13. 董事及五名最高薪人士之酬金 (續)

(b) 監事薪酬 (續)

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

| | | | Salaries, allowances and other benefits in kind 薪金、津貼 及其他 | Pension scheme contributions 退休 計劃供款 | Total emoluments 酬金總額 |
|---------------|------|------------------|---|--|-----------------------------|
| | Note | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| | 附註 | | 袍金 實物福利 | | |
| Han Xiaoou | | - | 15 | 4 | 19 |
| Dong Yonghong | | - | 50 | 13 | 63 |
| Song Zhenbao | | - | 5 | - | 5 |
| Yuan Shaopu | (i) | - | 5 | - | 5 |
| | | - | 75 | 17 | 92 |

附註：

- (i) 本公司監事袁韶浦先生（「袁先生」）已辭任本公司監事會之監事，自二零二零年十一月十六日起生效。

年內並無任何董事、主要行政人員或監事作出放棄或同意放棄任何薪酬之安排。

年內，本集團並無向董事、主要行政人員或監事支付任何酬金，作為招攬加入或加盟本集團時之獎勵或離職補償。

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(c) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

None (2020: none) of the five highest paid individuals of the Group were the directors whose emolument is set out in the above. For the year ended 31 December 2021, the five (2020: five) highest paid employees' emoluments were as follows:

| | |
|---|------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 |
| Pension scheme contributions | 退休計劃供款 |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| | |
|---|-----------------------------------|
| Nil – RMB817,000 (equivalent to HK\$1,000,000) | 零至人民幣817,000元 (相當於1,000,000港元) |
|---|-----------------------------------|

During the year, no emolument was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

13. 董事及五名最高薪人士之酬金 (續)

(c) 五名最高薪人士之酬金

本集團五名最高薪人士概無包括(二零二零年:無)董事,其酬金詳情載於上文。截至二零二一年十二月三十一日止年度,餘下五名(二零二零年:五名)最高薪僱員之酬金如下:

| 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
|-----------------------------------|-----------------------------------|

| | |
|------------|------------|
| 545 | 700 |
| 136 | 182 |
| 681 | 882 |

薪酬於下列範圍中的非董事及非主要行政人員之最高薪僱員人數如下:

| Number of employees 僱員人數 | |
|-----------------------------|---------------|
| 2021 二零二一年 | 2020 二零二零年 |

| | |
|---|---|
| 5 | 5 |
|---|---|

年內,本集團並無向非董事及非主要行政人員之最高薪僱員支付任何酬金,作為招攬加入或加盟本集團時之獎勵或離職補償。

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14. DIVIDEND

The directors do not recommend the payment of any dividend for each of the years ended 31 December 2021 and 2020.

15. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB40,390,000 (2020: RMB27,911,000) and 308,860,000 (2020: 308,860,000) shares in issue during the year.

Diluted loss per share

No diluted loss per share is presented as there were no diluted potential ordinary shares in issue during the years ended 31 December 2021 and 2020.

14. 股息

董事不建議派付截至二零二一年及二零二零年十二月三十一日止年度各年之任何股息。

15. 每股虧損

每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損約人民幣40,390,000元(二零二零年:人民幣27,911,000元)及年內已發行股份308,860,000股(二零二零年:308,860,000股)計算。

每股攤薄虧損

概無呈列每股攤薄虧損,因為截至二零二一年及二零二零年十二月三十一日止年度並無已發行潛在攤薄普通股。

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

| | | Buildings 樓宇 RMB'000 人民幣千元 | Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元 | Plant and machinery 廠房及機器 RMB'000 人民幣千元 | Furniture and fixtures 傢私及裝置 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|----------------|-------------------------------------|---|---|---|---|---------------------------------|
| COST | 成本 | | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 149,528 | 34 | 47,622 | 1,934 | 408 | 199,526 |
| Additions | 添置 | - | - | 9 | - | - | 9 |
| Disposals | 出售 | - | - | (341) | - | - | (341) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 149,528 | 34 | 47,290 | 1,934 | 408 | 199,194 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT | 累計折舊及減值 | | | | | | |
| At 1 January 2021 | 於二零二一年一月一日 | 28,862 | 34 | 44,046 | 1,851 | 408 | 75,201 |
| Depreciation for the year | 年內折舊 | 3,646 | - | 1,243 | 22 | - | 4,911 |
| Impairment loss recognised for the year | 年內確認之減值虧損 | 5,211 | - | - | - | - | 5,211 |
| Eliminated on disposals | 出售時對銷 | - | - | (341) | - | - | (341) |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 37,719 | 34 | 44,948 | 1,873 | 408 | 84,982 |
| CARRYING AMOUNT | 賬面值 | | | | | | |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 111,809 | - | 2,342 | 61 | - | 114,212 |

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16. PROPERTY PLANT AND EQUIPMENT (continued)

16. 物業、廠房及設備 (續)

| | | Buildings 樓宇 RMB'000 人民幣千元 | Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元 | Plant and machinery 廠房及機器 RMB'000 人民幣千元 | Furniture and fixtures 傢私及裝置 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---------------------------------|---------------|-------------------------------------|---|---|---|---|---------------------------------|
| COST | 成本 | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 126,856 | 34 | 47,333 | 1,917 | 408 | 176,548 |
| Additions | 添置 | 22,672 | - | 289 | 17 | - | 22,978 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 149,528 | 34 | 47,622 | 1,934 | 408 | 199,526 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | | | |
| At 1 January 2020 | 於二零二零年一月一日 | 25,369 | 29 | 41,013 | 1,829 | 408 | 68,648 |
| Depreciation for the year | 年內折舊 | 3,493 | 5 | 3,033 | 22 | - | 6,553 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 28,862 | 34 | 44,046 | 1,851 | 408 | 75,201 |
| CARRYING AMOUNT | 賬面值 | | | | | | |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 120,666 | - | 3,576 | 83 | - | 124,325 |

The buildings are situated on land in the PRC under remaining lease term of 33.5 years (2020: 34.5 years).

樓宇處於位於中國之土地上，剩餘租期為33.5年（二零二零年：34.5年）。

As at 31 December 2021, certain plant and machinery and buildings with the carrying amount of approximately RMB Nil (2020: RMB17,000) and RMB44,317,000 (2020: RMB45,726,000) respectively were pledged to a bank to secure bank borrowing granted to the Group (note 28).

於二零二一年十二月三十一日，賬面值分別約人民幣零元（二零二零年：人民幣17,000元）及人民幣44,317,000元（二零二零年：人民幣45,726,000元）之若干廠房及機器以及樓宇已質押予一間銀行以作為授予本集團銀行借貸之抵押（附註28）。

As at 31 December 2021, certain plant and machinery and motor vehicles with the carrying amounts of approximately RMB365,000 (2020: RMB484,000) and RMB Nil (2020: RMB Nil) respectively were pledged to secure the amount due to a shareholder (note 27).

於二零二一年十二月三十一日，賬面值分別約人民幣365,000元（二零二零年：人民幣484,000元）及人民幣零元（二零二零年：人民幣零元）之若干廠房及機器以及汽車已質押以作為應付一位股東款項之抵押（附註27）。

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16. PROPERTY PLANT AND EQUIPMENT (continued)

In view of the continuous operating losses sustained by the Group, management of the Company conducted impairment assessments on the Group's property, plant and equipment and land use right (right-of-use assets, note 17) with reference to valuations of the assets as valued by an external valuer not connected with the Group. Having reviewed the bases and assumptions adopted for the valuation, management considered it appropriate that (a) impairment loss is not required to be made for the land use right as the fair value less cost of disposal of the land use right is estimated to be above its carrying amount; and (b) impairment loss amounted to approximately RMB5,211,000 (2020: Nil) was recognised for the year on the property, plant and equipment, based on their estimated replacement cost.

16. 物業、廠房及設備 (續)

鑒於本集團持續經營虧損，本公司管理層參考與本集團無關連的外部估值師對資產的估值對本集團的物業、廠房及設備及土地使用權（使用權資產，附註17）進行減值評估。經審閱就估值所採納的基準及假設，管理層認為(a)毋須就土地使用權計提減值虧損，因為土地使用權之公平值減其出售成本估計將高於其賬面值；及(b)年內已根據物業、廠房及設備之估計重置成本就其確認減值虧損約人民幣5,211,000元（二零二零年：無）屬適當。

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17. RIGHT-OF-USE ASSETS

17. 使用權資產

| | | Land use right 土地使用權 RMB'000 人民幣千元 |
|---|--|--|
| COST | 成本 | |
| At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021 | 於二零二零年一月一日、 二零二零年十二月三十一日、 二零二一年一月一日及 二零二一年十二月三十一日 | 10,534 |
| ACCUMULATED DEPRECIATION | 累計折舊 | |
| At 1 January 2020 | 於二零二零年一月一日 | 293 |
| Depreciation provided for the year | 年內計提折舊 | 293 |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及 於二零二一年一月一日 | 586 |
| Depreciation provided for the year | 年內計提折舊 | 290 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 876 |
| CARRYING AMOUNT | 賬面值 | |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 9,658 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 9,948 |

As at 31 December 2021 and 2020, the Group's land use right represents the leasehold land with the remaining lease period of 33.5 years (2020: 34.5 years) and located at No. 7, Dianzi Street, Demonstration Zone, Shanxi, the PRC. Such land use right was pledged to a bank to secure bank borrowings granted to the Group (note 28).

於二零二一年及二零二零年十二月三十一日，本集團的土地使用權為位於中國山西示範區電子街7號的租賃土地，餘下租賃期為33.5年（二零二零年：34.5年）。該土地使用權已質押予一間銀行，作為本集團獲授之銀行借貸之抵押（附註28）。

The carrying amount of the land use right is amortised on the straight-line basis over the remaining lease period.

土地使用權之賬面值按直線基準於餘下租賃期內攤銷。

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18. SUBSIDIARIES

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

18. 附屬公司

本公司於報告期末之主要附屬公司詳情如下：

| Company name | Place of incorporation/ registration and operations | Registered/ paid up capital | Percentage of equity interests attributable directly to the Company at 31 December 2021 and 31 December 2020 於二零二一年十二月三十一日及二零二零年十二月三十一日 本公司直接所佔的股權百分比 | Principal activities |
|---|---|--------------------------------|---|--|
| 公司名稱 | 註冊成立／登記及營運地點 | 註冊股本／繳足資本 | | 主要業務 |
| Shanxi Changcheng Huiqing Environmental Technology Company Limited* ("Changcheng Huiqing") | PRC | RMB1,000,000/ RMB200,000* | 55% | Wholesale of household water purifiers |
| 山西長城匯清環保科技有限公司(「長城匯清」) | 中國 | 人民幣1,000,000元/ 人民幣200,000元* | | 家用淨水器批發 |
| Taiyuan Changcheng Weiguang Weitong Electronics Company Limited* ("Changcheng Weitong") | PRC | RMB15,000,000/ RMBNil* | 100% | Design, research, development, manufacture and sales of optoelectronic and chemical glass products |
| 太原長城微光微通電子科技有限公司(「長城微通」) | 中國 | 人民幣15,000,000元/ 人民幣零元* | | 設計、研究、開發、製造及銷售光電及化學玻璃產品 |
| Taiyuan Changcheng Feibo Optoelectronic Technology Company Limited* ("Changcheng Feibo") | PRC | RMB20,000,000/ RMBNil* | 100% | Design, research, development, manufacture and sales of fiber optics products and water purifiers |
| 太原長城微光菲博光電科技有限公司(「長城菲博」) | 中國 | 人民幣20,000,000元/ 人民幣零元* | | 設計、研究、開發、製造及銷售光纖產品及淨水器 |
| Shanxi Shansite Optoelectronics Technology Co., Limited* ("Shansite") | PRC | RMB5,000,000/ RMBNil* | 100% | Sales of optoelectronic and fiber optics products |
| 山西閃思特光電科技有限公司(「閃思特」) | 中國 | 人民幣5,000,000元/ 人民幣零元* | | 銷售光電及光纖產品 |

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18. SUBSIDIARIES (continued)

- * The English names are for identification only.
- # The registered capital of Changcheng Huiqing is RMB1,000,000, of which RMB110,000 and RMB90,000 has been contributed by the Group and the non-controlling shareholder respectively up to 31 December 2021 and 2020.
- ^ Changcheng Weitong and Changcheng Feibo were established in the PRC with limited liability on 21 June 2016. The registered capital of Changcheng Weitong and Changcheng Feibo is RMB15,000,000 and RMB20,000,000 respectively and no registered capital was contributed by the Group up to 31 December 2021 and 2020. Changcheng Weitong and Changcheng Feibo have not yet started operation for the years ended 31 December 2021 and 2020.
- ⊙ Shansite was established in the PRC with limited liability on 5 February 2018. The registered capital of Shansite is RMB5,000,000 and no registered capital was contributed by the Group up to 31 December 2021 and 2020.

None of the subsidiaries had issued any debt securities at the end of both years.

The Group had no subsidiary which has material non-controlling interests for the years ended 31 December 2021 and 2020, accordingly financial information regarding the non-controlling interests is not presented in the consolidated financial statements.

19. INTERESTS IN ASSOCIATES

| | |
|----------------------------------|-----------|
| Unlisted investments in the PRC | 於中國之非上市投資 |
| Share of net assets | 應佔資產淨值 |
| Due from associates | 應收聯營公司款項 |
| Less: Impairment loss recognised | 減：已確認減值虧損 |

18. 附屬公司 (續)

- * 英文名稱僅供識別。
- # 長城匯清之註冊資本為人民幣1,000,000元，其中人民幣110,000元及人民幣90,000元於截至二零二一年及二零二零年十二月三十一日之前已分別由本集團及一名非控股股東繳付。
- ^ 長城微通及長城菲博於二零一六年六月二十一日在中國成立為有限公司。長城微通及長城菲博的註冊資本分別為人民幣15,000,000元及人民幣20,000,000元，及本集團於截至二零二一年及二零二零年十二月三十一日並無繳付註冊資本。長城微通及長城菲博於截至二零二一年及二零二零年十二月三十一日止年度尚無開始經營業務。
- ⊙ 閃思特於二零一八年二月五日在中國成立為有限公司。閃思特的註冊資本為人民幣5,000,000元，及截至二零二一年及二零二零年十二月三十一日本集團並無繳付註冊資本。

於兩個年度末，概無附屬公司發行任何債務證券。

截至二零二一年及二零二零年十二月三十一日止年度，本集團並無具重大非控股權益之附屬公司，故有關非控股權益的財務資料並未於綜合財務報表呈列。

19. 於聯營公司之權益

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|----------------------------------|-----------|-----------------------------------|-----------------------------------|
| Unlisted investments in the PRC | 於中國之非上市投資 | | |
| Share of net assets | 應佔資產淨值 | 2,564 | 2,564 |
| Due from associates | 應收聯營公司款項 | 1,373 | 1,281 |
| | | 3,937 | 3,845 |
| Less: Impairment loss recognised | 減：已確認減值虧損 | (3,937) | (3,845) |
| | | - | - |

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19. INTERESTS IN ASSOCIATES (continued)

Particulars of the associates at the end of the reporting period are as follows:

19. 於聯營公司之權益 (續)

於報告期末之聯營公司詳情如下：

| Company name | Place of incorporation/ registration | Registered/ paid up capital | Percentage of equity interests attributable directly to the Company at 31 December 2021 and 31 December 2020 | Principal activities |
|---|---|------------------------------------|--|--|
| 公司名稱 | 註冊成立/ 登記地點 | 註冊股本/ 繳足資本 | 於二零二一年 十二月三十一日及 二零二零年 十二月三十一日 本公司直接所佔的 股權百分比 | 主要業務 |
| Shanxi Huayuan Transport Optical Technology and Engineering Company Limited* ("Huayuan Transport") | PRC | RMB11,000,000/ RMB4,000,000 | 36.36% | Development of fiber optic for intelligent transport system |
| 山西華遠交通光電技術工程有限公司 ("華遠交通") | 中國 | 人民幣11,000,000元/ 人民幣4,000,000元 | | 於中國發展光纖智能傳輸系統業務 |
| Taiyuan Changcheng Luojuiguang Optical Technology Company Limited* ("Changcheng Luojuiguang") | PRC | RMB2,000,000/ RMB700,000* | 35.00% | Manufacturing, processing, research and development and sales of electronic components and optical subcomponents |
| 太原長城籬箕光電科技有限公司 ("長城籬箕光") | 中國 | 人民幣2,000,000元/ 人民幣700,000元* | | 電子元件及光電元器件的生產、加工、研發及銷售 |
| Taiyuan Weiguang Feifan Education Management Consultant Company Limited* ("Weiguang Feifan") | PRC | RMB100,000/ RMBNIL [^] | 49.00% | Education information consultation, organizing cultural and artistic exchange activities, housing lease |
| 太原維光非凡教育管理諮詢有限公司 ("維光非凡") | 中國 | 人民幣100,000元/ 人民幣零元 [^] | | 教育資訊諮詢、組織文化及藝術交流活動、房屋租賃 |

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19. INTERESTS IN ASSOCIATES (continued)

- * The English names are for identification only.
- # The registered capital of Changcheng Luojiguang is RMB2,000,000 of which RMB700,000 was contributed by the Group up to 31 December 2021 and 2020.
- ^ Weiguang Feifan was established in the PRC with limited liability on 8 November 2017. The registered capital of Weiguang Feifan is RMB100,000 and no registered capital was contributed by the Group up to 31 December 2021 and 2020. Accordingly, the Group is obligated to make capital contribution to this associate amounted to RMB49,000 (2020: RMB49,000) when required.

The amounts due from associates are unsecured, interest-free and not repayable within one year.

As at 31 December 2021, the Group recognised impairment losses of approximately RMB3,937,000 (2020: RMB3,845,000) in respect of the interests in the associates mainly due to uncertainties surrounding the industry in which the associate operates.

The associates are accounted for using the equity method in these consolidated financial statements and the associates are not considered to be individually material to the Group.

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

19. 於聯營公司之權益 (續)

- * 英文名稱僅供識別。
- # 長城籬箕光之註冊資本為人民幣2,000,000元，其中人民幣700,000元本集團已於截至二零二一年及二零二零年十二月三十一日前繳付。
- ^ 維光非凡為於二零一七年十一月八日於中國成立之有限公司。維光非凡之註冊資本為人民幣100,000元，及本集團於截至二零二一年及二零二零年十二月三十一日並無繳付註冊資本。因此，本集團於需要時有責任向此聯營公司作出出資人民幣49,000元（二零二零年：人民幣49,000元）。

應收聯營公司款項乃無抵押、免息及毋須於一年內償還。

於二零二一年十二月三十一日，本集團就聯營公司之權益確認減值虧損約人民幣3,937,000元（二零二零年：人民幣3,845,000元），主要由於該聯營公司所從事之行業遭受的不明朗因素所致。

聯營公司使用權益法於此等綜合財務報表內入賬，且聯營公司不被視為個別對本集團而言屬重大。

下表列示本集團分佔所有個別而言並不重大的聯營公司的總額，而有關金額乃採用權益法入賬。

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19. INTERESTS IN ASSOCIATES (continued)

19. 於聯營公司之權益 (續)

| | | 2021 | 2020 |
|---------------------------------|---------------------|---------|---------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At 31 December | 於十二月三十一日 | | |
| Carrying amounts of interests | 權益賬面值 | - | - |
| Year ended 31 December | 截至十二月三十一日止年度 | | |
| Loss from continuing operations | 持續經營虧損 | - | 42 |
| Other comprehensive loss | 其他全面虧損 | - | - |
| Total comprehensive loss | 全面虧損總額 | - | 42 |

The Group has discontinued the recognition of its share of results of the associate, Huayuan Transport, because the share of losses of the associate exceeded the Group's interest in the associate. As at 31 December 2021, the cumulatively unrecognised share of losses of the associate is approximately RMB1,918,000 (2020: RMB1,918,000).

由於分佔之聯營公司虧損超過本集團於聯營公司華遠交通之權益，因此本集團已終止確認分佔該聯營公司之業績。於二零二一年十二月三十一日，累計未確認的分佔聯營公司虧損約人民幣1,918,000元（二零二零年：人民幣1,918,000元）。

The Group has discontinued the recognition of its share of results of the associate, Changcheng Luojiguang, because the share of losses of the associate exceeded the Group's interest in the associate. As at 31 December 2021, the cumulatively unrecognised share of losses of the associate is approximately RMB6,000 (2020: RMB2,000).

由於分佔聯營公司的虧損超出本集團於該聯營公司的權益，本集團已終止確認其分佔聯營公司長城籬箕光之業績。於二零二一年十二月三十一日，累計未確認的分佔聯營公司虧損約人民幣6,000元（二零二零年：人民幣2,000元）。

20. INVENTORIES

20. 存貨

| | | 2021 | 2020 |
|------------------|-----|---------------|---------------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Raw materials | 原材料 | 1,136 | 753 |
| Work in progress | 在製品 | 4,084 | 6,844 |
| Finished goods | 製成品 | 5,235 | 5,099 |
| | | 10,455 | 12,696 |

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21. TRADE AND BILLS RECEIVABLES

| | |
|---------------------------------------|------------|
| Trade receivables | 應收貿易賬款 |
| Bills receivable | 應收票據 |
| Less: impairment of trade receivables | 減：應收貿易賬款減值 |

Bills receivable generally have credit terms of one year from date of issue. No bills receivable as at 31 December 2021 are past due.

As referred to note 28, repayments of certain of the borrowings of the Group are guaranteed by the proceeds from the Group's trade receivables.

An aging analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

| | |
|-----------------|-----------|
| 0 to 90 days | 0至90日 |
| 91 to 180 days | 91日至180日 |
| 181 to 365 days | 181日至365日 |

The trading terms with customers are largely on credit. The credit period is generally 90 days (2020: 90 days). The Group maintains strict control over its outstanding receivables and has credit control policy in place to minimise its credit risk. The Group has significant concentration of credit risk arising from its ordinary course of business due to its relatively small customer bases. Overdue balances are regularly reviewed by management. Trade receivables are non-interest-bearing.

21. 應收貿易賬款及票據

| 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
|-----------------------------------|-----------------------------------|

| | |
|----------|---------|
| 19,987 | 28,137 |
| 313 | — |
| (11,814) | (6,710) |

8,486 21,427

應收票據的信貸期通常為自發行日期起計一年。於二零二一年十二月三十一日，概無應收票據逾期。

如附註28所述，償還本集團的若干借貸以本集團應收貿易賬款之所得款項作擔保。

於報告期末，應收貿易賬款及票據根據發票日期及扣除撥備之賬齡分析如下：

| 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
|-----------------------------------|-----------------------------------|

| | |
|-------|--------|
| 3,780 | 20,064 |
| 816 | 1,265 |
| 3,890 | 98 |

8,486 21,427

給予客戶之貿易條款主要為除賬方式。信貸期一般為90日（二零二零年：90日）。本集團嚴格控制未收回之應收賬項並採取除賬控制政策，以盡量減低信貸風險。由於本集團之客戶基礎相對較小，因此其來自日常業務過程之信貸風險高度集中。逾期結餘由管理層定期審閱。應收貿易賬款為不計息。

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For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

21. TRADE AND BILLS RECEIVABLES (continued)

The movements in impairment of trade receivables are as follows:

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|------------------------------|----------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 6,710 | 4,589 |
| Impairment losses recognised | 已確認減值虧損 | 5,104 | 2,121 |
| At 31 December | 於十二月三十一日 | 11,814 | 6,710 |

Impairment of trade receivables was made against individually impaired trade receivables of approximately RMB11,814,000 (2020: RMB6,710,000). The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

As at 31 December, 2021, the Group's carrying amount of trade receivables is RMB8,173,000 (net of allowance for credit losses of RMB11,814,000) (2020: RMB21,427,000 (net of allowance for credit losses of RMB6,710,000)), which includes receivables of RMB4,706,000 (2020: RMB1,363,000) that were past due as at that date, but no additional impairment was made as the management considers that those debtors continuously paid their debts and their financial position were not impaired.

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

21. 應收貿易賬款及票據 (續)

應收貿易賬款之減值變動如下：

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|------------------------------|-----------------------------------|-----------------------------------|
| At 1 January | 6,710 | 4,589 |
| Impairment losses recognised | 5,104 | 2,121 |
| At 31 December | 11,814 | 6,710 |

對個別減值之應收貿易賬款已計提應收貿易賬款減值約人民幣11,814,000元(二零二零年：人民幣6,710,000元)。該項個別減值之應收貿易賬款與有財務困難之客戶有關，預期該等應收賬款僅可部份收回。本集團並無就該等結餘持有任何抵押品或採取其他提升信用的措施。

於二零二一年十二月三十一日，本集團應收貿易賬款之賬面值為人民幣8,173,000元(扣除信貸虧損撥備人民幣11,814,000元)(二零二零年：人民幣21,427,000元)(扣除信貸虧損撥備人民幣6,710,000元)，當中包括人民幣4,706,000元(二零二零年：人民幣1,363,000元)於該日已逾期，但管理層認為該等債務人持續償還債務及彼等的財務狀況並未減值，故並未就彼等作出額外減值。

本集團應用香港財務報告準則第9號下的簡易方法就所有應收貿易賬款使用預期虧損撥備期限計算預期信貸虧損。為計算預期信貸虧損，應收貿易賬款已根據共享信貸風險特徵及逾期日數分類。預期信貸虧損亦包含前瞻性資料。

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21. TRADE AND BILLS RECEIVABLES (continued)

21. 應收貿易賬款及票據 (續)

| | | Not past due 未逾期 | Over 3 months past due 逾期 多於3個月 | Over 6 months past due 逾期 多於6個月 | Over 9 months past due 逾期 多於9個月 | Over one year past due 逾期1年以上 | Total 總計 |
|--|----------------------|------------------------|---|---|---|--|-------------|
| At 31 December 2021 | 於二零二一年十二月三十一日 | | | | | | |
| Weighted average expected loss rate per ECL assessment | 每次預期信貸虧損評估之加權平均預期虧損率 | 0.00% | 0.00% | 0.00% | 70.33% | 100% | |
| Receivable amount (RMB'000) | 可收回金額(人民幣千元) | 4,439 | 3,252 | 2,135 | 5,916 | 4,245 | 19,987 |
| Loss allowance per ECL assessment (RMB'000) | 每次預期信貸虧損之虧損撥備(人民幣千元) | - | - | - | (4,161) | (4,245) | (8,406) |
| | | 4,439 | 3,252 | 2,135 | 1,755 | - | 11,581 |
| Additional loss allowance (RMB'000) (notes a and b) | 額外虧損撥備(人民幣千元)(附註a及b) | (972) | (831) | (1,605) | - | - | (3,408) |
| | | 3,467 | 2,421 | 530 | 1,755 | - | 8,173 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | | | | | | |
| Weighted average expected loss rate per ECL assessment | 每次預期信貸虧損之加權平均預期虧損率 | 0.00% | 0.00% | 0.00% | 100% | 100% | |
| Receivable amount (RMB'000) | 可收回金額(人民幣千元) | 20,064 | 1,265 | 98 | 1,407 | 5,303 | 28,137 |
| Loss allowance per ECL assessment (RMB'000) | 每次預期信貸虧損之虧損撥備(人民幣千元) | - | - | - | (1,407) | (5,303) | (6,710) |
| | | 20,064 | 1,265 | 98 | - | - | 21,427 |

Notes:

- (a) At 31 December 2021, the Group had trade receivable from a Russian customer amounted to approximately RMB2,492,000 which remained outstanding up to the date of approval of these consolidated financial statements. Management of the Company is of the view that it is highly uncertain for the recoverability of this receivable as a result of the recent military conflicts between Russia and Ukraine; accordingly, loss allowance amounted to RMB2,492,000 was recognised on the receivable for the year.
- (b) Subsequent to the end of the reporting period, a debtor made return of goods that were sold by the Group during the current year amounted to approximately RMB916,000 and loss allowance on the receivable from this debtor amounted to RMB916,000 was recognised for the year.

附註:

- (a) 於二零二一年十二月三十一日，本集團有應收一名俄羅斯客戶之應收貿易賬款約人民幣2,492,000元，其於截至批准該等綜合財務報表日期仍未支付。本公司管理層認為，由於俄羅斯與烏克蘭近期的軍事衝突，收回該筆應收貿易賬款存在高度不確定性，因此已於年內就該應收款項確認虧損撥備人民幣2,492,000元。
- (b) 於報告期末後，一名債務人退回本集團於本年度銷售的貨物金額約人民幣916,000元，於年內已確認來自該債務人之應收款項虧損撥備人民幣916,000元。

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22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款、按金及其他應收款項

| | | 2021 | 2020 |
|---|---------------|----------------|----------------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Prepayments | 預付款項 | 1,940 | 1,974 |
| Deposits and other receivables | 按金及其他應收款項 | 8,355 | 2,166 |
| | | 10,295 | 4,140 |
| Less: Impairment loss recognised (note) | 減：已確認減值虧損(附註) | (5,000) | - |
| | | 5,295 | 4,140 |

Note:

Included in other receivables is receivable from a loan lender amounted to RMB5,000,000 which was previously set off against the bank and other borrowings (note 28). Having considered the relevant information, management is of the view that it is more appropriate to reclassify this receivable of RMB5,000,000 to other receivables. As this receivable remained outstanding for a period of over 2 years, management considered that the recovery of the receivable is highly uncertain and impairment loss on this receivable amounted to RMB5,000,000 (2020: Nil) was recognized in profit or loss in respect of current year.

附註：

其他應收款項包括應收貸款人款項人民幣5,000,000元，且該款項先前已與銀行及其他借貸抵銷(附註28)。經考慮相關資料後，管理層認為將該應收款項人民幣5,000,000元重分類至其他應收款項更為適當。由於該應收款項超過2年未清償，管理層認為收回該應收款項存在高度不確定性，且該應收款項的減值虧損人民幣5,000,000元(二零二零年：無)已於本年度損益確認。

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值項目

| | | 2021 | 2020 |
|------------------------|---------|----------------|----------------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Bank balances and cash | 銀行結餘及現金 | 399 | 1,216 |

At the end of the reporting period, the bank balances and cash of the Group are mainly denominated in RMB.

於報告期末，本集團之銀行結餘及現金主要以人民幣為單位。

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23. CASH AND CASH EQUIVALENTS

(continued)

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Cash at bank 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.

24. TRADE PAYABLES

An aging analysis of trade payables, based on the invoice date, is as follows:

23. 現金及現金等值項目 (續)

人民幣並非可自由兌換為外幣的貨幣。根據中國的外匯管制條例，本集團獲准透過已獲授權進行外匯業務之銀行以人民幣兌換外幣。

於銀行之現金根據銀行每日銀行存款利率按浮動利率賺取利息。銀行結餘存放於信譽良好及最近並無違約記錄之銀行。

24. 應付貿易賬款

應付貿易賬款根據發票日期之賬齡分析如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|-----------------|-----------|-----------------------------------|-----------------------------------|
| 0 to 90 days | 0至90日 | 1,280 | 532 |
| 91 to 180 days | 91日至180日 | 640 | 887 |
| 181 to 365 days | 181日至365日 | 1,052 | 2,148 |
| Over 365 days | 超過365日 | 5,666 | 5,391 |
| | | 8,638 | 8,958 |

25. ACCRUALS AND OTHER PAYABLES

| | | | |
|--|------------------|--------|--------|
| Accrued construction cost and salaries, and other payables | 應計工程成本及薪酬及其他應付款項 | 95,224 | 90,080 |
| Other accrued expenses | 其他應計開支 | 8,767 | 8,248 |
| Legal claims payable (note) | 應付法律索償(附註) | 5,124 | - |
| Others | 其他 | 1,259 | 949 |

25. 應計款項及其他應付款項

| | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
|--|-----------------------------------|-----------------------------------|

110,374 99,277

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25. ACCRUALS AND OTHER PAYABLES (continued)

Note:

During the year, the Group received certain judgements issued by PRC courts over legal claims lodged by purchase suppliers, construction contractors and former employees of the Group in respect of debts that the Group owed these parties. Having reviewed the PRC courts' judgements, management of the Company considered it appropriate to recognize loss on legal claims amounted to approximately RMB5,124,000 (2020: Nil), which represents additional payables to the claimants as calculated to be the excess of the amounts of payables judged over the payables and accrued expenses which were accounted for in the consolidated financial statements of the Group for the previous years.

25. 應計款項及其他應付款項 (續)

附註：

年內，本集團收到中國法院就採購供應商、建築承包商及本集團前僱員就本集團結欠該等人士的債務提出的法律索償作出的若干判決。經審閱中國法院的判決後，本公司管理層認為確認法律索償虧損約人民幣5,124,000元（二零二零年：無）屬適當，即應付索償人款項，按所判決應付款項超出於本集團過往年度之綜合財務報表入賬之應付款項及應計開支計算。

26. CONTRACT LIABILITIES

26. 合約負債

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Advance payments received from customers for sales of goods | 就銷售貨品自客戶收取之預付款項 | 5,522 | 5,480 |
| Year ended 31 December | 截至十二月三十一日止年度 | | |
| Revenue recognised in the year that was included in contract liabilities at beginning of year | 年初計入合約負債並於年內確認的收益 | - | 666 |
| Significant changes in contract liabilities during the year | 於本年度合約負債的重大變動 | | |
| Advance payments received during the year | 年內收取之預付款項 | 682 | 976 |
| Transfer of contract liabilities to revenue | 轉撥合約負債至收益 | (648) | (666) |

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration from the customer.

合約負債是指本集團已收客戶對價而向客戶轉讓產品或服務的義務。

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27. AMOUNTS DUE TO SHAREHOLDERS

Analyses of the amounts due to shareholders are as follows:

27. 應付股東款項

應付股東款項分析如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Amounts due to shareholders | 應付股東款項 | | |
| – secured by the Group's plant and machinery and motor vehicles (note 16) | – 以本集團之廠房及機器及汽車作抵押(附註16) | 1,350 | 1,300 |
| – unsecured | – 無抵押 | 21,316 | 18,295 |
| | | 22,666 | 19,595 |
| Amounts due to shareholders | 應付股東款項 | | |
| – interest chargeable at 4.35% per annum | – 按每年4.35%利率計息 | 22,666 | 19,172 |
| – interest free | – 免息 | – | 423 |
| | | 22,666 | 19,595 |
| Amounts due to shareholders repayable | 償還應付股東款項 | | |
| – within one year | – 一年內 | 20,284 | 19,595 |
| – in the second year | – 第二年 | 2,382 | – |
| | | 22,666 | 19,595 |
| Analysed for reporting purposes: | 就呈報目的分析如下： | | |
| Classified in | 分類至 | | |
| – current liabilities | – 流動負債 | 20,284 | 19,595 |
| – non-current liabilities | – 非流動負債 | 2,382 | – |
| | | 22,666 | 19,595 |

Note:

During the current year, a shareholder of the Company made advances amounted to approximately RMB2,240,000 to the Group. The advances are unsecured and carry interest at 4.35% per annum and are repayable within two years. The fair value of the advances at the time of their drawdown was estimated to be RMB2,236,000, using the effective interest rate of 4.35% per annum. The excess of the principal amounts of the loans over their fair value at the dates of drawdown, amounted to RMB4,000 (note 32), was dealt with in equity and was included in other reserve of the Group.

附註：

於本年度，本公司一名股東已向本集團作出墊款約人民幣2,240,000元。該等墊款屬無抵押，且按年利率4.35%計息及須於兩年內償還。該等墊款於支取時之公平值估計為人民幣2,236,000元，使用實際利率每年4.35%。該等貸款之本金額超出其於支取日期之公平值金額人民幣4,000元（附註32），已於權益內處理並計入本集團之其他儲備。

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28. BANK AND OTHER BORROWINGS

28. 銀行及其他借貸

| | | 2021 | 2020 |
|-------------------------|-----------|---------------|---------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Bank borrowing | 銀行借貸 | 10,650 | 10,900 |
| Other borrowings (note) | 其他借貸 (附註) | 83,058 | 79,187 |
| | | 93,708 | 90,087 |

An analysis of the repayments of the borrowings is as follows:

借貸償還分析如下：

| | | 2021 | 2020 |
|--|-----------------------------|-----------------|----------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Borrowings repayable: | 應償還借貸 | | |
| On demand or within one year | 按要求或於一年內 | 93,708 | 81,320 |
| In the second year | 第二年內 | - | 7,870 |
| In the third to fifth years, inclusive | 第三至第五年 (首尾兩年包括在內) | - | 960 |
| | | 93,708 | 90,087 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | 減：於12個月內結算之應付款項 (於流動負債項下列示) | (93,708) | (81,320) |
| Amount due for settlement after 12 months | 於12個月後結算之應付款項 | - | 8,767 |

Note: Included in other borrowings are loans made to the Group by a director of the Company, Mr. Yuan Guoliang, and the holding company of a substantial shareholder of the Company amounted to RMB309,000 (2020: RMB298,000) and RMB7,905,000 (2020: RMB10,543,000) respectively. The loans from a director are unsecured, carry interest at 4.35% per annum and are repayable on demand. The loans from the holding company of the substantial shareholder are unsecured, carry interest at 12% per annum and are repayable on demand. Repayment of the loans from the holding company to the extent of approximately RMB2,800,000 (2020: RMB4,927,000) is guaranteed by the proceeds from the Group's trade receivables.

附註：其他借貸包括本公司董事袁國良先生及本公司一名主要股東之控股公司擁有之實體向本集團作出之貸款人民幣309,000元 (二零二零年：人民幣298,000元) 及人民幣7,905,000元 (二零二零年：人民幣10,543,000元)。來自董事之貸款為無抵押、按年利率4.35%計息及按要求償還。來自一名主要股東之控股公司之貸款為無抵押、按年利率12%計息及按要求償還。償還控股公司之該等貸款約人民幣2,800,000元 (二零二零年：人民幣4,927,000元) 以本集團應收貿易賬款之所得款項作擔保。

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28. BANK AND OTHER BORROWINGS (continued)

Note: (continued)

During the current year, substantially all of these other borrowings were not repaid in accordance with the relevant loan agreements. Accordingly, these borrowings with the aggregate outstanding balances of approximately RMB92,908,000 (2020: RMB81,320,000) are included in current liabilities. The remaining other borrowings with the outstanding balance of RMB800,000 are repayable within one year after the end of the reporting period and are also included in current liabilities.

The guarantees and securities given for the bank and other borrowings at the end of each reporting period are as follows:

28. 銀行及其他借貸 (續)

附註：(續)

於本年度，該等其他借貸幾乎全部未根據相關貸款協議償還。因此，該等未償還餘額總額約為人民幣92,908,000元（二零二零年：人民幣81,320,000元）的借貸計入流動負債。餘下未償還結餘為人民幣800,000元的其他借貸須於報告期末後一年內償還，且亦計入流動負債。

於各報告期末就銀行及其他借貸提供之擔保及抵押如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Secured bank and other borrowings (note) | 有抵押銀行及其他借貸 (附註) | 15,012 | 17,300 |
| Unsecured other borrowings | 無抵押其他借貸 | 78,696 | 72,787 |
| | | 93,708 | 90,087 |

Note: These bank and other borrowings are secured by (i) the pledge of the Group's right-of-use asset located at No.7, Dianzi Street, Demonstration Zone, Shanxi, the PRC (note 17) and certain buildings, and plant and machinery (note 16); and (ii) guarantee given by a shareholder of the Company.

附註：銀行及其他借貸由(i)抵押本集團位於中國山西省示範區電子街七號之使用權資產(附註17)及若干樓宇以及廠房及機器(附註16)；及(ii)本公司一名股東提供之擔保作抵押。

The bank and other borrowings are further analysed as follows:

銀行及其他借貸進一步分析如下：

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---------------------------|---------|-----------------------------------|-----------------------------------|
| Bank and other borrowings | 銀行及其他借貸 | | |
| Interest bearing (note) | 含息 (附註) | 93,656 | 82,803 |
| Non-interest bearing | 不含息 | 52 | 7,284 |
| | | 93,708 | 90,087 |

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28. BANK AND OTHER BORROWINGS (continued)

Note: Included in interest bearing borrowings are bank borrowings amounted to RMB10,650,000 (2020: RMB10,900,000) which carried interests at bank lending rate plus a specific margin.

Interest bearing other borrowings amounted to RMB83,006,000 (2020: RMB71,903,000) at 31 December 2021, of which borrowings with the outstanding balances of RMB79,033,000 (2020: RMB68,308,000) and RMB2,540,000 (2020: RMB2,180,000) at that date carried interests at 12% (2020: 12%) per annum and 30% (2020: 30%) per annum respectively.

The effective interest rates applied to the interest bearing other borrowings at 31 December 2021 ranged from 2% to 30% per annum (2020: 2% to 30% per annum).

During the prior year ended 31 December 2020, other borrowings amounted to RMB5,327,000 was obtained by the Group. The fair value of these borrowings at their drawdown was estimated to be RMB5,279,000, using the effective interest rate ranged from 12% to 24% per annum. The excess of the principal amounts of the other borrowings over their fair value at the dates of drawdown, amounted to RMB422,000, was recognised as other income (note 9).

For the prior year ended 31 December 2020, the lenders of certain borrowings granted waivers to collect the interest on the borrowings for that year. In this connection, the interest payable for the prior year on the borrowings amounted to RMB677,000 was waived by the borrowers and, accordingly, credited to the finance costs (note 10).

28. 銀行及其他借貸 (續)

附註：計息借貸中包括按銀行貸款利率加特定差額計息人民幣10,650,000元（二零二零年：人民幣10,900,000元）之銀行借貸。

於二零二一年十二月三十一日計息其他借貸金額為人民幣83,006,000元（二零二零年：人民幣71,903,000元），當中未償還結餘人民幣79,033,000元（二零二零年：人民幣68,308,000元）及人民幣2,540,000元（二零二零年：人民幣2,180,000元）於該日分別按每年12%（二零二零年：12%）及30%（二零二零年：30%）之利率計息。

於二零二一年十二月三十一日，計息其他借貸所應用之實際利率介乎每年2%至30%（二零二零年：每年2%至30%）。

截至二零二零年十二月三十一日止去年，本集團已取得其他借貸人民幣5,327,000元，該等借貸於其支取時之公平值使用介乎每年12%至24%之實際利率估計為人民幣5,279,000元。其他借貸本金額超出其於支取日期之公平值部分金額人民幣422,000元已確認為其他收入（附註9）。

截至二零二零年十二月三十一日止去年，若干借貸之貸款人已免除收取該等借貸於該年度之利息。就此而言，去年就借貸應付之利息人民幣677,000元已由借款人免除，因此已從財務費用中扣除（附註10）。

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29. DEFERRED GOVERNMENT GRANTS

29. 延政府資助

| | | 2021 | 2020 |
|---|------------|----------------|----------------|
| | | 二零二一年 | 二零二零年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Government grants received | 已收政府資助 | | |
| At 1 January | 於一月一日 | 48,302 | 47,572 |
| Grants received during the year | 年內已收資助 | - | 730 |
| At 31 December | 於十二月三十一日 | 48,302 | 48,302 |
| Released to profit or loss | 撥至損益 | | |
| At 1 January | 於一月一日 | 23,980 | 20,417 |
| Recognised in profit or loss in respect of the year | 於本年度損益內確認 | 2,305 | 3,563 |
| At 31 December | 於十二月三十一日 | 26,285 | 23,980 |
| Carrying amount | 賬面值 | | |
| At 31 December | 於十二月三十一日 | 22,017 | 24,322 |
| Analysed for reporting purposes: | 就呈報目的分析如下： | | |
| Classified in | 分類至 | | |
| – current liabilities | – 流動負債 | 2,250 | 2,305 |
| – non-current liabilities | – 非流動負債 | 19,767 | 22,017 |
| | | 22,017 | 24,322 |

The Group received government grants for the Group's facilities for development and research of its products, and for enhancing the Group's production facilities. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

本集團就本集團之產品研發設施以及提升本集團之生產設施獲得政府資助。該等款項於相關資產之估計可使用年期內遞延及攤銷。

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30. SHARE CAPITAL

30. 股本

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 |
|---|--|-----------------------------------|-----------------------------------|
| Authorised, issued and fully paid: 198,860,000 (2020: 198,860,000) domestic share of RMB0.10 each | 法定、已發行及繳足股款： 198,860,000股（二零二零 年：198,860,000股） 每股面值人民幣0.10元 之內資股 | 19,886 | 19,886 |
| 110,000,000 (2020: 110,000,000) H share of RMB0.10 each | 110,000,000股（二零二零 年：110,000,000股） 每股面值人民幣0.10元 之H股 | 11,000 | 11,000 |
| | | 30,886 | 30,886 |

There were no changes in the Company's share capital during the years ended 31 December 2021 and 31 December 2020.

於截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度，本公司之股本並無變動。

Except for the currency in which dividends are paid and the restrictions as to whether the shareholders can be the PRC investors or foreign investors, domestic shares and H shares rank pari passu with each other.

除支付股息的貨幣以及股東是否可以中國投資者或外國投資者的限制外，內資股和H股彼此享有同等地位。

31. RESERVES

Group

(a) Capital surplus

The capital surplus of the Group represents the excess of the issue price over the nominal value of the Company's shares issued at a premium.

31. 儲備

本集團

(a) 資本盈餘

本集團資本盈餘指發行價超出以溢價發行的本公司股份之面值之差額。

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31. RESERVES (continued)

Group (continued)

(b) Statutory surplus reserve

The Company's articles of association require the appropriation of 10% of the Company's profit after tax each year to the statutory surplus reserve until the balance reaches 50% of the Company's registered capital. According to the provisions of the Company's articles of association, in normal circumstances, the statutory surplus reserve shall only be used for making up losses, capitalisation into share capital and expansion of the Company's production and operations. For the capitalisation of the statutory surplus reserve into share capital, the remaining amount of such reserve shall not be less than 25% of the registered capital.

Company

The amounts of the Company's reserves and the movements therein for the year ended 31 December 2021 are as follows:

31. 儲備 (續)

本集團 (續)

(b) 法定盈餘儲備

本公司組織章程細則規定，每年須提撥本公司除稅後溢利之10%至法定盈餘儲備，直至法定盈餘儲備結餘達到本公司註冊股本之50%。根據本公司組織章程細則規定，於正常情況下，法定盈餘儲備僅可用於彌補虧損、撥充股本及擴大大公司之生產及經營。將法定盈餘儲備資本化為股本時，有關儲備之餘額不得少於註冊股本25%。

本公司

本公司於截至二零二一年十二月三十一日止年度之儲備及其變動之金額如下：

| | | Capital surplus | Statutory surplus reserve | Other reserve | Accumulated losses | Total |
|---|---------------------|-----------------|---------------------------|---------------|--------------------|-----------|
| | | 資本盈餘 | 法定盈餘儲備 | 其他儲備 | 累計虧損 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2020 | 於二零二零年一月一日 | 18,561 | 11,853 | 977 | (108,327) | (76,936) |
| Loss and total comprehensive loss for the year | 虧損及年內全面虧損總額 | - | - | - | (31,861) | (31,861) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 18,561 | 11,853 | 977 | (140,188) | (108,797) |
| At 1 January 2021 | 於二零二一年一月一日 | 18,561 | 11,853 | 977 | (140,188) | (108,797) |
| Loss and total comprehensive loss for the year | 虧損及年內全面虧損總額 | - | - | - | (39,687) | (39,687) |
| Fair value gain arising from shareholders' loan (note 27) | 股東貸款產生之公平值收益 (附註27) | - | - | 4 | - | 4 |
| At 31 December 2021 | 於二零二一年十二月三十一日 | 18,561 | 11,853 | 981 | (179,875) | (148,480) |

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

32. 綜合現金流量表附註

融資活動產生之負債之變動

下表列示本年度內本集團融資活動產生之負債之變動：

| | | Interest payable (included in accruals and other payables) 應付利息(計入應計款項及其他應付款項) RMB'000 人民幣千元 | Amounts due to shareholders 應付股東款項 RMB'000 人民幣千元 | Bank and other borrowings 銀行及其他借貸 RMB'000 人民幣千元 | Total 總額 RMB'000 人民幣千元 |
|--|--------------------------------------|---|---|--|---------------------------------|
| At 1 January 2020 | 於二零二零年一月一日 | - | 19,273 | 78,177 | 97,450 |
| Financing cash inflows | 融資現金流入 | - | 9 | 7,195 | 7,204 |
| Financing cash outflows | 融資現金流出 | - | - | (3,646) | (3,646) |
| Non-cash changes | 非現金變動 | | | | |
| - Fair value gain on other borrowings | - 其他借貸之公平值收益 | - | - | (422) | (422) |
| - Interest charges | - 利息費用 | - | 797 | 9,460 | 10,257 |
| - Interest waiver granted | - 授予之利息免除 | - | (484) | (677) | (1,161) |
| At 31 December 2020 and 1 January 2021 | 於二零二零年十二月三十一日及 於二零二一年一月一日 | - | 19,595 | 90,087 | 109,682 |
| Financing cash inflows | 融資現金流入 | - | 2,240 | 45 | 2,285 |
| Financing cash outflows | 融資現金流出 | (65) | - | (3,930) | (3,995) |
| Non-cash changes | 非現金變動 | | | | |
| - Fair value gain arising from shareholders' loans | - 股東貸款產生之公平值收益 | - | (4) | - | (4) |
| - Interest charges | - 利息費用 | 65 | 835 | 7,506 | 8,406 |
| - Interest waiver granted | - 授予之利息免除 | - | - | - | - |
| At 31 December 2021 | 於二零二一年十二月三十一日 | - | 22,666 | 93,708 | 116,374 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

33. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

Contracted, but not provided for
– Capital contribution payable to
an associate, Weiguang Feifan
(note 19)

已訂約但尚未撥備
– 應付聯營公司維光非凡之
出資額 (附註19)

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34. LITIGATIONS

During the year, the Company received certain judgements issued by PRC courts regarding the litigations lodged by purchase suppliers, construction contractors and former employees of the Group which resulted in additional legal claims payable amounted to approximately RMB5,124,000 (2020: Nil) recognised in the consolidated financial statements, details of which are set out in note 25.

Up to the date of approval of these consolidated financial statements, the Group, as defendant, has outstanding litigation regarding the appeal by a construction contractor against the judgment issued by PRC court regarding the legal claim lodged by the contractor. Management of the Company is of the view that the Group has merits on the litigation and considered that this litigation would not result in additional provision for legal claims having to be made in the consolidated financial statements.

Apart from the above, management of the Company is not aware of any outstanding litigations at the end of the reporting period and up to the date of approval of these consolidated financial statements which would result in material adverse impact on the financial position of the Group.

33. 資本承諾

本集團於報告期末的資本承擔如下：

| 2021 | 2020 |
|---------|---------|
| 二零二一年 | 二零二零年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |

34. 訴訟

年內，本公司收到中國法院就採購供應商、建築承包商及本集團前僱員提起的訴訟而發出的若干判決，導致於綜合財務報表內確認額外法律申索應付款項約人民幣5,124,000元（二零二零年：無），有關詳情載列於附註25。

截至該等綜合財務報表批准日期，本集團作為被告就一名建築承包商對中國法院就該承包商提起之法律申索而發出之判決提起上訴擁有未決訴訟。本公司管理層認為本集團於該訴訟中擁有法律理據，且認為該訴訟不會導致於綜合財務報表內須就法律申索計提額外撥備。

除上述外，於報告期末及截至該等綜合財務報表批准日期，本公司管理層並不知悉有任何未決訴訟而將導致對本集團之財務狀況造成重大不利影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

35. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties for the year:

(a) Key management compensation

The compensation of key management personnel is disclosed in note 13 to the consolidated financial statements.

(b) Sales of goods to related parties

For the year ended 31 December 2021, the Group made sales of goods at the sale prices of approximately RMB6,853,000 (2020: RMB3,222,000) to two related parties which are beneficially owned by Mr. Wu Bo, the Company's director. At the end of the reporting period, the sales to one of these parties to the extent of approximately RMB1,495,000 (2020: RMB1,415,000) remained outstanding.

(c) Advances from holding company of a substantial shareholder

Included in bank and other borrowings at 31 December 2021 is loans payable to an entity, which is the holding company of a substantial shareholder of the Company, amounting to approximately RMB7,905,000 (2020: RMB10,542,000), which are unsecured, repayable on demand or within one year after the end of the reporting period, and interest bearing at 12% per annum. In accordance with the relevant loan agreements, repayment of the loans to the extent of approximately RMB2,800,000 (2020: RMB4,928,000) is guaranteed by the proceeds from trade receivables of the Group.

36. COMPARATIVE FIGURES

Certain Comparative figures have been reclassified to conform with the current year's presentation.

35. 關連人士交易

除綜合財務報表其他章節所披露者外，本集團年內擁有以下與關連人士之交易：

(a) 主要管理人員之報酬

主要管理人員之報酬披露於綜合財務報表附註13。

(b) 向關連人士銷售貨品

於截至二零二一年十二月三十一日止年度，本集團按銷售價約人民幣6,853,000元（二零二零年：人民幣3,222,000元）向兩名關連人士（由本公司董事吳波先生實益擁有）銷售貨品。於報告期末，對一名該等關連人士之銷售金額約人民幣1,495,000元（二零二零年：人民幣1,415,000元）仍未支付。

(c) 來自一名主要股東之控股公司之墊款

於二零二一年十二月三十一日，銀行及其他借貸包括應付一間實體（為本公司一名主要股東之控股公司）的貸款約人民幣7,905,000元（二零二零年：人民幣10,542,000元），為無抵押、須按要求或於報告期末後一年內償還及按年利率12%計息。根據相關貸款協議，償還該貸款約人民幣2,800,000元（二零二零年：人民幣4,928,000元）以本集團應收貿易賬款之所得款項作擔保。

36. 比較數字

若干比較數字已重新分類以符合本年度之呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER

37. 於十二月三十一日本公司的財務狀況表

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 (Restated) (重列) |
|--|------------------|--|--|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 114,163 | 124,270 |
| Right-of-use assets | 使用權資產 | 9,658 | 9,948 |
| Interests in associates | 於聯營公司之權益 | - | - |
| | | 123,821 | 134,218 |
| CURRENT ASSETS | 流動資產 | | |
| Inventories | 存貨 | 10,455 | 12,656 |
| Trade and bills receivables | 應收貿易賬款及票據 | 8,486 | 21,267 |
| Prepayments, deposits and other receivables | 預付款、按金及其他應收款項 | 5,092 | 3,984 |
| Cash and cash equivalents | 現金及現金等值項目 | 93 | 6 |
| | | 24,126 | 37,913 |
| CURRENT LIABILITIES | 流動負債 | | |
| Trade payables | 應付貿易賬款 | 8,179 | 8,499 |
| Accruals and other payables | 應計款項及其他應付款項 | 110,013 | 99,272 |
| Contract liabilities | 合約負債 | 5,522 | 5,480 |
| Deferred government grants | 遞延政府資助 | 2,250 | 2,305 |
| Amounts due to a subsidiary | 應付一間附屬公司款項 | 3,745 | 3,085 |
| Amounts due to shareholders | 應付股東款項 | 20,284 | 19,595 |
| Bank and other borrowings | 銀行及其他借貸 | 93,399 | 81,022 |
| | | 243,392 | 219,258 |
| NET CURRENT LIABILITIES | 流動負債淨額 | (219,266) | (181,345) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | (95,445) | (47,127) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 31 DECEMBER (continued)

37. 於十二月三十一日本公司的 財務狀況表 (續)

| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 (Restated) (重列) |
|--------------------------------|----------------|-----------------------------------|---|
| NON-CURRENT LIABILITIES | 非流動負債 | | |
| Deferred government grants | 遞延政府資助 | 19,767 | 22,017 |
| Amounts due to shareholders | 應付股東款項 | 2,382 | - |
| Bank and other borrowings | 銀行及其他借貸 | - | 8,767 |
| | | 22,149 | 30,784 |
| NET LIABILITIES | 負債淨額 | (117,594) | (77,911) |
| EQUITY | 權益 | | |
| Share capital | 股本 | 30,886 | 30,886 |
| Reserves | 儲備 | (148,480) | (108,797) |
| TOTAL DEFICIT ON EQUITY | 虧絀及權益總額 | (117,594) | (77,911) |

The Company's statement of financial position was approved and authorised for issue by the board of directors on 10 June 2022 and is signed on its behalf by:

本公司之財務狀況表於二零二二年六月十日經董事會批准及授權發佈，並由以下人士代其簽署：

Wu Bo
吳波
Director
董事

Jiao Baoguo
焦保國
Director
董事

Five-Year Financial Summary

五年財務摘要

The following is a summary of the audited results and of the assets and liabilities of the Group for the five years ended 31 December 2021.

下表概述本集團截至二零二一年十二月三十一日止五個年度之經審核業績及資產與負債。

| | | Year ended 31 December 截至十二月三十一日止年度 | | | | |
|---|--------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| RESULTS | 業績 | | | | | |
| Revenue | 收益 | 18,417 | 8,061 | 39,609 | 26,386 | 19,121 |
| Operating (loss)/profit | 經營(虧損)/溢利 | (32,051) | (18,821) | 1,056 | (23,969) | (25,403) |
| Finance costs | 財務費用 | (8,406) | (9,096) | (9,189) | (5,272) | (3,173) |
| Loss before tax | 除稅前虧損 | (40,457) | (27,917) | (8,133) | (29,241) | (28,576) |
| Income tax expenses | 所得稅開支 | - | - | (1) | - | - |
| Loss for the year | 年內虧損 | (40,457) | (27,917) | (8,134) | (29,241) | (28,576) |
| Attributable to: | 以下應佔: | | | | | |
| Owners of the Company | 本公司擁有人 | (40,390) | (27,911) | (8,120) | (29,237) | (28,535) |
| Non-controlling interests | 非控股權益 | (67) | (6) | (14) | (4) | (41) |
| | | (40,457) | (27,917) | (8,134) | (29,241) | (28,576) |
| | | At 31 December 於十二月三十一日 | | | | |
| | | 2021 二零二一年 RMB'000 人民幣千元 | 2020 二零二零年 RMB'000 人民幣千元 | 2019 二零一九年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| ASSETS AND LIABILITIES | 資產與負債 | | | | | |
| Total assets | 資產總值 | 148,505 | 173,752 | 162,034 | 148,317 | 115,068 |
| Total liabilities | 負債總額 | (262,925) | (247,719) | (208,084) | (187,210) | (124,720) |
| Non-controlling interests | 非控股權益 | 116 | 49 | 43 | 29 | 25 |
| Total deficit attributable to owners of the Company | 本公司擁有人應佔虧絀總額 | (114,304) | (73,918) | (46,007) | (38,864) | (9,627) |



Shanxi Changcheng

Microlight Equipment Co. Ltd. *

山西長城微光器材股份有限公司