



KIDZTECH HOLDINGS LIMITED

奇士達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

STOCK CODE 股份代號 : 6918

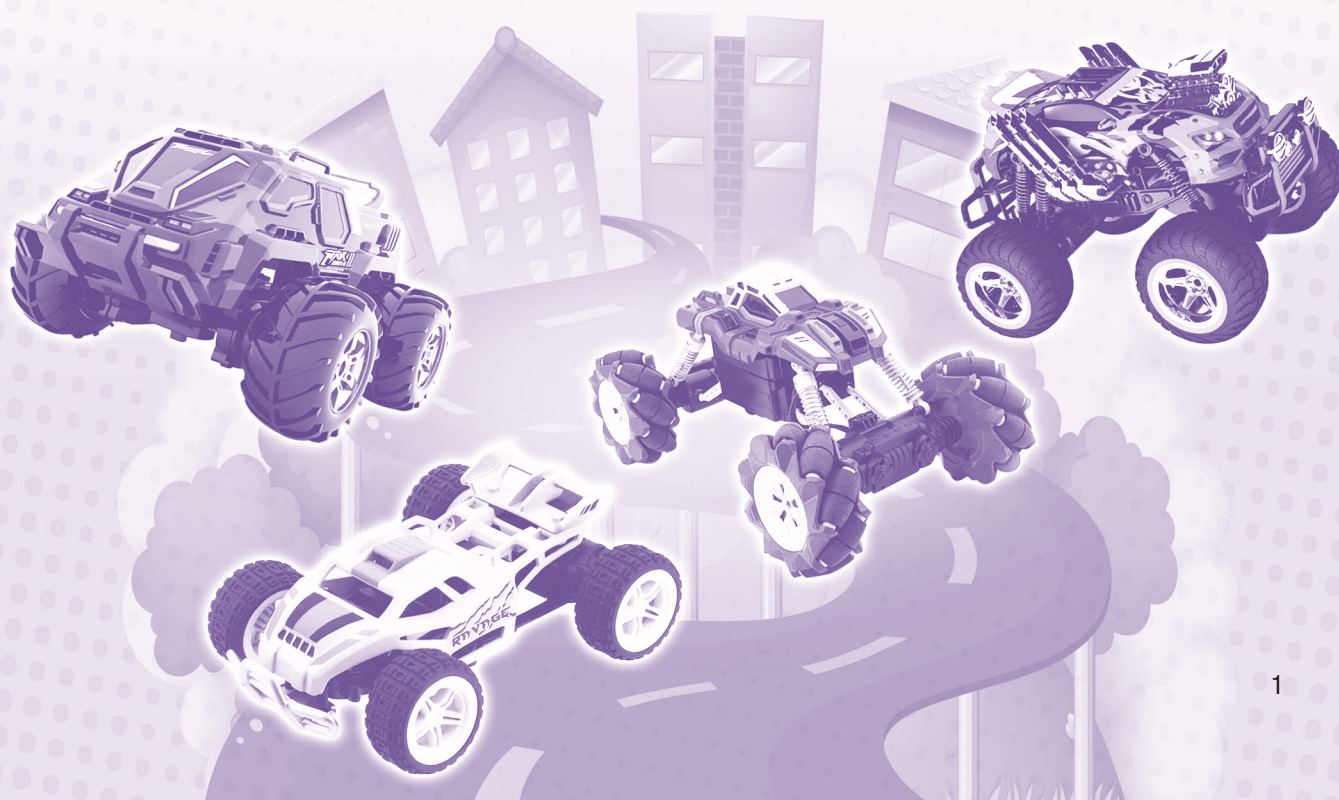
2023 Annual Report 年報



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CORPORATE INFORMATION

公司資料

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Yu Huang (*Chairman and Chief Executive Officer*)

Mr. Zhu Qiang

Non-executive Director

Ms. Zheng Jingyun

Independent non-executive Directors

Mr. He Weidong

Ms. Wang Shiling

Mr. Gong Lan

Company Secretary

Mr. Chan Pak Lun

Authorised Representatives

Mr. Yu Huang

Mr. Chan Pak Lun

Audit Committee

Mr. Gong Lan (*Chairman*)

Ms. Wang Shiling

Mr. He Weidong

Remuneration Committee

Ms. Wang Shiling (*Chairlady*)

Mr. Zhu Qiang

Mr. He Weidong

Mr. Gong Lan

Nomination Committee

Mr. He Weidong (*Chairman*)

Mr. Yu Huang

Mr. Zhu Qiang

Ms. Wang Shiling

Mr. Gong Lan

Auditor

McMillan Woods (Hong Kong) CPA Limited

Legal Adviser

DeHeng Law Offices (Hong Kong) LLP

公司資料

董事會

執行董事

余煌先生(*主席及行政總裁*)

朱強先生

非執行董事

鄭靜雲女士

獨立非執行董事

何衛東先生

王世鈴女士

龔瀾先生

公司秘書

陳柏麟先生

授權代表

余煌先生

陳柏麟先生

審核委員會

龔瀾先生(*主席*)

王世鈴女士

何衛東先生

薪酬委員會

王世鈴女士(*主席*)

朱強先生

何衛東先生

龔瀾先生

提名委員會

何衛東先生(*主席*)

余煌先生

朱強先生

王世鈴女士

龔瀾先生

核數師

長青(香港)會計師事務所有限公司

法律顧問

德恒律師事務所(香港)有限法律
責任合夥



CORPORATE INFORMATION

公司資料

Registered Office

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

Head Office and Place of Business in the PRC

Chengyanggang Road, Ancheng Highway
Lianxia Town, Chenghai District
Shantou City
Guangdong
PRC

Place of Business in Hong Kong

Room 802, 8/F, Inter-Continental Plaza
94 Granville Road
Tsim Sha Tsui East
Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

Bank of China Limited Shantou Branch
Industrial Bank Co., Ltd. Shantou Branch
Chenghai Rural Credit Cooperative Union
Lianshang Credit Cooperative of Shantou

Website Address

www.kidztech.net

Stock Code

6918

註冊辦事處

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

中國總辦事處及營業地點

中國
廣東省
汕頭市
澄海區蓮下鎮
安澄公路程洋崗路段

香港營業地點

香港
九龍
尖沙咀東
加連威老道94號
明輝中心8樓802室

主要股份過戶登記處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

主要往來銀行

中國銀行股份有限公司汕頭分行
興業銀行股份有限公司汕頭分行
汕頭市澄海農村信用合作聯社
蓮上信用社

網站

www.kidztech.net

股份代號

6918

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders:

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Kidztech Holdings Limited (the “**Company**”), it is my pleasure to present to you the annual report of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2023 (“**FY2023**” or the “**period**”).

In 2023, with the gradual relaxation of the global pandemic, the global economic growth weakened markedly. Factors such as rapid interest rate hikes in the United States, depreciation of the Renminbi, trade war, Russia-Ukraine and Israeli-Palestinian geopolitical conflicts and tight global energy supply have caused rising inflation, high transportation costs and declining consumption power, which became major challenges to the global economy. Foreign demand for toys was also weakening, and the recovery of domestic toy sales did not meet expectations. However, high-quality products could still help enterprises achieve stable performance in difficult situations. In 2023, China's toy exports amounted to USD40.57 billion, down 12.2% year on year, with negative growth for eight consecutive months. Even though the toy market in Europe and America was still vibrant during the Christmas season, and trendy toys recorded good sales in China during the “Double 11” shopping festival, the overall consumption was sluggish. Facing uncertainties at home and abroad, the Group closely monitored when the European and American economies would regain momentum. The Company adjusted its business strategy in a timely manner by outsourcing the production process for most orders, reducing fixed staff costs and machinery maintenance costs, and strengthening production management manpower to ensure the timely delivery of products, but its production costs increased and gross profit decreased. The Company has maintained market competitiveness and technological advantages in research and development during difficult times, thus achieving the strategic goal of generating income and saving cost. The Group actively explored emerging markets and their importers, and reduced the number of customers who rely on European and American markets for a long time.

致全體股東：

本人謹代表奇士達控股有限公司(「**本公司**」)的董事(「**董事**」)會(「**董事會**」)，欣然向全體股東呈列本公司及其附屬公司(統稱「**本集團**」)截至二零二三年十二月三十一日止年度(「**二零二三財政年度**」或「**本期間**」)的年度報告。

二零二三年，隨著全球疫情的逐漸放開，全球經濟增速明顯轉弱，美國急著加息、人民幣貶值、貿易戰、俄烏及以巴地緣政治衝突以及全球能源供應緊張因素，造成通脹加劇、運輸成本高企、消費力下降等已成全球經濟重要挑戰。國外玩具需求同時也漸疲軟，國內玩具銷售恢復未達預期。但優質的產品仍能夠助力企業在困境中實現業績企穩。二零二三年中國玩具出口405.70億美元，同比下降12.2%，連續8個月負增長。縱使歐美聖誕節玩具市場還算熱鬧，中國「雙十一」潮玩產品有不錯的銷售記錄，但市場消費總體較為疲弱。本集團面對國內外不明朗因素以及密切注視歐美經濟何時回穩勢頭，本公司適時調整經營策略，將大部份訂單以外包工序生產，減少固定員工成本開支和機械保養維修費用，同時增強生產管理人手，確保產品依時交付，但其生產成本相繼增加而毛利減少。本公司在困難時刻保留市場競爭力和研發技術優勢，達至開源節流策略目標。本集團積極開拓新興市場和其入口商，減少長期依賴歐美市場的客戶。



CHAIRMAN'S STATEMENT 主席報告

The Group continues to make optimization in various aspects such as market expansion, brand building, research and development and innovation, risk management and talent attraction, so as to improve quality, raise efficiency and enhance core competitiveness. The Group will improve the plan for talent team building in terms of product development and production, and intensify the quality control standards and licensing of intellectual property rights in different fields of product design, including smart toy vehicles, toy vehicles non-fungible token, animation themes, metaverse, virtual reality and augmented reality, etc., so as to add new elements to innovative smart toy cars and drive the market to achieve new breakthroughs.

Yu Huang
Chairman
26 June 2024

余煌
主席
二零二四年六月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS AND FINANCIAL REVIEW

The Group has a vision of becoming a smart interactive entertainment product provider. The Group is principally engaged in the design, development, manufacture and sale of high-quality smart toy vehicles, smart interactive toys and traditional toys and the sale of smart hardware products.

Revenue

The Group's total revenue decreased by approximately 22.4% from approximately RMB169.4 million for the year ended 31 December 2022 to approximately RMB131.4 million for the year ended 31 December 2023 ("FY2023"). The decrease in revenue was mainly due to the weakening of foreign demand for toys and the decline in orders from customers who rely on European and American markets for a long time. In addition, certain stockpiled raw materials and electronic parts were sold to clients at low gross profit by the Group during the period, so as to speed up the inventory turnover, reduce the risk of overstocking and accelerate the flow of cash.

Analysis of revenue by product type is as follows:

Year ended 31 December

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|------------------------------------|-----------|--|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| Smart toys | 智能玩具 | | |
| – Smart toy vehicles | – 智能車模 | 126,340 | 41,308 |
| – Smart interactive toys | – 智能互動式玩具 | — | — |
| Traditional toys | 傳統玩具 | — | 88,946 |
| Raw materials and electronic parts | 原材料及電子零件 | 5,069 | 39,177 |
| | | 131,409 | 169,431 |

業務及財務回顧

本集團的願景是成為智能互動式娛樂產品供應商。本集團主要設計、開發、製造及銷售高品質智能車模、智能互動式玩具及傳統玩具以及銷售智能硬件產品。

收益

本集團總收益由二零二二年十二月三十一日止年度的約人民幣169.4百萬元減少約22.4%至截至二零二三年十二月三十一日止年度(「二零二三財政年度」)的約人民幣131.4百萬元。收益減少主要是國外玩具需求同時也漸疲軟，長期依賴歐美市場的客戶訂單減少所致。其次，本集團為加快庫存週轉，降低倉存積壓過剩風險以及加快現金套回流轉，期內部分庫存原材料及電子零件以低毛利銷售給客戶。

按產品類型劃分的收益分析如下：

截至十二月三十一日止年度

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



Smart toys

Smart toy vehicles

The Group's smart toy vehicles increased year on year by approximately 2.06 times as compared to the same period of the last year was mainly due to the adjustment of sales strategies by the Group, that is, developing emerging markets with export-oriented wholesalers in Hong Kong, in order to capture the opportunity for diversification, and new customer base in such regions as well as conduct a rush-release with a lower profit margin for products mainly comprising of full function radio controlled toy vehicles, which are manufactured in different scales. During FY2023, the Group's smart toy vehicles were mostly "kidztech" brand products and co-branded products collectively released by the Company and renowned automobile manufacturers. The Group also manufactures under overseas customers' brands on original equipment manufacturing ("OEM") and original design manufacturing ("ODM") bases.

Smart interactive toys

The Group's smart interactive toys mainly are produced and sold for under the "kidztech" brand, and comprise smart interactive playsets, activity toys and musical toys, and some of these toys which play music and contain play features are intended to stimulate the sensory development of children. During 2023, the Group did not record any revenue from smart interactive toys (during 2022: nil).

Traditional toys

Traditional toys include traditional toy vehicles, traditional educational toys, dolls and other traditional toys such as outdoor and sport as well as infant toys. During 2023, the Group did not record any revenue from traditional toys (during 2022: RMB88.9 million). In light of the quiet domestic retail market and low gross profit margins in the PRC, the Group suspended the production and sales of traditional toys until the market conditions improve.

智能玩具

智能車模

本集團的智能車模同比去年同期增長約2.06倍，主要是本集團調節銷售策略，與香港出口型批發商發展新興市場，抓緊多元化及區域新客戶基礎，以低毛利率速銷產品主要包括全功能無線電遙控車模，該等產品按不同比例生產。於二零二三財政年度，本集團的智能車模大部分為「奇士達」品牌產品和本公司與知名汽車製造商推出的聯合品牌產品。本集團亦通過原設備製造(「OEM」)及原設計製造(「ODM」)模式以海外客戶的品牌製造產品。

智能互動式玩具

本集團的智能互動式玩具產品主要以「奇士達」玩具品牌生產和出售，包括智能互動式玩具套裝、活動玩具及音樂玩具，部分玩具可播放音樂並具有播放功能，旨在激發兒童感官發育。於二零二三年度，本集團並未錄得來自智能互動式玩具品類的任何收入(於二零二二年度：零)。

傳統玩具

傳統玩具包括傳統玩具車、傳統教育玩具、玩偶及其他如戶外及體育以及嬰兒玩具等傳統玩具。於二零二三年度，本集團並未錄得來自傳統玩具的任何收入(於二零二二年度：人民幣88.9百萬元)。鑑於中國境內零售市場低迷及毛利率低，本集團暫停傳統玩具的生產及銷售，直至市場狀況改善為止。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Brands

The Group's smart toys, traditional toy and smart hardware products are (i) branded with its "kidztech" brand; (ii) cobranded with renowned automobile manufacturers, popular entertainment characters featured in animated television series or motion pictures or toy brand owner; or (iii) branded under its overseas customers' brands, which mainly represent the products manufactured by the Group on ODM and OEM bases and the products sold to its customers branded under their respective brands.

The Group believes that co-branding with other famous brands allows the Group to leverage on the marketing benefits of the internationally renowned brands to expediently gain consumer awareness, and recognition of authenticity, and to establish creditability and market acceptance from the mass market. The Group will continue to look for collaboration opportunities with other well-known brands and apply for licensed rights of renowned toy and entertainment character in due course to improve the marketability of our products.

PROSPECTS

Looking forward to 2024, the intricate geopolitical landscape continues to scale up, the global inflation is worsening in general and the FED keeps raising its interest rates. All of them have an adverse impact on global economic resumption. Meanwhile, global trade and investment may be negatively affected by uncertainties in trade and energy constraint, and continuous detrimental actions by hegemonic protectionism from the Europe and the U.S.A.

The Chinese government encourages major economies to deeply participate in the global industrial division and cooperation initiated by the "Belt and Road Initiative", which facilitates an emerging development trend in global economy. It is expected that domestic consumption will become stable and stay positive. The Group will explore the domestic toy retail market and others in emerging countries around the "Belt and Road Initiative" based on experience gained from operating physical stores of products of its own brands and foreign brands.

品牌

本集團的智能玩具、傳統玩具及智能硬件產品為(i)「奇士達」品牌的產品；(ii)與知名汽車製造商、動畫電視劇集或電影所塑造的流行娛樂角色或玩具品牌擁有人推出的聯合品牌的產品；或(iii)使用我們海外客戶的品牌(主要指本集團以ODM及OEM模式製造的產品)的產品，以及售予客戶使用客戶各自品牌的產品。

本集團相信與其他知名品牌的共享品牌使本集團能夠利用國際知名品牌的營銷優勢，以方便地獲得消費者的青睞、對正品的認可，並在大眾市場上建立信譽及市場接受度。本集團將繼續尋求與其他知名品牌的合作機會，適時增加合適的知名潮玩及娛樂角色的許可權，以提升我們產品的市場流通性。

前景展望

展望二零二四年，面對錯綜複雜的地緣政治局勢不段升溫，全球通脹的整體趨勢在持續惡化以及美聯儲加息未見頂，都構成為制約全球經濟復甦的不利因素。貿易和能源緊張局勢的不確定性，歐美霸權保護主義的持續挑釁仍可能對全球貿易和投資產生負面影響。

中國政府鼓勵主要經濟體國家深入參與「一帶一路」全球產業分工與合作，有助全球經濟興起新發展態勢。本集團預見國內消費力回穩向好，探究開展國內及「一帶一路」周邊新興國家玩具零售市場，結合自家品牌和外國品牌產品實體店經營思路。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



Gross profit and gross profit margin

The Group's gross profit decreased from approximately RMB28.3 million for FY2022 to approximately RMB15.0 million for FY2023, representing a decrease of approximately 47.0%. The Group's gross profit margin decreased by approximately 5.3% from approximately 16.7% in FY2022 to approximately 11.4% in FY2023. It was mainly attributable to the increase in material and the increase in production costs due to outsourced part of production progress to suppliers/subcontractors, and in addition, in order to speed up the inventory turnover to reduce the risk, certain raw materials were sold to suppliers at low gross profit.

Loss for the year

The Group's net loss increased from approximately RMB76.7 million for FY2022 to a net loss of approximately RMB98.3 million for FY2023. It was mainly attributable to an increase of net impairment losses on trade and other receivables.

Selling expenses

The Group's selling expenses increased by approximately 80.3% from approximately RMB0.9 million for FY2022 to approximately RMB1.6 million for FY2023, which was primarily due to the increase in freight expenses and market expenses.

Administrative expenses

The Group's administrative expenses significantly decreased by approximately 53.9% from approximately RMB76.1 million in FY2022 to approximately RMB35.1 million in FY2023, which was mainly attributable to the absence of the recognition of share-based payments during the period.

毛利及毛利率

本集團的毛利由二零二二財政年度的約人民幣28.3百萬元減少至二零二三財政年度的約人民幣15.0百萬元，減幅約47.0%。本集團的毛利率由二零二二財政年度的約16.7%下降至二零二三財政年度的約11.4%，減幅約5.3%。其主要由於材料增加及將部分生產工序外包予供應商／分包商導致生產成本增加，此外，為加快庫存週轉，降低風險，部份原材料以低毛利銷售給供應商。

本年度虧損

本集團的虧損淨額由二零二二財政年度的約人民幣76.7百萬元增加至二零二三財政年度虧損淨額約人民幣98.3百萬元，主要是貿易及其他應收款項減值虧損淨額增加所致。

銷售開支

本集團的銷售開支由二零二二財政年度的約人民幣0.9百萬元增加約80.3%至二零二三財政年度的約人民幣1.6百萬元，主要是運輸費及營銷推廣支出增加所致。

行政開支

本集團行政開支由二零二二財政年度的約人民幣76.1百萬元大幅減少約53.9%至二零二三財政年度的約人民幣35.1百萬元。主要是本期間沒有確認以股份支付之款項所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Net impairment losses on trade and other receivables

The Group's net impairment losses on trade and other receivables increased significantly from approximately RMB24 million for FY2022 to approximately RMB40.7 million for FY2023, representing an increase of approximately 69.6%. It was mainly because the lifetime expected loss provision for trade and other receivables increased during the period. For details, please refer to notes 20 and 21 to the consolidated financial statements.

Taxation credit/expense

Taxation expenses of approximately RMB6.9 million in FY2023, as compared to the taxation credit of approximately RMB5.4 million in FY2022 representing an increase of approximately RMB12.3 million, which was mainly due to the change of deferred taxation during the period.

Liquidity and financial resources

As at 31 December 2023, the Group's gearing ratio, which represents the Group's total borrowings divided by total equity, was approximately 42.7% (31 December 2022: 35.1%). As at 31 December 2023, the Group's total borrowings were approximately RMB143.7 million (31 December 2022: approximately RMB139.8 million) and the total equity was approximately RMB336.9 million (31 December 2022: approximately RMB398.4 million). The total borrowings represent the outstanding loans of the Group. The gearing ratio of the Group had been stabilised.

The current ratio, which is calculated based on the total current assets at the respective dates divided by the total current liabilities at the respective dates, was approximately 1.5 as at 31 December 2023 (31 December 2022: approximately 1.6); whereas the quick ratio, which is calculated based on the total current assets (excluding inventories) at the respective dates divided by the total current liabilities at the respective dates, was approximately 1.4 as at 31 December 2023 (31 December 2022: approximately 1.5).

貿易及其他應收款項減值虧損淨額

本集團的貿易及其他應收款項減值虧損淨額由二零二二財政年度的約人民幣24百萬元增加至二零二三財政年度的約人民幣40.7百萬元，增幅約69.6%，主要由於期內貿易及其他應收款項全期預期虧損撥備增加所致。詳情請參閱綜合財務報表附註20和21。

稅項抵免／開支

在二零二三財政年度稅項開支的約人民幣6.9百萬元，較二零二二財政年度稅項抵免的約人民幣5.4百萬元，增加約人民幣12.3百萬元，主要是由於期內遞延稅項變動所致。

流動資金及財務資源

本集團於二零二三年十二月三十一日的資本負債比率(即本集團的借貸總額除以權益總額)約為42.7%(二零二二年十二月三十一日: 35.1%)。於二零二三年十二月三十一日, 本集團的借貸總額約人民幣143.7百萬元(二零二二年十二月三十一日: 約人民幣139.8百萬元)及權益總額約人民幣336.9百萬元(二零二二年十二月三十一日: 約人民幣398.4百萬元)。借貸總額指本集團之尚未償還貸款。本集團的資本負債比率趨於平穩。

流動比率乃按相關日期的總流動資產除以相關日期的總流動負債計算。於二零二三年十二月三十一日, 本集團的流動比率約為1.5(二零二二年十二月三十一日: 約1.6)。速動比率乃按相關日期的總流動資產(不包括存貨)除以相關日期的總流動負債計算。於二零二三年十二月三十一日, 本集團的速動比率約為1.4(二零二二年十二月三十一日: 約1.5)。

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As at 31 December 2023, the Group's cash and cash equivalents amounted to approximately RMB48.9 million (31 December 2022: approximately RMB6.2 million).

Working capital

The average inventory turnover period of the Group was approximately 55.5 days in FY2023 (FY2022: approximately 44.1 days), generally remaining stable.

The Group's trade receivables decreased from approximately RMB327.5 million as at 31 December 2022 to approximately RMB247.4 million as at 31 December 2023, which was mainly due to a decrease of sales of the Group during the period. The Group's average turnover days of trade receivables increased from approximately 273.2 days in FY2022 to approximately 332.0 days in FY2023.

The Group's prepayments and other receivables decreased from approximately RMB173.9 million as at 31 December 2022 to approximately RMB137.7 million as at 31 December 2023, which was mainly attributable to effective and due collection of other receivables during the period.

The Group's trade and other payables decreased by approximately RMB32.1 million or approximately 19.0% from approximately RMB168.8 million as at 31 December 2022 to approximately RMB136.7 million as at 31 December 2023, mainly due to decrease in sales and relative decrease in the amount of procurement of raw materials and the repayment of other payables. The Group's average trade payable turnover days decreased from approximately 184.4 days in FY2022 to approximately 173.9 days in FY2023.

於二零二三年十二月三十一日，本集團的現金及現金等價物為約人民幣48.9百萬元(二零二二年十二月三十一日：約人民幣6.2百萬元)。

營運資金

本集團二零二三財政年度的平均存貨週轉天數約為55.5天(二零二二財政年度：約44.1天)，整體保持穩定。

本集團的貿易應收款項由二零二二年十二月三十一日的約人民幣327.5百萬元減少至二零二三年十二月三十一日的約人民幣247.4百萬元，主要是本集團在本期間銷售減少所致。本集團的貿易應收款項平均週轉天數由二零二二財政年度的約273.2天增加至二零二三財政年度的約332.0天。

本集團的預付款項及其他應收款項由二零二二年十二月三十一日的約人民幣173.9百萬元減少至二零二三年十二月三十一日的約人民幣137.7百萬元，主要由於本期間有效妥善收回其他應收款項所致。

本集團的貿易及其他應付款項由二零二二年十二月三十一日的約人民幣168.8百萬元減少約人民幣32.1百萬元或約19.0%至二零二三年十二月三十一日的約人民幣136.7百萬元，主要是由於銷售減少，採購原材料金額相對減少以及償還其他應付款項所致，本集團的貿易應付款項平均週轉天數由二零二二財政年度的約184.4天減少至二零二三財政年度的約173.9天。

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Bank and other borrowings

As at 31 December 2023, all the bank and other borrowings, amounting to approximately RMB143.7 million (31 December 2022: approximately RMB139.8 million), were repayable on demand and with fixed interest rate 2.25% to 18.00%. The bank and other borrowings are predominantly denominated in RMB.

The weighted average effective interest rate as at 31 December 2023 was approximately 7.9% (31 December 2022: approximately 7.9%).

Significant investments, material acquisitions and disposal of subsidiaries

The Group did not have any significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures during FY2023.

Future plans for material investments and capital assets

As at 31 December 2023, the Group did not have any other plans for material investments and capital assets.

Capital structure

The capital structure of the Group is mainly based on the equity attributable to shareholders of the Company (the "Shareholders") (including share capital and reserves). As at 31 December 2023, the total number of issued ordinary Shares of the Company was 624,564,000 with a par value of HK\$0.001 each (31 December 2022: 520,886,000 Shares). Details of which are set out in note 30 to the consolidated financial statements as set out in this annual report.

Pledge of assets

As at 31 December 2023, certain bank and other borrowings of the Group were secured by property, plant and equipment and restricted cash. Details of which are set out in note 27 to the consolidated financial statements as set out in this annual report.

Save for the above, there was no charge on assets of the Group as at 31 December 2023.

銀行及其他借款

於二零二三年十二月三十一日，銀行及其他借款約人民幣143.7百萬元(二零二二年十二月三十一日：約人民幣139.8百萬元)，全部須按要求償還，並按固定利率2.25%至18.00%計息。銀行及其他借款主要以人民幣計值。

於二零二三年十二月三十一日，加權平均實際利率約7.9%(二零二二年十二月三十一日：約7.9%)。

重大投資、重大收購及出售附屬公司

本集團二零二三財政年度並無任何重大投資、重大收購及出售附屬公司、聯營公司及合營企業。

重大投資與資本資產的未來計劃

於二零二三年十二月三十一日，本集團並無任何其他重大投資與資本資產計劃。

資本結構

本集團的資本架構主要是本公司股東(「股東」)應佔權益(包括股本及儲備)。於二零二三年十二月三十一日，本公司之已發行普通股總數為624,564,000股，每股面值0.001港元之普通股(二零二二年十二月三十一日：520,886,000股份)。詳情載於本年報所載綜合財務報表附註30。

資產質押

於二零二三年十二月三十一日，本集團的若干銀行及其他借款由物業、廠房及設備以及受限制現金作為抵押。詳情載於本年報所載綜合財務報表附註27。

除上述者外，於二零二三年十二月三十一日，本集團並無資產質押。

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Contingent liabilities

The Group did not have any significant contingent liability as at 31 December 2023 (31 December 2022: Nil).

Capital commitments

As at 31 December 2023, the Group had an aggregate capital commitment of approximately RMB17.4 million (31 December 2022: approximately RMB17.4 million).

Financial management and treasury policy

The financial risk management of the Group is the responsibility of the Group's treasury function at its head office. The Group adopted prudent funding and treasury management policies while maintaining an overall healthy financial position. The Group's source of funding was raised by cash generated from operating activities and bank borrowings. The Group's treasury policies mainly include managing capital liquidity and yield to safeguard the healthy development of the principal businesses of the Group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group is from time to time considering various alternatives including but not limited to financial institution borrowings, non-financial institution borrowings, bonds issuance, etc.

Foreign exchange exposure

The Group's operating subsidiaries incorporated in Hong Kong operates with most transactions being settled in US dollars ("USD"), except for certain transactions which are denominated in Hong Kong dollars ("HK\$") or other currencies. The functional currency of these subsidiaries is USD. The Group's operating subsidiaries incorporated in the PRC operate in the PRC and their functional currency is Renminbi ("RMB"). As at 31 December 2023, foreign exchange risk arose mainly from certain balances of the operating subsidiaries in Hong Kong which are denominated in USD. The Directors consider that no significant foreign exchange risk exists for the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group did not use any financial instruments for hedging purposes.

或然負債

本集團於二零二三年十二月三十一日並無任何重大或然負債(二零二二年十二月三十一日：零)。

資本承擔

於二零二三年十二月三十一日，本集團的資本承擔總額約為人民幣17.4百萬元(二零二二年十二月三十一日：約人民幣17.4百萬元)。

財務管理及財資政策

本集團的財務風險管理由總部的財資部門負責。本集團已採納審慎的資金及財資管理政策，同時維持健康的財務狀況。本集團的資金來源以經營活動產生現金及銀行借款籌集。本集團的財資政策主要包括管理資金流動性及收益，以保障本集團主營業務健康發展。本集團定期檢討其主要資金狀況，以確保將有足夠財政資源履行其財務責任。本集團不時考慮各種融資方案，包括但不限於金融機構借貸、非金融機構借貸、發行債券等。

外匯風險

本集團在香港註冊成立的經營附屬公司的大部分交易以美元(「美元」)結算，惟若干以港元(「港元」)或其他貨幣計值的交易除外。該等附屬公司的功能貨幣為美元。本集團在中國註冊成立的經營附屬公司在中國經營，其功能貨幣為人民幣(「人民幣」)。於二零二三年十二月三十一日，匯兌風險主要來自若干香港經營附屬公司的美元結餘。董事認為，本集團不存在重大匯兌風險。本集團目前並無就外幣交易、資產及負債實施外幣對沖政策。本集團並無利用任何金融工具作對沖用途。



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EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period up to the date of this report.

USE OF PROCEEDS

Pursuant to placing agreement dated 26 July 2023 which was completed on 23 August 2023, the Company placed 103,678,000 ordinary shares to not less than six placees at a placing price of HK\$0.35 per placing share and raised approximately HK\$36,287,300 in total gross proceeds. The net proceeds (after deducting of the placing commission and other related expenses of the placing) from the placing was approximately HK\$35,765,000 (the “**Net Proceeds**”).

83.88% of the Net Proceeds (approximately HK\$30,000,000) was used to repay debts of the Group and 16.12% of the net proceeds (approximately HK\$5,765,000) was used as general working capital of the Company. The use of the Net Proceeds in accordance with the intended use as disclosed in the Company’s announcement dated 23 August 2023.

The Company has fully utilised the Net Proceeds during the period.

For further details, please refer to the announcement of the Company dated 23 August 2023.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had 27 (2022: 95) full-time employees, of which, 8 of them were in Hong Kong and the rest of them were stationed in Shantou and Shenzhen, the PRC. The significantly decrease of employees was mainly because the Company outsourced part of production progress to suppliers/subcontractors.

報告期後事項

於報告期後直至本報告日期，概無任何重大事項。

所得款項

根據於二零二三年八月二十三日完成的日期為二零二三年七月二十六日的配售協議，本公司以每股配售股份0.35港元的配售價格向不少於六名承配人配售103,678,000股普通股，籌集所得款項總額約36,287,300港元。配售事項所得款項淨額(經扣除配售事項的配售佣金及其他相關開支後)約為35,765,000港元(「**所得款項淨額**」)。

83.88%的所得款項淨額(約30,000,000港元)用於償還本集團債務及16.12%的所得款項淨額(約5,765,000港元)用作本公司一般營運資金。所得款項淨額的用途符合本公司日期為二零二三年八月二十三日的公告所披露的擬定用途。

於本期間，本公司已悉數動用所得款項淨額。

有關進一步詳情，請參閱本公司日期為二零二三年八月二十三日的公告。

僱員及薪酬政策

於二零二三年十二月三十一日，本集團有27名全職僱員(二零二二年：95名)，其中8名位於香港，其餘僱員位於中國汕頭及深圳。僱員大幅減少乃主要由於本公司向供應商/分包商外包部分生產流程。

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The remuneration packages offered by the Group to its employees, including salaries, accidental insurance and allowances, depend on their job nature. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of the Group's business. The Group has implemented training programmes for its employees to meet different job requirements, such as training on production procedures for its staff at its production department. It is believed that these initiatives have contributed to the increased productivity of employees of the Group. The Group has also adopted a share option scheme to reward, among others, its employees for their contribution to the Group (the **"Share Option Scheme"**), details of which are set out in the section headed "Share Option Scheme" below of this annual report.

As required by the relevant PRC laws and regulations, the Group has participated in housing fund and various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans, under which contributions were made at specified percentages of the salaries of its employees. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of its business.

The Group has arranged for its employees in Hong Kong to join the Mandatory Provident Fund Scheme (the **"MPF Scheme"**) managed by an independent trustee. Under the MPF Scheme, the Group's company in Hong Kong (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the Group's companies and its employees are subject to a cap of HK\$1,500 and thereafter contributions are voluntary. The Group's contributions to the defined contribution scheme are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

本集團根據僱員的工作性質向其提供薪酬福利，包括薪資、意外保險及津貼。獎金通常酌情決定，部分取決於僱員的績效，部分取決於本集團業務的整體表現。本集團已為其僱員實施培訓計劃以滿足不同的工作要求，例如在其生產部門對其僱員進行生產程序方面的培訓。相信該等舉措有助於提高本集團僱員的生產率。本集團亦已採納一項購股權計劃，以獎勵(其中包括)僱員對本集團作出的貢獻(「購股權計劃」)，有關詳情載於本年報下文「購股權計劃」一節。

據中國相關法律法規的要求，本集團參與由當地市級和省級政府組織的住房公積金以及各種僱員社會保障計劃，包括住房、養老、醫療、工傷及失業救濟金計劃，據此從僱員薪資中按特定比例繳款。獎金通常酌情決定，部分取決於僱員的績效，部分取決於其業務的整體表現。

本集團已安排其香港僱員加入由獨立受託人管理的強制性公積金計劃(「強積金計劃」)。根據強積金計劃，本集團的香港公司(僱主)及其僱員按強制性公積金法例所界定，每月以僱員收入的5%向該計劃供款。本集團公司及其僱員的每月供款上限為1,500港元，額外的供款屬自願性質。本集團向界定供款計劃所作的供款於發生時確認開支，不會以沒收自該等於供款悉數歸屬前離開計劃之僱員供款扣減。



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OUTLOOK

With the aim of further developing its business and continuing its growth and also taking into account the development of the current situation and the material changes in the global geopolitics environment as well as the international order, the Group will implement the following strategies:

- continue to prioritise and focus on overseas market by (i) maintaining and strengthening relationship with its existing direct overseas customers; and (ii) staying alert to the epidemic, while expanding the customer base and continuing to prioritise and focus on Chinese market;
- continue to strengthen, expand and diversify its customer base by focusing on (i) the Hong Kong and PRC Export — Oriented Wholesalers; and (ii) the PRC retailers;
- diversify its product offerings through continuous development of new products and global licensing strategy;
- expand its production capacity through outsourced part of production progress to suppliers/sub-contractors and improve its production efficiency; and
- allocate more resources to expand sales of domestic and emerging Asian markets.

展望

為進一步發展業務並持續增長，也因應本次發展現狀及全球地緣政治環境、國際秩序的重大變化，本集團將實施以下策略：

- 繼續優先考慮及專注於海外市場，通過(i)維持並鞏固與其現有直接海外客戶的關係；及(ii)對新冠變種疫情保持警惕，同時擴大客戶基礎繼續優先考慮及專注在中國市場；
- 通過專注於(i)香港和中國出口型批發商；及(ii)中國零售商，繼續加強、擴展及多元化其客戶基礎；
- 通過繼續開發新產品和全球授權策略實現產品多元化；
- 通過向供應商／分包商外包部份生產流程，擴大生產能力，提高生產效率；及
- 配置更多資源來擴大國內及亞洲新興市場的銷售。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term success and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures, so as to improve the accountability system and transparency of the Group, protect the interests and create value for Shareholders.

During FY2023, the Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”), save and except the deviation as follows:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yu Huang is currently the chairman of the Board and the chief executive officer of the Group. Mr. Yu Huang has been responsible for the overall management of the Group since the establishment of the Group. The Board believes that the current structure enables the Group to make and implement business decisions swiftly and effectively which promotes the Group’s development in line with other strategies and business direction. The Board considers that the balance of power and authority, accountability and independent decision-making under the present arrangement will not be impaired because of the diverse background and experience of the executive Directors, non-executive Director and independent non-executive Directors. Further, the audit committee (the “**Audit Committee**”), which consists of independent non-executive Directors, has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance. In order to maintain good corporate governance and to fully comply with the code provision C.2.1 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairman of the Board and chief executive officer separately.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of the shareholders and investors.

董事及本集團管理層深知穩健的企業管治對本集團長期成功及持續發展的重要性。因此，董事會致力維持良好的企業標準及程序，以改善本集團問責制度及透明度、保障股東權益及為股東創造價值。

於二零二三財政年度，本公司已遵循聯交所證券上市規則(「**上市規則**」)附錄C1第二部份的企業管治守則(「**企業管治守則**」)的原則，並遵守所有適用的守則條文，惟以下各項除外：

根據企業管治守則的守則條文第C.2.1條，主席及行政總裁的角色不應由同一人履行。余煌先生現為董事會主席及本集團行政總裁。余煌先生自本集團成立以來一直負責本集團的整體管理。董事會相信現有架構讓本集團暢順有效地作出並實行業務決定，促進本集團符合其他策略及業務方向的發展。由於執行董事、非執行董事及獨立非執行董事的背景及經驗多元化，董事會認為現有安排項下的權責平衡、問責性及作出決策時的獨立性不會受損。此外，由獨立非執行董事組成的審核委員會(「**審核委員會**」)可於其認為有需要時，隨時直接接觸本公司的外部核數師及獨立專門顧問。因此，董事認為於該等情況下偏離企業管治守則的守則條文第C.2.1條乃屬恰當。為維持良好企業管治及完全遵守企業管治守則的守則條文第C.2.1條，董事會將定期檢討委任不同人士履行董事會主席及行政總裁角色的需要。

本公司將繼續檢討其企業管治常規，從而提高企業管治水平，遵守日漸嚴格的監管要求，並達到股東及投資者不斷提高的期望。



CORPORATE GOVERNANCE REPORT

企業管治報告

Board of Directors

The Board is directly, and indirectly through its various committees (the “**Board Committees**”), responsible for the overall management of the business of the Group, formulating the Group’s overall strategic direction and maintaining appropriate levels of supervision, challenge and guidance in its relationship with the management. The management is delegated with the authority and responsibility by the Board for the day-to-day management and administration of the Group. The Board is provided with updates from the management to give a balanced and easily understandable assessment of the performance, recent development and prospects of the Group on a regular basis.

The Board is the ultimate decision-making body for all matters considered material to the Group and discharge its responsibilities on corporate governance either by itself or the Board Committees set out in the code provision A.2.1 of the CG Code which include the following:

1. to develop and review the policies and practice on corporate governance of the Group and make recommendations;
2. to review and monitor the training and continuous professional development of the Directors and senior management;
3. to review and monitor the Group’s policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual applicable to the Directors and employees; and
5. to review the Company’s compliance with the CG Code and disclosure in the corporate governance report of the Company.

董事會

董事會直接及透過各委員會（「**董事委員會**」）間接負責全面管理本集團業務、制定本集團整體策略方向及對其與管理層的關係維持適當水平的監督、質疑及指引。管理層獲董事會轉授權限及責任執行本集團日常管理及行政事宜。董事會定期獲管理層提供更新資料，以對本集團的表現、最新發展及前景作出公正及易於理解的評估。

董事會是對本集團重大的所有事項的最終決策機構，並自行或透過董事委員會履行企業管治守則的守則條文A.2.1所載其有關企業管治的責任，其中包括以下各項：

1. 制定及審閱有關本集團企業管治的政策及常規，並作出推薦建議；
2. 審閱及監督董事及高級管理層的培訓及持續職業發展；
3. 審閱及監督本集團有關法律及監管規定合規的政策及常規；
4. 制定、審閱及監督董事及僱員的適用行為準則及合規手冊；及
5. 審閱本公司是否遵守企業管治守則及本公司企業管治報告所載披露。

CORPORATE GOVERNANCE REPORT

企業管治報告



Composition of The Board

As at the date of this report, the Board comprises six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors as set out below:

Executive Directors

Mr. Yu Huang (*Chairman and Chief Executive Officer*)
Mr. Zhu Qiang

Non-executive Director

Ms. Zheng Jingyun

Independent Non-executive Directors

Mr. He Weidong
Ms. Wang Shiling
Mr. Gong Lan

Biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 34 to 36 of this annual report.

In compliance with Rules 3.10(1) and (2) and Rule 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors representing not less than one-third of the Board and at least one of whom has the appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers that as at the date of this annual report such Directors are independent in accordance with Rule 3.13 of the Listing Rules.

To the best knowledge of the Board, there are no other relationship (including financial, business, family, and other material/relevant relationships) among the members of the Board as of the date of this report.

董事會組成

於本報告日期，董事會包括六名董事，其中有兩名執行董事、一名非執行董事以及三名獨立非執行董事，具體如下：

執行董事

余煌先生(*主席及行政總裁*)
朱強先生

非執行董事

鄭靜雲女士

獨立非執行董事

何衛東先生
王世鈴女士
龔瀾先生

董事履歷詳情載於本年報第34至36頁「董事及高級管理層履歷」。

根據上市規則第3.10(1)及(2)條及第3.10A條，本公司已委任三名獨立非執行董事，佔不少於董事會三分之一，且其中至少一名具備適當專業資格、或會計或相關財務管理專長。本公司已接獲各獨立非執行董事對各自獨立性的年度確認書，而根據上市規則第3.13條，本公司認為，於本年報日期該等董事當屬獨立。

就董事會所深知，截至本報告日期，董事會成員之間並無其他關係(包括財務、業務、家屬及其他重大／相關關係)。



CORPORATE GOVERNANCE REPORT

企業管治報告

Board Diversity

The Board admits that board diversity is increasingly important as a factor to enhance corporate governance and promote board effectiveness. The current Board composition is well balanced with each Director having skills, experience and expertise relevant to the business operations, development and strategy of the Group and from a variety of backgrounds. Furthermore, as at the date of this report, the Board has a wide range of age, ranging from 36 years old to 61 years old, and has achieved gender diversity by having four male Directors and two female Directors. The Board is well balanced and diversified in education, professional background, functional expertise, gender, age, culture and industrial experience.

The Board has adopted a Board diversity policy which sets out the approach to achieve diversity on the Board and the factors (including but not limited to skills, regional and industry experience, professional experience, background, education, race, gender, age, culture and other qualities, etc.) to be considered in determining the composition of the Board so as to ensure the Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and to maximise the Board's effectiveness. The Board will review the Board diversity policy on a regular basis to ensure its continued effectiveness.

After reviewing the implementation of the Board Diversity Policy, the Company considers that it has been effectively implemented. As of 31 December 2023, the Company has achieved the following measurable objectives set out in the Board Diversity Policy:

- There is at least one female member in the Board: As of 31 December 2023, the Board has two female members and four male members, allowing the Company to achieve the gender diversity of the Board at 33.3%.
- There should be a reasonable age structure among members of the Board: As of 31 December 2023, members of the Board have a reasonable age structure, with four directors aged 35 to 50 and two directors aged 51 to 61.
- Members of the Board should possess relevant professional experience: As of 31 December 2023, members of the Board possess wide range of professional experience, including but not limited to corporate strategic planning, corporate management, finance and financial affairs.

董事會多元化

董事會承認，董事會多元化作為加強公司治理及提高董事會效率的一個因素，日趨重要。各董事具備與本集團業務營運，發展及策略相關的技能經驗及專長且來自不同背景，故當前董事會組成已達致良好平衡。此外，於本報告日期，董事會的年齡範圍甚廣，介乎36歲至61歲，並擁有四名男董事及兩名女董事，實現性別多元化。董事會於教育、專業背景、職能專長、性別、年齡、文化及行業經驗各不相同。

董事會已採納董事會多元化政策，當中載列董事會為達致成員多元化而採取的方針及釐定董事會組成的考慮因素(包括但不限於技能、地區及行業經驗、專業經驗、背景、教育、種族、性別、年齡、文化及其他資質等)，從而確保董事會具備適當平衡支持其業務策略的執行及令董事會有效運作的技能、經驗及多元化觀點。董事會將定期審查董事會多元化政策，以確保其持續有效。

經檢討董事會多元化政策的實施情況後，本公司認為該政策已得到有效實施。截至二零二三年十二月三十一日，本公司已實現董事會多元化政策所載之以下可計量目標：

- 董事會中至少有一名女性成員：截至二零二三年十二月三十一日，董事會有兩名女性成員及四名男性成員，使得本公司董事會性別多元化達到33.3%。
- 董事會成員之間應有合理的年齡結構：截至二零二三年十二月三十一日，董事會成員年齡結構合理，35至50歲董事四人，51至61歲董事兩人。
- 董事會成員應具備相關專業經驗：截至二零二三年十二月三十一日，董事會成員具備廣泛的專業經驗，包括但不限於企業戰略規劃、企業管理、融資及財務事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board considers that the current gender diversity above is satisfactory, and committed to further improving gender diversity as and when suitable candidates are identified. For further details, please refer to our ESG Report.

The Company has implemented appropriate recruitment and selection procedures to provide career development opportunities for suitable female candidates. The Directors are of the view that this will help develop a pipeline of potential successors to the Board to achieve gender diversity.

The Company is also committed to a work environment that is both diverse and inclusive, where all colleagues feel respected and empowered to bring their authentic selves to work every day. Similar considerations are applied when recruiting and selecting member of the senior management and other personnel across the Group's operations. As at 31 December 2023, 38% of our colleagues are female. For details, please refer to our ESG Report.

Board Process and Meetings

The Board meets regularly to determine overall strategies, receive management updates, approve business plans as well as interim and annual results and to consider other significant matters. Special Board meetings are convened as and when needed. The management also provides updates to the Board with respect to the business activities and development of the Group at these meetings on a regular basis.

Each Director ensures that he/she can give sufficient time and attention to the affairs of the Company and contribute to the Group's development through his/her constructive and informed comments. All the members of the Board disclose and update their number and nature of offices held and time involved on a regular basis.

董事會認為上述目前的性別多元化令人滿意，並致力於確定合適的候選人時進一步改善性別多元化。有關更多詳情，請參閱環境、社會及管治報告。

本公司已實施適當招聘與遴選程序，為合適女性候選人提供職業發展機會。董事認為，這將有助於培養董事會的潛在繼任者，以實現性別多元化。

本公司亦致力於打造多元化及包容性的工作環境，讓所有同事均受到尊重，並賦能每日於工作中展現真實自我。於本集團的運營中招聘及選擇高級管理層人員及其他人員時，亦存在類似的考慮。於二零二三年十二月三十一日，38%的同事為女性。有關詳情，請參閱環境、社會及管治報告。

董事會議事程序及會議

董事會定期舉行會議，以釐定整體策略，接收管理層更新，批准業務規劃以及中期及全年財務業績，並考慮其他重大事項。如有需要，董事會亦會召開特別董事會會議。管理層亦定期在會上向董事會提供有關本集團業務活動及發展的最新進展。

各董事均確保其能付出足夠時間及專注處理本公司事務，並透過彼等具建設性及有根據的意見為本集團的發展作出貢獻。董事會全體成員定期披露並更新其擔任職務的數量及性質以及所涉及的時間。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board held 5 meetings during FY2023 for discussing and approving the operation and business development of the Company, including without limitation, change in auditors, financial budget and financial statements of the Company. The attendance of each Director at Board and committee meetings of the Company, whether in person or by means of electronic communication, is detailed in the table below:

董事會於二零二三財政年度期間召開五次會議討論並批准本公司的營運及業務發展，包括但不限於更換核數師、財務預算及本公司的財務報表。各董事出席本公司董事會及委員會會議(不論親身或以電子通信方式)的情況詳載於下表：

Attendance/No. of meetings held during FY2023
出席次數／於二零二三財政年度的會議召開次數

| | | Board 董事會 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 | Annual General Meeting 股東週年大會 |
|--|----------------|---------------------|---------------------------------|--|--------------------------------------|---|
| Executive Directors | 執行董事 | | | | | |
| Mr. Yu Huang | 余煌先生 | 5/5 | — | — | 1/1 | 1/1 |
| Mr. Zhu Qiang | 朱強先生 | 5/5 | — | 1/1 | 1/1 | 1/1 |
| Non-executive Director | 非執行董事 | | | | | |
| Ms. Zheng Jingyun | 鄭靜雲女士 | 5/5 | — | — | — | 1/1 |
| Independent Non-executive Directors | 獨立非執行董事 | | | | | |
| Mr. He Weidong | 何衛東先生 | 5/5 | 4/4 | 1/1 | 1/1 | 1/1 |
| Ms. Wang Shiling | 王世鈴女士 | 5/5 | 4/4 | 1/1 | 1/1 | 1/1 |
| Mr. Gong Lan | 龔瀾先生 | 5/5 | 4/4 | 1/1 | 1/1 | 1/1 |

CORPORATE GOVERNANCE REPORT 企業管治報告

Terms of Appointment and Re-Election of Directors

Each of the executive Directors entered into a service contract with the Company and each independent non-executive Director and the non-executive Director has signed a letter of appointment. The said service contracts and letters of appointment are for an initial term of three years commencing from the Listing Date, subject to re-election in accordance with the Articles of Association of the Company (the “**Articles**”) and termination in accordance with their respective terms.

Pursuant to Article 84 of the Articles, one-third of the Directors shall retire from office by rotation at each annual general meeting and every Director shall be subject to retirement by rotation at least every three years. However, a retiring Director shall be eligible for re-election. Any Director who is appointed by the Board to fill the casual vacancy and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first general meeting after his appointment and the next following annual general meeting of the Company respectively and shall be eligible for re-election pursuant to Article 83(3) of the Articles.

As such, Mr. Zhu Qiang and Ms. Wang Shiling will retire from office as Director, and being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company in accordance with the Articles.

Code of Conduct for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities. Having made specific enquiry, all Directors confirmed that they had complied with the Model Code during FY2023. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during FY2023.

董事委任及重選連任條款

執行董事各自己與本公司訂立服務合約，而獨立非執行董事及非執行董事各自己簽訂委任書。上述服務合約及委任書的初步年期均為自上市日期起計三年，惟根據本公司的組織章程細則（「**章程細則**」）可膺選連任及可根據各自的條款終止。

根據章程細則第84條，三分之一董事須於每屆股東週年大會上輪值退任，且每名董事須至少每三年輪值退任一次。然而，退任董事合資格膺選連任。任何獲董事會委任填補臨時空缺的董事及任何獲董事會委任加入現有董事會的董事分別僅可任職至其獲委任後的首屆股東大會及本公司下屆股東週年大會止，並合資格根據章程細則第83(3)條膺選連任。

因此，根據章程細則，朱強先生及王世鈴女士將於本公司的應屆股東週年大會上退任董事職務，並合資格且願意膺選連任。

董事進行證券交易的行為守則

本公司已採納上市規則附錄C3所載之上市發行人董事進行證券交易的標準守則（「**標準守則**」）作為其董事以及由於其職務或工作而可能擁有與本集團或本公司證券有關的內幕資料的本集團高級管理層進行本公司證券交易的行為守則。經作出具體查詢後，全體董事確認，於二零二三財政年度內彼等均已遵守標準守則。本公司並不知悉本集團高級管理層在二零二三財政年度內曾有任何違反標準守則之情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors' Training and Professional Development

The Group acknowledges the importance of continuing professional development for the Directors to extend and refresh their knowledge and skills. Each Director keeps abreast of responsibilities as a Director and of the conduct, business activities and development of the Company.

Pursuant to the requirements of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills, and should provide their training records to the Company. According to the training records provided by the Directors, the trainings attended by them during FY2023 are summarised as follows:

| Directors | 董事 | Corporate Governance, Regulatory Development and Trainings on other relevant topics 企業管治、監管發展及其他相關議題的培訓 |
|--|----------------|--|
| Executive Directors | 執行董事 | |
| Mr. Yu Huang | 余煌先生 | ✓ |
| Mr. Zhu Qiang | 朱強先生 | ✓ |
| Non-executive Director | 非執行董事 | |
| Ms. Zheng Jingyun | 鄭靜雲女士 | ✓ |
| Independent Non-executive Directors | 獨立非執行董事 | |
| Mr. He Weidong | 何衛東先生 | ✓ |
| Ms. Wang Shiling | 王世鈴女士 | ✓ |
| Mr. Gong Lan | 龔瀾先生 | ✓ |

Board Committees

The Board has established three Board Committees, namely the Audit Committee, the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee"), for overseeing particular aspects of the Group's affairs. All Board Committees were established with written terms of reference in compliance with the relevant code provisions of the CG Code, which are available at the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kidztech.net).

董事培訓及專業發展

本集團深諳持續專業發展對董事拓展及補充知識及技能的重要性。各董事均恪守作為本公司董事的責任，並時刻緊貼本公司的操守、業務活動及發展。

根據企業管治守則規定，所有董事應參與持續專業發展，發展並更新其知識及技能，並應向本公司提供其培訓記錄。根據董事提供的培訓記錄，彼等於二零二三財政年度所參與的培訓概述如下：

董事委員會

董事會已設立三個董事委員會，即審核委員會、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」），以監管本集團特定事宜。所有董事委員會均根據企業管治守則之有關守則條文設立，並有書面職權範圍（可於聯交所網站（www.hkexnews.hk）及本公司網站（www.kidztech.net）查閱）。

CORPORATE GOVERNANCE REPORT 企業管治報告



Audit Committee

The Audit Committee consists of the following members:

Independent non-executive Directors:

Mr. Gong Lan* (*Chairman*)
Ms. Wang Shiling
Mr. He Weidong

The primary duties of the Audit Committee are, among others, to make recommendation to the Board on appointment or reappointment and removal of external auditor; review financial statements of the Company and judgments in respect of financial reporting; review the effectiveness of the Company's internal audit function; and oversee the effectiveness of the internal control and risk management systems of the Group.

As disclosed above, during FY2023, 4 Audit Committee meetings were held to review and discuss with the management and the external auditor in respect of the accounting principles and practices adopted by the Group, reviewing the results for FY2022 and unaudited interim results for the six months ended 30 June 2023, reviewing the effectiveness of the Company's internal audit function, as well as the reviewing the effectiveness of the internal control and risk management systems of the Group.

Remuneration Committee

The Remuneration Committee consists of the following members:

Independent non-executive Directors:

Ms. Wang Shiling (*Chairlady*)
Mr. He Weidong
Mr. Gong Lan

Executive Directors:

Mr. Zhu Qiang

審核委員會

審核委員會由以下成員組成：

獨立非執行董事：

龔瀾先生* (*主席*)
王世鈴女士
何衛東先生

審核委員會的主要職責為(其中包括)就外部核數師的委任、重新委任及罷免向董事會提供建議;審閱本公司的財務報表及有關財務匯報的判斷;檢討本集團內部審計職能的成效;以及監察本集團內部監控及風險管理制度的成效。

誠如上文所述,於二零二三財政年度,審核委員會舉行四次會議,以審閱及與管理層及外部核數師討論本集團採納的會計原則及慣例,審閱二零二二財政年度的業績、截至二零二三年六月三十日止六個月的未經審核中期業績、檢討本公司內部審計職能的成效以及檢討本集團內部監控及風險管理制度的成效。

薪酬委員會

薪酬委員會由以下成員組成：

獨立非執行董事：

王世鈴女士 (*主席*)
何衛東先生
龔瀾先生

執行董事：

朱強先生

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The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and ensure that none of the Directors or any of their associates determine their own remuneration as well as to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

As disclosed above, during FY2023, 1 Remuneration Committee meeting was held to determine the policy for the remuneration of executive Directors, assessing performance of executive Directors and approving the terms of executive Directors' service contracts, and reviewing and/or approving material matters relating to share schemes under Chapter 17 of the Listing Rules (including any potential grant of share options).

The Remuneration Committee determined the annual remuneration of executive Directors and member of the senior management based on the economic situation, the prevailing market condition, the responsibilities and duties assumed by each executive Director and member of the senior management as well as their individual performance. The Remuneration Committee subsequently made recommendations to the Board on the remuneration packages of executive Directors and member of the senior management. Pursuant to the code provision E.1.5 of the CG Code, the annual remuneration of the member of senior management by band for FY2023 is set out below:

| Emolument bands | 酬金範圍 | |
|---------------------|---------------|----------|
| Nil to HKD1,000,000 | 零至1,000,000港元 | 1 |

Nomination Committee

The Nomination Committee consists of the following members:

Independent non-executive Directors:

Mr. He Weidong (*Chairman*)
Ms. Wang Shiling
Mr. Gong Lan

薪酬委員會的主要職責為就本集團全體董事及高級管理層的整體薪酬政策及架構向董事會提供建議，確保董事或其任何聯繫人不得參與釐定自己的薪酬以及根據上市規則第17章審閱及／或批准與股份計劃有關事項。

誠如上文所述，於二零二三財政年度，薪酬委員會舉行一次會議，以釐定執行董事的薪酬政策，評估執行董事的表現並批准執行董事服務合約的條款，以及根據上市規則第17章審閱及／或批准與股份計劃有關重大事項(包括任何潛在購股權授出)。

薪酬委員會根據經濟狀況、當前市場狀況、各執行董事及高級管理層人員承擔的職責以及彼等的個人表現釐定執行董事及高級管理層人員的年薪。薪酬委員會其後就執行董事及高級管理層人員的薪酬待遇向董事會提出建議。根據企業管治守則的守則條文第E.1.5條，二零二三財政年度按等級劃分的高級管理人員的年薪如下：

Number of individuals
人數

提名委員會

提名委員會由以下成員組成：

獨立非執行董事：

何衛東先生(*主席*)
王世鈴女士
龔瀾先生

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Executive Directors:

Mr. Yu Huang
Mr. Zhu Qiang

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually, identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors and make recommendations to the Board on matters relating to appointment and reappointment of Directors.

To enhance the nomination process for a Director candidate, a nomination policy was adopted during FY2023 as a guidance on the selection process and Board succession planning. The Nomination Committee will utilise various methods for identifying Director candidates, including recommendations from the Board members, management, and professional search firms and may review resume and job history, conduct personal interviews and verification of professional and personal references or perform the background checks, etc. On evaluation of the Director candidates including incumbents and candidates nominated by the Shareholders, the Board and the Nomination Committee will take into account whether a candidate has the qualifications, skills and experience, gender diversity, etc. that can add to and complement the range of skills, experience and background of the existing Directors and may consider the following qualifications are at a minimum to be required of a Director candidate for recommendation to the Board, or the continued service of the existing Director:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- skills that are complementary to those of the existing Board;
- the ability to assist and support management and make significant contributions to the Company's success;
- an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- independence as required by the Listing Rules.

執行董事：

余煌先生
朱強先生

提名委員會的主要職責為每年檢討董事會的架構、規模及組成，物色具備合適資格可擔任董事會成員的人士；評核獨立非執行董事的獨立性以及就董事委任及重新委任的相關事宜向董事會提供建議。

為加強董事候選人的提名程序，於二零二三財政年度內已採納提名政策，作為甄選程序及董事會繼任計劃的指引。提名委員會將使用各種方法物色董事候選人，包括董事會成員、管理層及專業獵頭公司的推薦建議，並可能檢視履歷及工作歷程，進行個人面試及核實專業及個人的推薦資料或作出背景調查等。於評估董事候選人(包括現任董事及股東提名的候選人)時，董事會及提名委員會將考慮候選人是否具備資格、技能及經驗、性別多元化等以增添及補足現有董事涵蓋的技能、經驗及背景範圍，並可認為向董事會推薦的候選人或繼續提供服務的現任董事至少需具備以下資格：

- 崇高個人及專業操守及誠信；
- 獲提名人在其領域的過往實績及競爭力以及作出健全業務判斷的能力；
- 與現有董事會成員相輔相成的技能；
- 協助及支援管理層的能力及對本公司的成功作出重大貢獻；
- 了解董事會成員所需的受信責任以及辛勤履行該等責任所需投入的時間和精力；及
- 具備上市規則規定的獨立性。



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The Board and the Nomination Committee will also make reference to the Board diversity policy, details of which are set out in the section headed “Board Diversity” above.

The Board has established effective mechanisms, including regular assessments of the independence of the independent non-executive Directors to ensure independent views and input are available to the Board.

As disclosed above, during FY2023, one Nomination Committee meetings were held to review the structure of the Board and assess the independence of the independent non-executive Directors and proposed appointment and re-appointment of Directors.

Company Secretary

Mr. Chan Pak Lun. Please refer to the section headed “Biographical Details of Directors and Senior Management” of this annual report for their biographical information. Mr. Chan have confirmed that he has attended no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules in FY2023.

Mr. Yu Huang, an executive director of the Company, is the primary corporate contact person of the Company.

Directors’ and External Auditor’s Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for preparation of the financial statements which give a true and fair of the state of affairs of the Group. In preparing the financial statements which give a true and fair view, it is fundamental that appropriate accounting policies should be selected and applied consistently.

The statement of the external auditors of the Company acknowledging their reporting responsibilities on the financial statements is set out in the “Independent Auditor’s Report” contained in this annual report.

董事會及提名委員會亦會參考董事會多元化政策，其詳情載於上文「董事會多元化」一節。

董事會已設立有效機制，包括對獨立非執行董事的獨立性進行定期評估，以確保董事會能得到獨立觀點及意見。

誠如上文所述，於二零二三財政年度，提名委員會舉行一次會議，以檢討董事會架構及評估獨立非執行董事的獨立性以及建議委任及重新委任董事。

公司秘書

陳柏麟先生。有關彼等之履歷資料，請參閱本年報「董事及高級管理層履歷」一節。陳先生確認於二零二三財政年度已參加不少於15小時的相關專業培訓以遵守上市規則第3.29條。

本公司執行董事余煌先生為本公司的主要企業聯絡人。

董事及外部核數師就財務報表須承擔之責任

董事確認其須就編製公平及真實反映本集團狀況之財務報表承擔責任，而於編製真實及公平的財務報表時選擇及貫徹應用適當的會計政策尤為重要。

本公司外聘核數師確認其就財務報表所承擔的申報責任聲明已載於本年報「獨立核數師報告」。

CORPORATE GOVERNANCE REPORT

企業管治報告

Risk Management and Internal Control

The Board is ultimately responsible for the risk management of the Group and has full authority to maintain the soundness and effectiveness of the internal control system and risk management procedures of the Group to ensure efficient and effective use of the Group's resources to assist the Group in achieving its operation objectives, safeguarding the Group's assets and ensuring compliance with laws and regulations.

The Group emphasizes the importance of a sound internal control system which is also indispensable for mitigating the Group's key risk exposures. The Group's system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives. The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and Shareholders' interests. During the year under review, an external independent consultant has reviewed the risk management and internal control systems of the Group. The Group has adopted a three-tier risk management approach to identify, assess and manage different types of risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provides technical support, develops new system and oversees portfolio management. It ensures risks are within an acceptable range and that the first line of defence is effective. As the third line of defense, the external independent consultant assists the review of the first and second lines of defence. The Group is committed to the identification, evaluation and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by the Audit Committee and the Board.

The Group follows strict procedures for handling and disseminating inside information to ensure its confidentiality.

For FY2023, the external independent consultant, engaged to review the Group's internal control systems and recommend actions to improve our internal controls, has provided written reports to the Audit Committee. The Audit Committee has also reviewed the adequacy of resources, qualifications and experience, training and budget of the accounting, internal audit and financial reporting functions on an annual basis. Based on the review, the Audit Committee is of the view that the Group's internal control system was generally effective.

風險管理及內部監控

董事會對本集團的風險管理負有最終責任，並能全權維持本集團內部監控系統及風險管理程序健全及有效，確保以有效率及有效益的方式使用本集團資源以協助本集團達成業務目標，保障本集團資產，以及確保符合相關法例及規例。

本集團著重健全的內部監控系統，此舉亦為本集團減少主要風險不可或缺之一環，本集團設立內部監控系統旨在對重大錯誤或損失提供合理但並非絕對之保證，以及管理及消除營運系統故障及未能達致業務目標的風險。董事會持續檢討內部監控系統，以確保其在保護重要資產及保障股東權益方面能提供實際而有效之合理保證，於回顧年度，外聘獨立顧問已對本集團的風險管理及內部監控系統作出檢討。本集團採納三級風險管理方法以識別、評估及管理不同類型的風險。在第一道防線，業務單位負責識別、評估及監察與每項業務或交易有關的風險。作為第二道防線，管理層界定規則組合及模型、提供技術支持、制定新制度及監察組合管理，並確保風險在可接受範圍內及第一道防線行之有效。作為第三道防線，外部獨立顧問協助審核第一道及第二道防線。本集團透過考慮各項已識別風險的可能性及影響，持續評估風險登記冊，致力識別、評估及管理與業務活動相關的風險。本集團已推行有效的監控系統，包括具體制訂職權範圍的管理架構、穩健的管理系統及由審核委員會及董事會定期檢討本集團的表現。

本集團遵循嚴格的程序，處理及發放內幕消息，以確保其保密性。

於二零二三財政年度，外聘獨立顧問（受聘對本集團的內部監控系統作出檢討並建議改善內部監控的措施）已向審核委員會作出書面匯報。審核委員會亦已按年度基準檢討會計、內部審計及財務報告職能方面的資源、員工資歷及經驗、培訓及有關預算是否足夠。根據檢討，審核委員會認為，本集團的內部監控系統基本有效運作。



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Based on the above, the Board has conducted a review of the effectiveness of the risk management and internal control system of the Group pursuant to D.2.1 of the CG Code, covering the material financial, operational and compliance controls, and considers them generally effective and adequate in all material respects. With a view of further enhancing the Group's internal control system on an ongoing basis, the Group will continue to engage external professional advisers to conduct reviews and consider to establish a formal in-house internal audit department where necessary from time to time, taking into account the development of the business and the scale and complexity of our operation in the future.

Change of Auditors

PricewaterhouseCoopers has resigned as the auditor of the Company with effect from 11 January 2021 and Zhonghui Anda CPA Limited was appointed as the new auditor of the Company with effect from 13 January 2021 to fill the casual vacancy following the resignation of PricewaterhouseCoopers. Zhonghui Anda CPA Limited has resigned as the auditor of the Company with effect from 24 February 2023 and McMillan Woods (Hong Kong) CPA Limited was appointed as the new auditor of the Company with effect from 24 February 2023 to fill the casual vacancy following the resignation of Zhonghui Anda CPA Limited.

Please refer to the announcements of the Company dated 13 January 2021 and 24 February 2023 for details of the above changes of auditors. Save as disclosed above, there was no change of auditor during the past three financial years.

基於上述情況，董事會已根據企業管治守則第D.2.1條對本集團的風險管理及內部監控系統的有效性進行檢討，涵蓋重大財務、營運及合規監控，並認為該等監控在各重大方面基本有效及充分。為持續進一步加強本集團的內部監控系統，本集團將根據日後業務的發展以及我們營運的規模與複雜性，繼續外聘專業顧問進行檢討並不時考慮於必要時建立正式的內部審計部門。

核數師變動

羅兵咸永道會計師事務所已辭任本公司核數師一職，自二零二一年一月十一日起生效，而中匯安達會計師事務所有限公司獲委任為本公司之新任核數師，自二零二一年一月十三日起生效，以填補羅兵咸永道會計師事務所辭任後之臨時空缺。中匯安達會計師事務所有限公司已辭任本公司核數師一職，自二零二三年二月二十四日起生效，而長青(香港)會計師事務所有限公司獲委任為本公司之新任核數師，自二零二三年二月二十四日起生效，以填補中匯安達會計師事務所有限公司辭任後之臨時空缺。

有關上述核數師變動的詳情，請參閱本公司日期為二零二一年一月十三日及二零二三年二月二十四日的公告。除上述披露者外，於過去三個財政年度並無核數師變動。

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Auditor's Remuneration

For FY2023, the fee paid or payable in respect of the services provided by the auditor, McMillan Woods (Hong Kong) CPA Limited, is as follows:

| | | Amount 金額 RMB'000 人民幣千元 |
|-------------------------------|----------|---|
| Audit services | 審核服務 | 1,000 |
| Interim report review service | 中期報告審閱服務 | 100 |
| Total | 總計 | 1,100 |

核數師酬金

於二零二三財政年度，就核數師長青(香港)會計師事務所有限公司所提供服務已付或應付費用如下：

Shareholders' Rights and Investor Relations

The Board values the communications with the Shareholders. As one of the measures to safeguard the Shareholders' interests and rights, separate resolutions will be proposed at Shareholders' meeting on each substantial issue including the re-election of individual Directors. All resolutions put forward at the Shareholders' meeting will be conducted by poll pursuant to the Listing Rules and the poll results will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kidztech.net).

Notice of the next annual general meeting of the Company will be sent to the Shareholders not less than 21 days before the said meeting.

股東權利及投資者關係

董事會重視與股東的溝通。作為其中一項保障股東權益及權利之措施，本公司於股東大會上就每項重大事宜(包括重選個別董事)提呈獨立決議案。根據上市規則，於股東大會上提呈之所有決議案均以投票方式表決，投票表決結果將刊載於聯交所網站(www.hkexnews.hk)及本公司網站(www.kidztech.net)。

本公司下屆股東週年大會會議通知將於上述會議前不少於21日發送予股東。



CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures and Right for Shareholders to Convene Extraordinary General Meeting

The following procedures for Shareholders to convene an extraordinary general meeting (the “EGM”) are subject to the Articles, and the applicable legislation and regulations, in particular the Listing Rules:

1. if any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company submit a written requisition to the Board or the Secretary of the Company by post to the Company’s principal place of business in Hong Kong at Room 802, 8/F, Inter-Continental Plaza, 94 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong with full name, contact details and identification provided to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition; and
2. the Board should within 21 days from the date of the deposit for the requisition proceed duly to convene the EGM to be held within two months after the deposit of such requisition. If the Board fails to do so, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may also make reference to Article 58 of the Articles for further details.

Procedures for putting forward proposals at general meetings by shareholders

There are no provisions under the Articles of Association or the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

股東召開股東特別大會之程序及權利

以下股東召開股東特別大會(「股東特別大會」)之程序須遵守細則及適用法律及法規，尤其是上市規則：

1. 任何一位或以上於遞呈要求當日持有不少於本公司繳足股本(具本公司股東大會之投票權)十分之一的股東透過向本公司董事會或秘書發出書面要求，且須附隨全名、聯繫方式及身份證明郵寄至本公司香港主要營業地點(地址為香港九龍尖沙咀東加連威老道94號明輝中心8樓802室)，要求董事會召開股東特別大會，以處理該要求中指明的任何事務；且該大會應於遞呈該要求後兩(2)個月內舉行；及
2. 董事會應於遞呈要求當日起21日內妥為籌備將於遞呈該要求後兩個月內召開的股東特別大會。若董事會沒有開展召開有關大會之程序，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會之缺失而產生的所有合理開支應由本公司向遞呈要求人士償付。

股東亦可參照章程細則第58條獲取更多詳情。

股東於股東大會提出正式建議之程序

組織章程細則或開曼群島第22章公司法(一九六一年第三號法例，經合併及修訂)概無條文涉及股東於股東大會上提出建議之程序(除提名董事候選人之建議)。股東可依照上述程序召開股東特別大會，處理該書面要求列明之任何事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for Shareholders to Propose a Person for Election as a Director of the Company

If a Shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with the appointment or election of Director(s), wishes to propose a person for election as a Director at that meeting, he/she may lodge a written notice at the Company's principal place of business in Hong Kong at Room 802, 8/F, Inter-Continental Plaza, 94 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong for the attention of the company secretary of the Company. Detailed procedures for Shareholders to propose a person for election as a Director of the Company can be found on the Company's website (www.kidztech.net).

Investors Relations

The Board recognises the importance of maintaining an ongoing dialogue with the Shareholders through various channels including general meetings, press releases, announcements and corporate communications such as the annual report, interim report and circulars. Latest news and updates of the Group's business and operation are also available on the Company's website (www.kidztech.net).

The Company has adopted a Shareholders' communication policy. Enquiries and proposals from Shareholders, investors and all stakeholders of the Company are welcomed. Enquiries to the Board or the Company must be deposited at or sent by post to the Company's principal place of business in Hong Kong at Room 802, 8/F, Inter-Continental Plaza, 94 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong with full name, contact details and identification provided.

Any person having any enquiries in relation to the shareholdings, share transfer or registration of the Company may contact the Company's share registrar. Their contact details can be found on the Company's website (www.kidztech.net).

During FY2023, the Company reviewed and considers that the Shareholders communication policy was effectively implemented with the above measures in place.

Constitutional Documents

During FY2023, the Company has amended its Articles, the details of which are set out in the circular of the Company dated 31 May 2023. The Shareholders have approved the amendments to the Articles at the annual general meeting of the Company held on 28 July 2023. The latest version of the Articles is available at the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kidztech.net).

股東提名人選參選本公司董事之程序

倘合資格出席並於為委任或選舉董事而召開之股東大會上投票之股東擬於會上提名人選參選董事，彼可遞交書面通知至本公司香港主要營業地點(地址為香港九龍尖沙咀東加連威老道94號明輝中心8樓802室)，收件人為本公司之公司秘書。有關股東提名人選參選本公司董事之詳細程序可於本公司網站(www.kidztech.net)查閱。

投資者關係

董事會認識到透過多個渠道(包括股東大會、新聞稿、公告及公司通訊(如年度報告、中期報告及通函))維持與股東持續溝通的重要性。本集團業務及營運的最新消息及資料亦可於本公司網站(www.kidztech.net)查閱。

本公司已採納其股東溝通政策。董事會歡迎本公司股東、投資者及所有持份者查詢及提議。向董事會或本公司作出之查詢須附隨全名、聯繫方式及身份證明送達或郵寄至本公司香港主要營業地點(地址為香港九龍尖沙咀東加連威老道94號明輝中心8樓802室)。

任何人士如欲對本公司提出有關本公司股權或股份轉讓或股份註冊之詢問可聯繫本公司股份過戶登記處。其聯繫方式載於本公司網站(www.kidztech.net)。

於二零二三財政年度，本公司已審視及認為上述措施已有效落實股東溝通政策。

章程文件

二零二三財政年度，本公司已修訂章程細則，有關詳情載於本公司日期為二零二三年五月三十一日的通函。股東已在於二零二三年七月二十八日舉行的本公司股東週年大會上批准章程細則修訂。最新版本的章程細則可於聯交所網站(www.hkexnews.hk)及本公司網站(www.kidztech.net)查閱。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Directors

Executive Directors

Mr. Yu Huang (余煌), aged 43, founded the Group through the establishment of Shantou Chenghai Jinjun Toys Co., Ltd.* (汕頭市澄海區錦駿玩具有限公司) in June 2009. Mr. Yu is the chairman, executive Director, chief executive officer and controlling shareholder of the Company. He was appointed as a Director in October 2019 and was re-designated as an executive Director in November 2019.

Mr. Yu has over 12 years of experience in the toy manufacturing and sale industry. Prior to the establishment of the Group, Mr. Yu worked as the deputy general manager of Shantou Chenghai Changxing Paper Foil Co., Ltd.* (汕頭市澄海區昌興紙箔有限公司) from July 2004 to March 2007 and the general manager of Shantou Chenghai Jinjun Toys Factory* (汕頭市澄海區錦駿玩具廠), which is primarily engaged in toy manufacturing, from March 2007 to June 2009. Mr. Yu graduated from the Guangdong Justice Police Vocational College* (廣東司法警官職業學院) in the PRC and was awarded a professional diploma in law.

Mr. Zhu Qiang (朱強), aged 36, was appointed as an executive Director, a member of each of the Nomination Committee and the Remuneration Committee of the Company on 23 March 2022. Mr. Zhu is majoring in information security and management at The Open University of China, and obtained a master's degree in business administration from the Anglia Ruskin University in the United Kingdom in October 2023. Mr. Zhu has extensive experience in financial leasing and industrial investment and financing management, and is experienced in employing financial tools in combination with traditional businesses. Mr. Zhu was the deputy general manager of Zhongyue International Financial Leasing (Shenzhen) Co., Ltd.* (中粵國際融資租賃(深圳)有限公司) from July 2016 to September 2018, primarily responsible for risk management of finance lease assets, and the general manager of Wing Hang International Capital Holdings (Shenzhen) Co., Ltd.* (永亨國際資本控股(深圳)有限公司) from October 2018 to January 2022.

董事

執行董事

余煌先生，43歲，於二零零九年六月透過成立汕頭市澄海區錦駿玩具有限公司創立本集團。余先生為本公司主席、執行董事、行政總裁及控股股東。彼於二零一九年十月獲委任為董事，並於二零一九年十一月獲調任為執行董事。

余先生在玩具製造及銷售行業擁有逾12年經驗。於成立本集團前，余先生曾於二零零四年七月至二零零七年三月擔任汕頭市澄海區昌興紙箔有限公司副總經理，並於二零零七年三月至二零零九年六月擔任汕頭市澄海區錦駿玩具廠(主要從事玩具製造)總經理。余先生畢業於中國的廣東司法警官職業學院並獲頒發法律專業文憑。

朱強先生，36歲，於二零二二年三月二十三日獲委任為執行董事，本公司提名委員會及薪酬委員會各自的成員。朱先生於國家開放大學主修信息安全及管理，並於二零二三年十月取得英國安格利亞魯斯金大學工商管理碩士學位。朱先生於融資租賃及產業投融資管理方面有豐富經驗，並擁有於傳統行業運用金融工具之經驗。朱先生於二零一六年七月至二零一八年九月擔任中粵國際融資租賃(深圳)有限公司副總經理，主要負責融資租賃資產風險管理，並於二零一八年十月至二零二二年一月擔任永亨國際資本控股(深圳)有限公司總經理。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Non-executive Director

Ms. Zheng Jingyun (鄭靜雲), aged 49, was appointed as a non-executive Director in November 2019. Ms. Zheng is mainly responsible for advising on business strategy of the Group. She joined the Group in April 2016 and was a director of Kidztech Intelligent from April 2016 to October 2019.

Ms. Zheng was an executive director and a general manager of various private companies.

Ms. Zheng graduated from Chengcheng Vocational and Technical School* (澄城職業技術中學) in the PRC.

Independent non-executive Directors

Mr. He Weidong (何衛東) (formerly known as He Jinghui (何晶輝)), aged 61, was appointed as an independent non-executive Director in February 2020. He was an independent director of Kidztech Intelligent from September 2017 to October 2019.

Mr. He has over 20 years of experience in corporate and investment management. He held management positions at China Network Communications Co., Ltd. (中國網絡通信有限公司) (which was merged with China United Network Communications Group Co., Ltd. later) and CNC Kuandai Network Co., Ltd.* (網通寬帶網絡有限責任公司). He is currently a shareholder, an executive director and a general manager of various private companies.

Mr. He obtained a Bachelor of Radio Engineering degree from the Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC, and an Executive Master of Business Administration diploma from the Tsinghua University (清華大學) in the PRC. He obtained the "qualification as an independent director of listed companies" from the Shenzhen Stock Exchange in 2018.

Ms. Wang Shiling (王世鈴), aged 40, was appointed as an independent non-executive Director, the chairlady of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company on 31 August 2021. She has over 10 years of experience in financial management and risk control. Prior to joining the Group, Ms. Wang worked in a number of investment and financial industry companies. She has been the director of risk management of Shenzhen City Guoan Yitong Investment Co., Ltd.* (深圳市國安億通投資有限公司) since August 2017. Ms. Wang obtained a Bachelor's degree in International Trade from the Guangdong University of Foreign Studies in the Guangdong Province of the PRC in December 2007.

非執行董事

鄭靜雲女士，49歲，於二零一九年十一月獲委任為非執行董事。鄭女士主要負責就本集團的業務策略提供意見。彼於二零一六年四月加入本集團，於二零一六年四月至二零一九年十月擔任奇士達智能董事。

鄭女士曾為多家私營公司的執行董事及總經理。

鄭女士畢業於中國澄城職業技術中學。

獨立非執行董事

何衛東先生(前稱何晶輝)，61歲，於二零二零年二月獲委任為獨立非執行董事。彼於二零一七年九月至二零一九年十月擔任奇士達智能獨立董事。

何先生在企業及投資管理方面擁有逾20年經驗。彼曾在中國網絡通信有限公司(後來與中國聯合網絡通信集團有限公司合併)及網通寬帶網絡有限責任公司擔任管理職位。彼現為多家私營公司的股東、執行董事及總經理。

何先生取得中國北京郵電大學無線電工程學士學位，以及中國清華大學高級管理人員工商管理碩士學位。彼於二零一八年獲得深圳證券交易所「上市公司獨立董事資格」。

王世鈴女士，40歲，於二零二一年八月三十一日獲委任為獨立非執行董事，本公司薪酬委員會主席以及審核委員會及提名委員會各自的成員。彼於財務管理及風險控制方面擁有逾10年經驗。加入本集團前，王女士曾於多家投資及金融行業企業任職。彼自二零一七年八月起擔任深圳市國安億通投資有限公司的風控總監。王女士於二零零七年十二月獲得中國廣東省廣東外語外貿大學國際貿易學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Gong Lan (龔瀾), aged 55, was appointed as an independent non-executive Director, the chairman of the Audit Committee, and a member of each of the Nomination Committee and the Remuneration Committee of the Company on 23 March 2022. Mr. Gong graduated from Shanghai Lixin University of Accounting and Finance (formerly known as Lixin Accounting College) in 1994, majoring in foreign-related accounting, and obtained the qualification of Chinese certified public accountant in 1999.

Mr. Gong has over 20 years of financial management experience in various industries including trading, industrial and investment. From 1990 to 2005, he served as the internal audit and taxation officer of Donghao Lansheng Exhibition Group Co., Ltd.* (東浩蘭生會展集團股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code: 600826, formerly known as Shanghai Lansheng Co., Ltd.* (上海蘭生股份有限公司)) and the financial manager of its subsidiary, Datang Lansheng Communication and Navigation Technology Co., Ltd.* (大唐蘭生通信導航技術有限公司). Mr. Gong served as the financial manager of Shanghai Shanshan Xinmingda Industrial Co., Ltd.* (上海杉杉新明達實業有限公司) from January 2006 to May 2012 and the financial manager of Shanghai Ganyuan Trading Co., Ltd.* (上海淦源貿易有限公司) from May 2012 to January 2021. He has been serving as the financial manager of Shanghai Ruiyixiang Industrial Co., Ltd.* (上海睿奕享實業有限公司) (formerly known as Shanghai Ruiyixiang Trading Co., Ltd.* (上海睿奕享貿易有限公司)) since March 2021.

Senior Management

Mr. Yu Huang (余煌), aged 43, is currently the chief executive officer of the Company. For his biographical details, please refer to the section headed “Executive Directors” above.

龔瀾先生，55歲，於二零二二年三月二十三日獲委任為獨立非執行董事，本公司審核委員會主席、提名委員會及薪酬委員會各自的成員。龔先生於一九九四年畢業於上海立信會計金融學院(前稱立信會計專科學校)，主修涉外會計，並於一九九九年獲頒中國註冊會計師資格。

龔先生在貿易、工業及投資等多個行業擁有逾二十年的財務管理經驗。於一九九零年至二零零五年，他曾先後擔任上海證券交易所上市公司東浩蘭生會展集團股份有限公司(股份代碼：600826，前稱上海蘭生股份有限公司)內部審計及稅務主任以及該公司的附屬公司大唐蘭生通信導航技術有限公司財務經理。龔先生於二零零六年一月至二零一二年五月曾任職上海杉杉新明達實業有限公司財務經理，其後於二零一二年五月至二零二一年一月任職上海淦源貿易有限公司財務經理。彼自二零二一年三月至今一直擔任上海睿奕享實業有限公司(前稱上海睿奕享貿易有限公司)財務經理。

高級管理層

余煌先生，43歲，目前為本公司行政總裁。有關其履歷詳情，請參閱上文「執行董事」一節。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Company Secretary

Mr. Chan Pak Lun (陳柏麟), is currently a solicitor at the law firm of DeHeng Law Offices (Hong Kong) LLP in Hong Kong, specialising in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. Mr. Chan is a practising solicitor in the field of commercial and corporate finance and was admitted as a solicitor in Hong Kong in December 2018. He completed the bachelor of laws degree programme at The University of Hong Kong in December 2015. He is also serving as the company secretary of Plateau Treasures Limited (stock code: 8402), whose shares are listed on GEM of the Stock Exchange.

公司秘書

陳柏麟先生，目前於一間香港律師事務所德恒律師事務所(香港)有限法律責任合夥擔任律師，專業從事包括首次公開發售、併購及重組在內的企業融資工作。陳先生為商業及企業融資領域的一名執業律師，彼於二零一八年十二月取得香港律師資格。彼於二零一五年十二月修完香港大學的法律學士學位課程。彼亦擔任高原之寶有限公司(股份代號：8402)之公司秘書，其股份於聯交所GEM上市。



REPORT OF DIRECTORS

董事會報告

The Directors hereby present their report and audited consolidated financial statements for FY2023.

董事謹此提呈彼等於二零二三財政年度的報告及經審核綜合財務報表。

Principal Activities and Business Review

The Group is principally engaged in the design, development, manufacture and sale of high-quality smart toy vehicles, smart interactive toys and traditional toys. The products of the Group are manufactured on an original brand manufacturing, ODM and OEM bases, and are (i) branded with the Group's "kidztech" brand; (ii) cobranded with (a) renowned automobile manufacturers, (b) popular entertainment characters featured in animated television series or motions pictures or (c) toy brand owner; and (iii) branded under the Group's overseas customers' brands, which mainly represent the products the Group manufactures on an ODM and OEM bases and the products sold to the Group's customers branded under their respective brands. Details of the principal activities of its subsidiaries are set out in note 37 to the consolidated financial statements.

主要活動及業務回顧

本集團主要設計、開發、製造及銷售高品質智能車模、智能互動式玩具及傳統玩具。本集團的產品以原品牌製造、ODM及OEM模式製造，為(i)本集團「奇士達」品牌的產品；(ii)與(a)知名汽車製造商、(b)動畫電視劇集或電影所塑造的流行娛樂角色或(c)玩具品牌擁有人推出的聯合品牌產品；及(iii)使用本集團海外客戶的品牌(主要指本集團以ODM及OEM模式製造的產品)的產品，以及售予本集團客戶使用客戶各自品牌的產品。附屬公司主要業務詳情載於綜合財務報表附註37。

For discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of business, important events to the business and an indication of likely future developments in the Group's business, can be found in section headed "Management Discussion and Analysis" on pages 6 to 16 of this annual report.

根據香港法例第622章《公司條例》附表5規定對該等活動之討論及分析，包括公平審閱業務、業務的重大事件以及本集團業務未來可能發展的指標，均載於本年報第6至16頁所載「管理層討論及分析」一節。

Segment Information

An analysis of the Group's performance for FY2023 by operating segment is set out in note 8 to the consolidated financial statements.

分部資料

本集團於二零二三財政年度按經營分部劃分的表現分析載於綜合財務報表附註8。

Results and Dividends

The results of the Group for FY2023 are set out in the consolidated statement of comprehensive income on page 96 of this annual report.

業績及股息

本集團二零二三財政年度的業績載於本年報第96頁的綜合全面收益表。

Declaration of dividends was subject to the discretion of the Directors, depending on the results of operation, working capital and cash position, future business and earnings, capital requirements, contractual restrictions under the bank loan agreements, if any, as well as any other factors which the Directors might consider relevant. In addition, declaration and payment as well as the amount of the dividends would be subject to the provisions of the Articles and the applicable laws of the Cayman Islands.

是否宣派股息由董事酌情決定，並視乎經營業績、營運資金及現金狀況、日後業務及盈利、資本需求及銀行貸款協議下的合約限制(如有)，以及董事可能認為相關的任何其他因素而定。此外，宣派、派付股息以及股息金額須受章程細則及開曼群島適用法律規定所規限。

REPORT OF DIRECTORS 董事會報告

The Board does not recommend the payment of a final dividend for FY2023 (FY2022: Nil).

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five years, as extracted from the consolidated financial statements, is set out on page 180 of this annual report.

An analysis using key financial performance indicators can be found in section headed “Management Discussion and Analysis” on pages 6 to 16 of this annual report.

Property, Plant and Equipment

Details of the movements during FY2023 in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

Share Capital

Details of movements during FY2023 in the share capital of the Company are set out in note 30 to the consolidated financial statements.

Reserves

As at 31 December 2023, the Company’s reserve available for distribution to the Shareholders, calculated in accordance with the applicable laws of the Cayman Islands and the Articles amounted to approximately RMB304,197,000. Details of the movements in the reserves of the Group during FY2023 are set out in note 31 to the consolidated financial statements.

Equity Linked Agreement

Save as disclosed under the section headed “Share Option Scheme” below, no equity-linked agreement was entered into by the Group, or existed during FY2023.

董事會不建議派付二零二三財政年度的末期股息(二零二二財政年度：零)。

財務概要

本集團於最近五個年度的業績以及資產及負債的概要(摘錄自綜合財務報表)，載於本年報第180頁。

使用關鍵財務績效指標的分析載於本年報第6至16頁「管理層討論及分析」一節。

物業、廠房及設備

本集團物業、廠房及設備於二零二三財政年度的變動詳情，載於綜合財務報表附註15。

股本

本公司股本於二零二三財政年度的變動詳情，載於綜合財務報表附註30。

儲備

於二零二三年十二月三十一日，本公司可供分派予股東的儲備(根據開曼群島適用法律及章程細則予以計算)約為人民幣304,197,000元。本集團於二零二三財政年度的儲備變動詳情載於綜合財務報表附註31。

股權相關協議

除下文「購股權計劃」一節所披露者外，於二零二三財政年度，本集團並未訂立股權相關協議，亦不存在此類協議。



REPORT OF DIRECTORS

董事會報告

Share Option Scheme

The Company conditionally adopted the Share Option Scheme on 13 February 2020, so as to grant options to selected participants as incentives or rewards for their contribution to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

The Directors may, at its absolute discretion, grant options to any of the following classes of participants: (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of the subsidiaries or any entity (the “**Invested Entity**”) in which any member of the Group holds an equity interest (“**Eligible Employee**”); (b) any non-executive directors (including independent non-executive directors of the Company, any of the subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of the business or business development of any member of the Group or any Invested Entity; and (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

購股權計劃

本公司於二零二零年二月十三日有條件採納一項購股權計劃，以向選定參與者授出購股權，作為彼等對本集團所作貢獻的激勵或獎勵。由於董事可按個別情況釐定任何須達到的表現目標及購股權可行使前須持有的最短期間，加上購股權的行使價在任何情況下不得低於上市規則規定的價格或董事可能指定的更高價格，故此預期購股權承授人將盡力為本集團的發展作出貢獻，從而使股份市價上升，以透過獲授的購股權而得益。

董事可全權酌情向任何下列類別參與者授出購股權：(a)本公司、任何附屬公司或本集團任何成員公司持有股權的任何實體(「**所投資實體**」)的任何僱員(不論全職或兼職，包括任何執行董事，但不包括任何非執行董事)(「**合資格僱員**」)；(b)本公司、任何附屬公司或任何所投資實體的任何非執行董事(包括獨立非執行董事)；(c)本集團任何成員公司或任何所投資實體的任何貨物或服務供應商；(d)本集團任何成員公司或任何所投資實體的任何客戶；(e)任何為本集團任何成員公司或任何所投資實體提供研究、開發或其他技術支持的人士或實體；(f)本集團任何成員公司或任何所投資實體的任何股東或本集團任何成員公司或任何所投資實體所發行任何證券的持有人；(g)本集團任何成員公司或任何所投資實體在任何業務範疇或業務發展的任何專業或其他諮詢人士或顧問；及(h)曾經或可能透過合資經營、業務聯盟或其他業務安排對本集團發展及增長作出貢獻的任何其他參與者群體或類別。



REPORT OF DIRECTORS 董事會報告

The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Company) to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the number of Shares in issue on the Listing Date, being 52,000,000 Shares, which represented approximately 8.33% of the Shares in issue as at the date of this annual report. The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the number of Shares in issue for the time being. Any further grant of options in excess of the 1% limit shall be subject to Shareholders' approval in general meeting with such grantee and his associates abstaining from voting.

The subscription price for the Shares under the Share Option Scheme shall be a price determined at the discretion of the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer for the grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option within 21 days from the date of the offer of grant of the option.

Unless there is an early termination of the Share Option Scheme pursuant to the rules of the Share Option Scheme, the Share Option Scheme will remain in force for a period which may not expire later than of 10 years commencing on the date on which the Share Option Scheme is adopted and shall expire on 12 February 2030. The period during which an option may be exercised will be determined by the Directors in their absolute discretion, save that no option shall be exercised later than 10 years from the date of grant, subject to early termination of the Share Option Scheme pursuant to the rules of the Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

因行使根據購股權計劃及本公司任何其他購股權計劃將予授出所有購股權(就此而言,並不包括根據購股權計劃及本公司任何其他購股權計劃條款而失效者)而可予配發及發行的股份總數不得超過上市日期已發行股份數目的10%,即52,000,000股股份(相當於本年報日期已發行股份約8.33%)。於任何12個月期間因行使根據購股權計劃及本公司任何其他購股權計劃而授出的購股權(包括已行使或尚未行使購股權兩者)已向各承授人發行及將予發行的股份總數不得超過當時已發行股份數目的1%。進一步授予超逾1%上限的任何購股權須由股東於股東大會上批准,而有關承授人及其聯繫人須放棄投票。

購股權計劃項下的股份的認購價將由董事酌情釐定,但不得低於(i)授出購股權要約日期(必須為營業日)在聯交所的每日報價表所示以一手或以上股份買賣單位的股份的收市價; (ii)緊接授出購股權要約日期前五個營業日在聯交所的每日報價表所示股份平均收市價;及(iii)股份面值三者中的最高者。於授出購股權要約日期起計21日內,承授購股權之人士須在接納時支付象徵式代價1港元。

除非購股權計劃根據購股權計劃規則提前終止,否則購股權計劃將於購股權計劃獲採納當日起計為期10年內維持有效及不會於該期間內屆滿,並將於二零三零年二月十二日屆滿。購股權可於董事全權酌情釐定的期間內行使,但不得於授出日期起計10年後行使,除非購股權計劃根據購股權計劃規則提前終止。除非董事另行決定並在向承授人授出購股權的要約中說明,否則購股權計劃並無規定承授人行使購股權前須持有購股權的最短期限。

REPORT OF DIRECTORS

董事會報告

On 21 June 2022, the Board granted 52,000,000 options to certain employees of the Group at an exercise price of HK\$1.17 per share under the Share Option Scheme.

As at 1 January 2023 and 31 December 2023, the total number of options available for grant under the scheme limit of the Share Option Scheme were 0 share and 0 share respectively, representing 0% and 0% of the Shares in issue as at the date of this annual report respectively. The number of Shares that may be issued in respect of options granted under the Share Option Scheme represented approximately 8.33% of the issued Shares of FY2023. There is no maximum entitlement for each eligible participant under the Share Option Scheme and as at the date of this annual report, no selected grantee has been granted share options exceeding 1% of the issued share capital of the Company.

During FY2023, movements of options granted under the Share Option Scheme are set out below:

| Category of participants | Exercise Price | Outstanding | Granted | Exercised | Lapsed | Cancelled | Outstanding as | Approximate | Note |
|--------------------------|--------------------|----------------------|---------------|---------------|---------------|---------------|---------------------|---|------|
| | | as at 1 January 2023 | during FY2023 | during FY2023 | during FY2023 | during FY2023 | at 31 December 2023 | percentage of the issued share capital as at 31 December 2023 | |
| 參與者類別 | 行使價 | 於二零二三年一月一日尚未行使 | 於二零二三財政年度授出 | 於二零二三財政年度行使 | 於二零二三財政年度失效 | 於二零二三財政年度註銷 | 於二零二三年十二月三十一日尚未行使 | 於二零二三年十二月三十一日約佔已發行股本百分比 | 附註 |
| Employees 僱員 | HK\$1.17 1.17港元 | 52,000,000 | 0 | 0 | 0 | 0 | 52,000,000 | 8.33% | (1) |

於二零二二年六月二十一日，根據購股權計劃，董事會已按每股1.17港元行使價向本集團若干僱員授出52,000,000份購股權。

於二零二三年一月一日及二零二三年十二月三十一日，根據購股權計劃項下之計劃上限的可授出的購股權總數分別為0股及0股，分別佔本年報日期已發行股份的0%及0%。根據購股權計劃授出的購股權可能發行的股份數目佔二零二三財政年度的已發行股份約8.33%。根據購股權計劃，各合資格參與者並無配額上限，於本年報日期，概無經選定承授人獲授予超過本公司已發行股本1%的購股權。

於二零二三財政年度，根據購股權計劃授出的購股權的變動情況載列如下：



REPORT OF DIRECTORS 董事會報告

Note: (1) The options were granted on 21 June 2022 by the Company and are exercisable for 10 years from the date of grant (i.e. 21 June 2022 to 20 June 2032 (both days inclusive)). The options granted were vested immediately upon grantees' acceptance of such options. These options are exercisable at HK\$1.17. The closing price of the Shares immediately before the date on which the options were granted was HK\$1.17. The options were granted after the market closed on 20 June 2022 on which the closing price was HK\$1.15. The average closing price of five trading days preceding the vesting of the options was HK\$1.17 per share. The options granted were not subject to satisfaction of any performance target. Please refer to note 32 to the consolidated financial statements of the Group for FY2023 for the fair value of such options at the date of grant and the accounting standard and policy adopted. No options were exercised during FY2023 and 52,000,000 options were vested. There were no cancellation or lapse of the options during FY2023.

附註：(1) 購股權由本公司於二零二二年六月二十一日授出，自授出日期起計行使期為10年(即二零二二年六月二十一日至二零三二年六月二十日(包括首尾兩日))。授出的購股權於承授人接納該等購股權後立即歸屬。該等購股權按1.17港元行使。緊接購股權授出日期前股份的收市價為1.17港元。購股權乃於二零二二年六月二十日收市後授出，當日的收市價為1.15港元。於歸屬購股權前五個交易日的平均收市價為每股1.17港元。已授出購股權無須達成任何績效目標。有關該等購股權於授出日期的公平值及所採用的會計準則及政策，請參閱本集團二零二三財政年度綜合財務報表附註32。於二零二三財政年度，並無行使購股權，且52,000,000份購股權已歸屬。於二零二三財政年度，並無購股權註銷及失效。



REPORT OF DIRECTORS

董事會報告

Disclosure of Interests

(I) Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures

As at 31 December 2023, the interests and short positions of the Directors or chief executive of the Company in the shares, the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest or short positions which any such Director or chief executive was taken or deemed to have under such provision of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code, notified to the Company and the Stock Exchange, were as follows:

權益披露

(I) 董事及最高行政人員於股份、相關股份或債權證中的權益及淡倉

於二零二三年十二月三十一日，本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例該等條文董事及最高行政人員被當作或視為擁有的任何權益或淡倉），或須根據證券及期貨條例第352條記入於該條所指的登記冊的權益及淡倉，或根據標準守則已知會本公司及聯交所的權益及淡倉如下：

| Name of Director | Capacity/Nature of Interest | Number of the Shares held/interested in | Long/Short position | Approximate Percentage of Shareholding |
|------------------------------------|--|---|---------------------|--|
| 董事姓名 | 身份／權益性質 | 所持有／擁有的權益的股份數目 | 好／淡倉 | 概約持股百分比 |
| Mr. Yu Huang (Note 1) 余煌先生(附註1) | Interested in a controlled corporation 受控法團權益 | 206,746,667 | Long position 好倉 | 33.10% |



REPORT OF DIRECTORS 董事會報告

Note:

- (1) Top Synergy Y&C Limited is owned as to approximately 94.79% by Mr. Yu Huang and as to approximately 5.21% by Ms. Chen Cheng, respectively. Therefore, Mr. Yu Huang is deemed to be interested in all the Shares held by Top Synergy Y&C Limited pursuant to the SFO.

Save as disclosed above, as at 31 December 2023, none of the Directors nor chief executive of the Company had registered an interest and short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein, or have been, pursuant to the Model Code, notified to the Company and the Stock Exchange.

附註：

- (1) Top Synergy Y&C Limited 分別由余煌先生及陳騁女士擁有約94.79%及約5.21%。因此，根據證券及期貨條例，余煌先生被視為在Top Synergy Y&C Limited持有的所有股份中擁有權益。

除上文所披露者外，於二零二三年十二月三十一日，概無本公司董事或最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例該等條文被當作或視為擁有的權益或淡倉)，或須根據證券及期貨條例第352條存入於登記冊的權益及淡倉，或根據標準守則已知會本公司及聯交所的權益及淡倉。



REPORT OF DIRECTORS

董事會報告

(II) Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

So far as the Directors are aware, as at 31 December 2023, the following persons/entities (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or otherwise notified to the Company were as follows:

(II) 主要股東及其他人士於股份及相關股份中的權益及淡倉

就董事所知，於二零二三年十二月三十一日，下列人士／實體（非本公司董事或最高行政人員）於股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部的條文向本公司披露，或記錄於本公司根據證券及期貨條例第336條須予存置的登記冊內，或另行知會本公司的權益或淡倉如下：

| Name of Director 董事姓名／名稱 | Capacity/Nature of Interest 身份／權益性質 | Number of the Shares held/interested in 所持有／擁有權益的股份數目 | Long/Short position 好／淡倉 | Approximate Percentage of Shareholding 概約持股百分比 |
|--|---|--|-----------------------------|---|
| Ms. Chen Cheng (Note 1) 陳聘女士(附註1) | Interest of spouse 配偶權益 | 206,746,667 | Long position 好倉 | 33.10% |
| Top Synergy Y&C Limited | Beneficial owner 實益擁有人 | 206,746,667 | Long position 好倉 | 33.10% |
| Gold-Face Finance Limited (Note 2) 均來財務有限公司(附註2) | Corporation having security interest in shares 擁有股份擔保權益之法團 | 145,080,000 | Long position 好倉 | 23.23% |
| Upbest Group Limited (Note 2) 美建集團有限公司(附註2) | Interest in a controlled corporation 受控法團權益 | 145,080,000 | Long position 好倉 | 23.23% |

REPORT OF DIRECTORS

董事會報告

Notes:

- (1) Ms. Chen Cheng is the spouse of Mr. Yu Huang. Therefore, Ms. Chen Cheng is deemed to be interested in all the Shares that Mr. Yu Huang is interested in pursuant to the SFO.
- (2) As security for a loan provided by Gold-Face Finance Limited to the Company, each of Top Synergy Y&C Limited and Keen Pacemaker Limited, as chargor has charged 124,000,000 shares and 21,080,000 shares respectively in favour of Gold-Face Finance Limited. Gold-Face Finance Limited is an indirect wholly-owned subsidiary of Upbest Group Limited. For details, please refer to the announcements of the Company dated 23 December 2021 and 16 September 2022.

Save as disclosed above, as at 31 December 2023, no person other than the Directors and chief executive of the Company whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, the Underlying Shares or Debentures" above, had notified the Company of an interest or short position in the Shares, underlying Shares or debenture of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

附註：

- (1) 陳騁女士為余煌先生的配偶。因此，根據證券及期貨條例，陳騁女士被視為在余煌先生擁有權益的所有股份中擁有權益。
- (2) 作為均來財務有限公司向本公司提供貸款的擔保，Top Synergy Y&C Limited及Keen Pacemaker Limited作為押記人分別向均來財務有限公司抵押了124,000,000股及21,080,000股。均來財務有限公司是美建集團有限公司之間接全資附屬公司。詳情請參閱本公司於二零二一年十二月二十三日及二零二二年九月十六日之公告。

除上文所披露者外，於二零二三年十二月三十一日，概無人士(本公司董事及最高行政人員除外，其權益載於上文「董事及最高行政人員於股份、相關股份或債權證中的權益及淡倉」一節)已向本公司知會於本公司股份、相關股份或債權證中擁有須記錄於本公司根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉，或根據證券及期貨條例第XV部第2及第3分部的條文須予披露的權益或淡倉。



REPORT OF DIRECTORS

董事會報告

Major Customers and Suppliers

During FY2023, so far as the Company is aware, the aggregate revenue attributable to the five largest customers and the largest customer accounted for approximately 76% (2022: 76%) and 23% (2022: 29%), respectively, of the Group's total revenue for FY2023. Purchases from the Group's five largest suppliers accounted for approximately 94% (2022: 76%) of the Group's total purchase for FY2023 and the purchase from the largest supplier included therein amounted to approximately 52% (2022: 44%), respectively, of the Group's total purchase for FY2023.

As far as the Directors are aware, none of the Directors, or any of their close associates (as defined under the Listing Rules) or Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital), had any beneficial interest in the Group's five largest customers or suppliers during FY2023.

Directors

The Directors during FY2023 and up to the date of this annual report were as follows:

Executive Directors

Mr. Yu Huang (*Chairman and Chief Executive Officer*)
Mr. Zhu Qiang

Non-executive Director

Ms. Zheng Jingyun

Independent non-executive Directors

Mr. He Weidong
Ms. Wang Shiling
Mr. Gong Lan

主要客戶及供應商

於二零二三財政年度，據本公司所知，來自五大客戶及最大客戶的收入總額分別佔本集團二零二三財政年度總收入約76%（二零二二年：76%）及23%（二零二二年：29%）。來自本集團五大供應商的採購額佔於二零二三財政年度本集團總採購成本約94%（二零二二年：76%），而計入採購額的來自最大供應商的採購額佔於二零二三財政年度本集團總採購額的約52%（二零二二年：44%）。

據董事所深知，於二零二三財政年度，概無董事或其任何緊密聯繫人（定義見上市規則）或股東（據董事所深知，持有本公司已發行股本5%以上）於本集團五大客戶或供應商擁有任何實益權益。

董事

於二零二三財政年度及直至本年報日期的董事如下：

執行董事

余煌先生（主席及行政總裁）
朱強先生

非執行董事

鄭靜雲女士

獨立非執行董事

何衛東先生
王世鈴女士
龔瀾先生

REPORT OF DIRECTORS 董事會報告

In accordance with Article 84(1) of the Articles, Mr. Zhu Qiang and Ms. Wang Shiling will retire by rotation at the next annual general meeting and eligible for re-election.

Information regarding Directors' emoluments is set out in note 12 to the consolidated financial statements.

Biographical Details of Directors

Brief biographical details of the Directors including the changes in the Directors' information if any subsequent to the interim report are included in the biographical details as set out on pages 34 to 36 of this annual report.

Changes in Information of the Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no change in information on the Directors required to be disclosed for the year ended 31 December 2023 except Mr. Zhu Qiang who has an update of his academic qualification during the period.

Directors' Services Contracts

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years and will continue thereafter unless and until terminated by the Company or the Director or the Director has not been re-elected as a Director or has been removed by Shareholders at any of its general meeting or is disqualified from acting as a Director in accordance with the Articles. Each non-executive Director and independent non-executive Director was appointed under a letter of appointment for a fixed term of three years unless terminated by the Company or the Director in accordance with the terms as set out in the letter of appointment.

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has or is proposed to have a service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than the statutory compensation.

根據章程細則第84(1)條，朱強先生及王世鈴女士於下屆股東週年大會輪值退任並具資格連任。

與董事酬金有關之資料載於綜合財務報表附註12。

董事的履歷詳情

董事簡要履歷詳情，包括董事資料於中期報告後的變動(如有)，載於本年報第34至36頁所載的履歷詳情。

董事資料變動

根據上市規則第13.51B(1)條，截至二零二三年十二月三十一日止年度並無須予以披露的董事資料變動，惟朱強先生於本期間更新其學歷除外。

董事服務合約

各執行董事已與本公司訂立服務協議，初步為期三年，及將延續任期，除非及直至本公司或董事終止協議為止，或董事未獲重選為董事或已被股東於其任何股東大會罷免或根據章程細則不符合資格擔任董事。各非執行董事及獨立非執行董事根據委任書獲委任，固定年期三年，除非本公司或董事根據委任書所載條款予以終止。

概無擬於本公司應屆股東週年大會上膺選連任的董事與本公司或其任何附屬公司訂立或擬訂立不可由本集團於一年內終止而免付賠償(法定賠償除外)的服務合約。



REPORT OF DIRECTORS

董事會報告

Directors' Interests in Transactions, Arrangements, Contracts of Significance

Save as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Director or a connected entity of the Director had a material interest, whether directly or indirectly, subsisted as at, or at any time during FY2023.

Controlling Shareholders' Interests in Contracts of Significance

No contract of significance has been entered into between the Company or any of its subsidiaries and controlling shareholder of the Company or any of its subsidiaries during FY2023.

Emoluments of the Directors and Five Highest Paid Individuals

Details of the emoluments of Directors and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

Emolument Policy

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure relating to all Directors, senior management and general staff of the Group. The remunerations of the Directors are determined by reference to the economic situation, the prevailing market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

The Company adopted the Share Option Scheme, details of which are set out in the section headed "Share Option Scheme" in this annual report.

Competing Interests

The Directors are not aware of any business or interest of Directors nor the controlling Shareholder nor any of their respective close associates (as defined in the Listing Rules) that compete or may compete with the business of the Group and any conflicts of interests which any such person has or may have with the Group during FY2023.

董事於交易、安排、合約的重大權益

除本年報披露者外，於二零二三財政年度或任何時間，概無本公司或其任何附屬公司為訂約方而董事或與董事關連的實體直接或間接擁有重大權益的與本集團業務有關的重大交易、安排及合約。

控股股東於合約的重大權益

於二零二三財政年度，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司概無訂立重大合約。

董事及五名最高薪酬人士的酬金

董事及本集團五名最高薪酬人士酬金的詳情載於綜合財務報表附註12。

薪酬政策

本公司已設立薪酬委員會對本集團的薪酬政策及架構進行審閱，以對與全體董事、本集團高級管理層及一般員工相關的整體薪酬政策及架構向董事會作出推薦建議。董事的薪酬乃參照經濟狀況、當前市場狀況、各董事承擔的職責以及彼等的個人表現所釐定。

本公司已採納一項購股權計劃，有關詳情載於本年報「購股權計劃」一節。

競爭性權益

於二零二三財政年度，董事概不知悉董事及控股股東及任何彼等各自的任何緊密聯繫人(定義見上市規則)之任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉任何該等人士已經或可能與本集團出現任何利益衝突。



REPORT OF DIRECTORS 董事會報告

Non-Competition Undertaking

The Company confirms that the non-competition undertaking of Mr. Yu Huang, Ms. Chen Cheng and Top Synergy Y&C Limited, details of which were set out in the Prospectus, has been fully complied and enforced during FY2023. The Board also confirms that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the Shareholders and the potential investors of the Company.

Legal Proceedings and Compliance

To the best knowledge of the Directors, as at 31 December 2023, there were no legal proceedings or claims currently existing, pending or threatened against any member of the Group that the Directors consider will have a material adverse effect on the financial conditions or results of operation of the Group.

During FY2023, the Group's business operations had complied with applicable laws, rules and regulations in the places where the Group operates in all material respects save for (i) failure to make social insurance contributions in full compliance with the Social Insurance Law of the PRC; (ii) failure to make housing provident fund contributions in full compliance with the Regulations on the Administration of Housing Provident Fund of the PRC; and (iii) failure in completing the (a) environmental impact assessment before construction; and (b) construction of the matching environmental protection facilities and the inspection and acceptance formalities before the operation of a production plant. Please refer to the subparagraph headed "Non-compliance Incidents" under the paragraph headed "Legal Proceedings and Compliance" in the section headed "Business" of the Prospectus.

不競爭承諾

本公司確認，余煌先生、陳騁女士及Top Synergy Y&C Limited的不競爭承諾(其詳情載於招股章程)於二零二三財政年度已完全遵守及執行。董事會亦確認，概無其他與上述承諾相關的事項須提請本公司股東及潛在投資者垂注。

法律訴訟及合規

就董事所深知，於二零二三年十二月三十一日，概無針對本集團任何成員公司而董事認為將對本集團財務狀況或經營業績構成重大不利影響的現存、未決或威脅提出的法律訴訟或申索。

於二零二三財政年度，本集團的業務營運已在各重大方面遵守營運所在地區適用法律、規則及法規，惟(i)未能全面依照《中國社會保險法》繳納社保供款；(ii)未能全面依照《中國住房公積金管理條例》作出住房公積金供款；及(iii)未能(a)於建設生產廠房前完成環境影響評估；及(b)未能於生產廠房開始營運前完成配套環保設施的建設及審查驗收手續除外。請參閱招股章程「業務」一節「法律程序及合規」一段「不合規事件」分段。



REPORT OF DIRECTORS

董事會報告

Principal Risks and Uncertainties

The following is a list of principal risks and uncertainties that may affect the business, financial condition, results of operations and growth prospects of the Company. However, this list is not exhaustive as there may be other risks and uncertainties resulting from changes in economic condition and operating environment over time:

1. **Economic and political risk:** the Sino-US trade war, Russia-Ukraine and Israeli-Palestinian geopolitical conflicts may further affect the Group's overseas sales business, financial conditions and results of operations; and the continuous outbreak of the contagious COVID-19 in the PRC and worldwide may continue to have a material adverse effect on the Group's business, results of operations, financial condition and prospects.
2. **Business risk:** the Group's sale of co-branded products relies on the popularity and market acceptance of intellectual properties used in the co-branded products, which depends largely on the public reception on the car models and the entertainment characters of the intellectual properties licensors and the marketing and promotional activities of the intellectual properties licensors. The Group also does not maintain long term purchase contracts with most of the Group's customers, any disruption or termination of the business relationships with the major customers or fluctuations in their demand for the Group's products may have a material adverse effect on the Group's business, results of operation, financial condition and prospect.
3. **Compliance risk:** Non-compliance with product safety and laws and regulations may lead to financial loss and reputational damage. Product safety is the Group's number one priority. The Group has robust processes and procedures in place to ensure compliance with all applicable laws and regulations. Changes in related laws and regulations may lead to increased compliance costs.
4. **Financial risk:** The Group is exposed to financial risks related to currency, pricing, credit and liquidity in the normal course of business. For details of such financial risks, please refer to note 5 to the consolidated financial statements.

The Group has developed a risk management and internal control system to identify current risks and has undertaken necessary measures to mitigate the risks identified. Details of the Group's risk management and internal control system are set out in the Corporate Governance Report of this annual report.

主要風險及不確定性

以下是可能影響本公司業務、財務狀況、經營成果及增長前景的主要風險與不確定因素。然而，此列表並不詳盡，因為隨著時間的推移，經濟狀況與運營環境的變動可能還會帶來其他風險與不確定性：

1. **經濟與地緣政治風險：**中美貿易戰，俄烏及以巴地緣政治衝突可能會進一步影響本集團的海外銷售業務、財務狀況及經營業績；以及持續在中國乃至全球爆發的具有變種傳染性的COVID-19，可能會繼續對本集團的業務、經營業績、財務狀況及前景產生重大不利影響。
2. **業務風險：**本集團銷售聯合品牌產品依賴於聯合品牌產品中使用的知識產權的受歡迎程度及市場接受度，其在很大程度上取決於公眾對知識產權授權人的汽車型號和娛樂性的接受程度，以及市場營銷活動和促銷活動。本集團並未與本集團大多數客戶保持長期購買合約，與主要客戶的業務關係中斷或終止或對本集團產品的需求波動可能會對本集團的業務、經營業績、財務狀況及前景產生重大不利影響。
3. **合規風險：**不遵守產品安全和法律法規可能會導致財務損失與聲譽損失。產品安全是本集團的第一要務。本集團擁有健全的流程與程序，可確保遵守所有適用的法律與法規。相關法律法規的變更可能導致合規成本增加。
4. **財務風險：**本集團在正常業務過程中面臨與貨幣、定價、信貸及流動性有關的財務風險。有關此類財務風險的詳情，請參閱綜合財務報表附註5。

本集團已建立風險管理和內部控制系統以識別當前風險，並已採取必要措施以減輕已識別風險。本年報的企業管治報告中列出了本集團風險管理和內部控制系統的詳情。



REPORT OF DIRECTORS 董事會報告

Key Relationship with the Stakeholders

The Company recognises that employees are its valuable assets. Thus, the Group provides competitive remuneration packages to attract and motivate the employees, and regularly reviews the remuneration package of the employees and makes necessary adjustments to conform to the market standard. For further details of the benefits of the employees, please refer to the section headed “Employees and Remuneration Policies” in this annual report.

The Group also understands that it is important to maintain good relationship with its business partners to achieve its long-term goals. Accordingly, the Directors and senior management have kept good communication, promptly exchanged ideas and shared business updates with its business partners when appropriate. During FY2023, there was no material and significant dispute between the Group and any of its business partners.

Permitted Indemnity Provisions

Every Director shall be entitled under the Articles to be indemnified out of the assets of the Company against all actions, costs, charges, losses or liabilities incurred or sustained by him/her as a Director in the execution or discharge of his/her duty. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors since the Listing Date.

Connected and Related Party Transactions

For FY2023, there were no connected transactions or continuing connected transactions of the Company which require compliance with any of the reporting, announcement or independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

與利益相關方的主要關係

本公司認為僱員是其寶貴資產。因此，本集團提供有競爭力的薪酬方案以吸引和激勵僱員，並定期審查僱員薪酬方案與進行必要調整，以符合市場標準。有關僱員福利的更多詳情，請參閱本年報「僱員及薪酬政策」一節。

本集團亦了解，與業務夥伴保持良好關係以實現其長期目標至關重要。因此，董事與高級管理層保持良好溝通，及時與其業務夥伴交換意見，並適時分享最新業務資訊。於二零二三財政年度，本集團與任何業務夥伴之間均未發生重大和重要爭議。

獲准許彌償條文

根據章程細則，每名董事均有權就其因作為董事執行或履行其職務而可能產生或蒙受的一切訴訟、費用、收費、虧損或負債從本公司資產中獲得彌償。自上市日期起，本公司已就董事在任何訴訟中進行辯護而可能招致的相關責任及費用投購保險。

關連交易及關聯方交易

於二零二三財政年度，本公司概無關連交易或持續關連交易須遵守上市規則第14A章項下申報、公告或獨立股東批准的規定。



REPORT OF DIRECTORS

董事會報告

Purchase, Sale or Redemption of Shares

Neither the Company nor any member of the Group had purchased, sold or redeemed any of the Shares during FY2023.

Sufficiency of Public Float

To the best knowledge of the Directors and based on the information that is publicly available to the Company, at least 25% of the Company's issued capital were held by public during FY2023 and up to the date of this annual report.

Auditor

The consolidated financial statements for FY2023 have been audited by McMillan Woods (Hong Kong), who shall retire in the forthcoming annual general meeting of the Company and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of McMillan Woods (Hong Kong) as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

Corporate Governance

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

購買、出售或贖回股份

於二零二三財政年度，本公司或本集團任何成員公司並無購買、出售或贖回任何股份。

足夠公眾持股量

據董事所深知及根據本公司公開所得資料，於二零二三財政年度及直至本年報日期，至少25%的本公司已發行股本由公眾人士持有。

核數師

二零二三財政年度的綜合財務報表已由長青(香港)進行審核。長青(香港)將於本公司應屆股東週年大會上退任，並合資格且願意連任。一項決議案將於本公司應屆股東週年大會上提呈以重新委任長青(香港)為本公司核數師。

企業管治

本公司企業管治的詳情載於本年報「企業管治報告」一節。

REPORT OF DIRECTORS 董事會報告

Taxation Relief

According to the laws of the Cayman Islands, there are currently no taxes levied on individuals or corporations by reason of holding of Shares based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty.

Environmental Policy

The Group's commitment to protecting the environment is well reflected by the continuous efforts in promoting green measures and awareness in its daily business operations. The Group encourages environmental protection and promotes awareness towards environmental protection to the employees. The Group reviews its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses and enhancing environmental sustainability.

Details of the Group's environmental, social and governance policies and performance during FY2023 are disclosed in the section headed "Environmental, Social and Governance Report" in this annual report.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Management Contracts

No contracts concerning management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during FY2023.

Charitable Donations

During FY2023, no charitable and other donations was made by the Group (FY2022: nil).

稅務寬減

根據開曼群島法例，現時並無因持有股份而對個人或公司的利潤、收入、收益或增值徵收任何稅項，亦無繼承稅或遺產稅性質的稅項。

環境政策

本集團在日常業務營運中不斷推廣綠色措施和意識，以達到其保護環境的承諾。本集團鼓勵環保並推動僱員提升環保意識。本集團不時審視其環保工作，並將考慮於本集團業務之營運中實施更多環保措施及慣例，加強環境可持續性。

本集團二零二三財政年度的環境、社會及管治政策以及表現詳情披露於本年報「環境、社會及管治報告」一節。

優先購買權

根據章程細則或本公司註冊成立所在司法管轄區開曼群島的法例，概無載列任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

管理合約

於二零二三財政年度，概無訂立或存在任何與本集團業務中全部或任何重大部分有關之管理及行政合約。

慈善捐贈

於二零二三財政年度，本集團沒有作出慈善捐款及其他捐款(二零二二財政年度：無)。



REPORT OF DIRECTORS

董事會報告

Continuing disclosure requirement under rule 13.21 of the Listing Rules

As disclosed in the announcement of the Company dated 23 December 2021, on 23 December 2021, the Company entered into a loan agreement (the “**Loan Agreement**”) with a licensed money lender in Hong Kong under the Money Lenders Ordinance (the “**Lender**”) for the principal amount of HK\$30,000,000 (the “**Loan**”). The Loan has a term of one year from its drawdown date subject to the terms of the Loan Agreement. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Lender is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Pursuant to the Loan Agreement, the Company has covenanted that it will procure Mr. Yu Huang, a controlling shareholder of the Company, among others, not to sell, transfer or otherwise dispose of his equity interests in the Company and its subsidiaries or associated companies or any part thereof or create any encumbrance over his equity interests or any part thereof unless with the prior written consent of the Lender. A breach of such covenant will constitute an event of default, upon the occurrence of which, all outstanding amounts under the Loan Agreement shall become immediately due and payable.

As disclosed in the announcement of the Company dated 16 September 2022, the Company entered into the first supplemental agreement to the Loan Agreement with the Lender on 16 September 2022 pursuant to which, among others, Top Synergy Y&C Limited (“**Top Synergy**”), the controlling shareholder of the Company: (i) has charged 100,000,000 Shares in favour of the Lender as security for the Loan; and (ii) covenanted at all time directly hold and be beneficially interested in not less than 206,746,667 Shares. The principal of HK\$30,000,000 had been drawn and shall become due and payable on 22 December 2022.

上市規則第13.21條項下持續披露規定

誠如本公司日期為二零二一年十二月二十三日的公告所披露，於二零二一年十二月二十三日，本公司與一名放債人條例項下之香港持牌放債人（「**貸方**」）訂立一份貸款協議（「**貸款協議**」），本金額為30,000,000港元（「**該貸款**」）。該貸款根據貸款協議之條款自提取日期起為期一年。就董事作出一切合理查詢後所知、所悉及所信，貸方為獨立於本公司及其關連人士（定義見上市規則）之第三方。

根據貸款協議，本公司承諾將促使本公司控股股東余煌先生（其中包括）除非經貸方事先書面同意，否則不會出售、轉讓或以其他方式處置其於本公司及其附屬公司或聯營公司之股本權益或該等權益之任何部分或對其股本權益或其中任何部分加設任何產權負擔。違反有關契諾將構成違約事件，倘發生違約事件，則貸款協議項下之所有尚未償還金額應即時到期應付。

誠如本公司日期為二零二二年九月十六日的公告所披露，本公司已於二零二二年九月十六日與貸方訂立貸款協議的第一份補充協議，據此（其中包括），本公司控股股東Top Synergy Y&C Limited（「**Top Synergy**」）（i）已以貸方為收益人抵押100,000,000股股份作為該貸款的擔保；及（ii）已承諾於任何時候均直接持有並實益擁有不少於206,746,667股股份的權益。本金30,000,000港元已提取並應於二零二二年十二月二十二日到期支付。

REPORT OF DIRECTORS 董事會報告

On 16 December 2022, the Company entered into the second supplemental agreement to the Loan Agreement with the Lender, pursuant to which the repayment date of the Loan was extended to 23 March 2023. On 13 October 2023, Top Synergy further charged 24,000,000 Shares in favour of the Lender as additional security to maintain the percentage of the pledged shares following completion of the placing of the new Shares on 23 August 2023. In 12 June 2024, the Company further entered into the third supplemental agreement to the Loan Agreement with the Lender, pursuant to which the parties agreed that the total outstanding principal amount of HK\$13,223,850 shall be fully repaid by six installments on or before 31 March 2025.

As at 31 December 2023, Top Synergy Y&C Limited held approximately 33.10% of the total issued share capital of the Company. Top Synergy Y&C Limited was owned as to approximately 94.79% by Mr. Yu Huang and as to approximately 5.21% by Ms. Chen Cheng, the spouse of Mr. Yu Huang, respectively.

As at the date of this annual report, the Company has repaid HK\$16,776,150 and the amount of HK\$13,223,850 remained outstanding.

Save as disclosed above, as at 31 December 2023, the Company did not have other disclosure obligations under Rule 13.21 of the Listing Rules.

於二零二二年十二月十六日，本公司與貸方訂立貸款協議的第二份補充協議，據此，該貸款的還款日期延長至二零二三年三月二十三日。於二零二三年十月十三日，Top Synergy進一步以貸方為受益人抵押24,000,000股股份，作為在二零二三年八月二十三日新股份配售完成後維持抵押股份比例的額外擔保。於二零二四年六月十二日，本公司與貸方進一步訂立貸款協議的第三份補充協議，據此，訂約方協定，未償還本金總額13,223,850港元須於二零二五年三月三十一日或之前分六期悉數償還。

於二零二三年十二月三十一日，Top Synergy Y&C Limited持有本公司已發行股本總額約33.10%。Top Synergy Y&C Limited分別由余煌先生及陳騁女士(余煌先生之配偶)擁有約94.79%及約5.21%。

於本年報日期，本公司已償還16,776,150港元，尚有13,223,850港元未償還。

除上文所披露者外，於二零二三年十二月三十一日，本公司並無其他上市規則第13.21條所界定的披露責任。

On behalf of the Board
Kidztech Holdings Limited
Yu Huang
Chairman

代表董事會
奇士達控股有限公司
余煌
主席

Hong Kong, 26 June 2024

香港，二零二四年六月二十六日

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1 Environmental, social and governance report

The Board (the “**Board**”) of directors of Kidztech Holdings Limited (the “**Company**”) is pleased to present the environmental, social and governance (“**ESG**”) report (the “**Report**”) of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2023 (the “**Year 2023**”), which aims to provide details of policies and performance of the Group on sustainable developments to both internal and external stakeholders.

The Report, which was prepared in accordance with the ESG Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx ESG Reporting Guide**”), highlights the environmental and social measures and activities of the Group for the Year 2023. For details regarding the Group’s compliance with the requirements for corporate governance, please refer to the Corporate Governance Report.

2 Governance Structure

The Board’s oversight of ESG issues

The Board plays a key role in overseeing the ESG aspects of the Group. The Board and management assess the impact of ESG-related risks on operations from time to time, and set the development direction of the Group’s ESG strategy and formulate relevant policies to address the risks. The Board ensures that the management has all appropriate tools and resources to check and evaluate the performance of the Group in different aspects such as environment, health and safety, labor standards and product liability in the context of environment, society and governance.

1 關於本環境、社會及管治報告

奇士達控股有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(「本集團」)截至2023年12月31日止年度(「2023年度」)之環境、社會及管治(下稱「環境、社會及管治」)報告(「本報告」)，旨在向內部及外部持份者提供本集團於可持續發展方面的政策及表現之詳情。

本報告按照香港聯合交易所有限公司證券上市規則附錄C2所載環境、社會及管治報告指引(「港交所環境、社會及管治報告指引」)之規定編製，重點描述本集團於2023年度之環境及社會措施和活動。有關本集團遵守企業管治規定的詳情，請參閱企業管治報告。

2 管治架構

董事會對環境、社會及管治事宜的監督

董事會於監督本集團的環境、社會及管治事宜方面擔當主要角色。董事會與管理層不時評估環境、社會及管治相關風險對營運的影響，並設定本集團環境、社會及管治戰略上的發展方向及制定相關政策以處理相關風險。董事會確保管理層擁有一切合適的工具及資源，以檢查和評估本集團在環境、社會及管治範疇內環境、健康與安全、勞工標準、產品責任等不同方面的表現。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Board's ESG management approach and strategy on material ESG-related issues

The Group conducts materiality assessment annually, to better understand the views and expectations of different stakeholders on ESG matters. The Group ensures that it uses various platforms and communication channels to reach, listen and respond to its key stakeholders. Through comprehensive communication with stakeholders, the Group is able to understand their expectations and concerns. The feedback received enables the Group to make more informed decisions and to better assess and manage the impacts of those business decisions.

The Group has assessed the materiality of ESG issues through the following steps: (i) the Group identifies ESG issues; (ii) prioritizes key ESG areas with stakeholder engagement; and (iii) checks and determines material ESG issues based on communication outcome with stakeholders.

These steps enhance the understanding of the importance attached to each ESG issue by the Group's stakeholders and enable the Board to plan more comprehensively for the sustainable development.

Board's reviews progress made against ESG-related goals and targets

The progress of implementation and the performance of the ESG-related goals and targets will be closely reviewed by the Group from time to time. If the progress falls short of expectation or the business operations change, it may be necessary to make changes and communicate the goals and targets with key stakeholders.

The Board has set future strategic goals to enable the Group to develop a realistic path with the focus on achieving its visions. The management will carefully examine the attainability of the targets which should be weighed against the Group's philosophy and goals.

董事會對重大環境、社會及管治相關事宜的環境、社會及管治管理方法及策略

為更好地了解不同持份者對環境、社會及管治事宜的意見及期望，本集團每年進行重要性評估。本集團確保使用各種平台及溝通渠道來接觸、聆聽及回應其主要持份者。通過與持份者進行全面溝通，本集團得以了解彼等的期望及關注。所獲得的反饋意見使本集團能夠作出更明智的決策，並更好地評估及管理該等商業決策產生的影響。

本集團已透過以下步驟評估環境、社會及管治方面的重要性：(i) 本集團識別環境、社會及管治事宜；(ii) 在持份者參與下，排列關鍵環境、社會及管治範疇優先順序；及(iii) 根據與持份者的溝通結果驗證及釐定重大環境、社會及管治事宜。

進行這些步驟可加強了解本集團持份者對各環境、社會及管治事宜的重視程度，並使董事會可對未來的可持續發展方向作出更為全面的規劃。

董事會對環境、社會及管治相關目的與目標的檢討進度

本集團會不時仔細檢討環境、社會及管治相關目的與目標的實施進度及表現。倘進度未達預期或業務營運有變，則可能需作出修改，並與主要持份者就目的與目標進行溝通。

董事會已設定未來戰略目的，使本集團能夠制定切實可行的路向，並專注達成有關願景的發展方向。管理層會就本集團的理念和目的作出權衡，仔細審視能否達成有關目標。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3 Reporting Principles

This Report complies with four reporting principles outlined in the ESG Reporting Guide, which include (i) Materiality: The Group has identified a number of issues covering environment, society and governance, and has invited stakeholders to assess the importance of these issues for the Year 2023. For details, please refer to the section “Materiality Matrix” in this Report; (ii) Quantitative: This report details the criteria, methodologies and sources of conversion factors used for key performance indicators on emissions and energy consumption; (iii) Balance: The positive and negative impacts of the business are presented with high transparency; and (iv) Consistency: Unless otherwise specified, this Report adopted consistent statistical methodologies and key performance indicators with those in previous ESG Reports to facilitate ready comparisons.

4 Reporting scope

The Group is mainly engaged in manufacturing and sales of toys. This Report will focus on disclosure of policies and key performance indicators on four environmental aspects and eight social aspects for the Group’s production facilities located in the People’s Republic of China (the “PRC”) and the business in Hong Kong. The Group will continue to collect information mainly regarding environment, society and governance so as to disclose information in relation to the sustainable development when applicable.

5 Stakeholder engagement

The Group is committed to maintaining long-term sustainable development of its business, while improving environmental protection and providing support to the community where it operates. The Group also carefully manages its business and provides customers with quality products and services in accordance with reasonable decision-making procedures.

3 報告原則

本報告遵循環境、社會及管治報告指引所述的四個報告原則，包括(i)重要性：本集團已識別多項涵蓋環境、社會及管治的議題，並已邀請持份者評估該等議題於2023年度的重要性，詳細請參閱本報告中「重要性矩陣」一節；(ii)量化：本報告已詳細說明有關排放及能源消耗的關鍵績效指標所用的標準、方法及所使用的轉換系數的來源；(iii)平衡性：業務所帶來的正面及負面影響均以高透明度呈列；及(iv)一致性：除另有說明外，本報告均使用與以往環境、社會及管治報告一致的統計方法及關鍵績效指標，以便隨時進行比較。

4 報告範圍

本集團主要從事玩具的製造及銷售。本報告著重披露本集團於中華人民共和國(「中國」)的生產設施及於香港的業務在四個環境層面及八個社會層面的政策及關鍵績效指標。本集團將繼續收集主要環境、社會及管治方面的資料，以備適用時披露有關可持續發展的資料。

5 持份者參與

本集團致力維持業務的長遠可持續發展之餘，同時提高對環境的保護並對其營運所在地的社區提供支援。本集團亦審慎管理其業務，並根據合理的決策程序為客戶提供優質的產品和服務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group maintains close contact with its stakeholders (including shareholders, government, employees, customers, suppliers, society and the public) and strives to hear dissenting views from stakeholders through constructive communication and to balance the interests between them so as to determine the long-term direction of business development. The Board is responsible for assessing the ESG risks of the Group, and ensuring that the relevant risk management and internal monitoring system operates properly and effectively.

The Group discusses with stakeholders through various channels for their expectations and concerns, and provides the stakeholders with the following feedback:

本集團與其持份者(包括股東、政府、僱員、客戶、供應商、社會及公眾)保持緊密聯繫，並透過具建設性的溝通，努力聽取持份者的不同意見，並平衡彼等之間的利益，從而釐定長遠的業務發展方向。董事會負責評估本集團的環境、社會及管治風險，並確保相關風險管理及內部監控系統能適當以及有效地運作。

本集團透過多種渠道與持份者討論並了解彼等的期望與訴求，給予持份者的相關反饋如下：

| Stakeholders 持份者 | Expectation and concerns 期望與訴求 | Communication and responses 溝通與回應 |
|---------------------|---|---|
| Shareholders | <ul style="list-style-type: none"> Financial result Corporate transparency Sound risk control | <ul style="list-style-type: none"> Improving financial performance through Expanding production capacity and improving production efficiency Daily information disclosure Optimization of risk management and internal control |
| 股東 | <ul style="list-style-type: none"> 財務業績 企業透明度 完善風險控制 | <ul style="list-style-type: none"> 擴大生產能力及提高生產效率，以提升財務表現 日常信息披露 優化風險管理及內部監控 |
| Government | <ul style="list-style-type: none"> Compliance with laws and regulations Tax payment in accordance with laws Compliance with product safety and relevant laws and regulations | <ul style="list-style-type: none"> Operation in compliance with the law Tax payment in full and on time Compliance with all applicable laws and regulations |
| 政府 | <ul style="list-style-type: none"> 遵守法紀 依法納稅 遵守產品安全和相關法律法規 | <ul style="list-style-type: none"> 合規經營 按時足額納稅 遵守所有適用的法律與法規 |



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

| Stakeholders 持份者 | Expectation and concerns 期望與訴求 | Communication and responses 溝通與回應 |
|-------------------------------------|---|---|
| Employees 僱員 | <ul style="list-style-type: none"> • Career development platform • Remuneration and benefit • Safe working environment | <ul style="list-style-type: none"> • Promotion mechanism • Provision of attractive remuneration packages • Provision of training to staff and enhancing their safety awareness |
| Customers 客戶 | <ul style="list-style-type: none"> • 職業發展平台 • 薪酬福利 • 安全工作環境 | <ul style="list-style-type: none"> • 晉升機制 • 提供吸引力的薪酬待遇 • 為員工提供培訓，加強員工安全防範意識 |
| Customers 客戶 | <ul style="list-style-type: none"> • Customer information security • Customer interest protection • Joint brand products | <ul style="list-style-type: none"> • Customer privacy protection • Marketing in compliance with the law • Obtaining concession of famous toys and entertainment characters |
| Customers 客戶 | <ul style="list-style-type: none"> • 客戶信息安全 • 客戶權益保障 • 聯合品牌的產品 | <ul style="list-style-type: none"> • 保障客戶私隱 • 合規營銷 • 獲得知名玩具及娛樂角色品牌的許可權 |
| Suppliers 供應商 | <ul style="list-style-type: none"> • Collaboration integrity • Business ethics and creditworthiness | <ul style="list-style-type: none"> • Building a responsible supply chain • Performing the contract according to law |
| Suppliers 供應商 | <ul style="list-style-type: none"> • 誠信合作 • 商業道德與信譽 | <ul style="list-style-type: none"> • 打造責任供應鏈 • 依法履行合同 |
| The society and the public 社會及公眾 | <ul style="list-style-type: none"> • Environment friendliness • Employment opportunities | <ul style="list-style-type: none"> • Measures for Eco Office • Provision of employment opportunities |
| The society and the public 社會及公眾 | <ul style="list-style-type: none"> • 綠色環保 • 就業機會 | <ul style="list-style-type: none"> • 綠色辦公室措施 • 提供就業崗位 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



6 Materiality Matrix

In the Year, the Group conducted materiality assessment on various ESG issues to identify which issues are the most significant towards the Group's business and attract most concerns from the stakeholders. Such assessment is helpful to align its business practices with the expectations of the stakeholders. The Group has identified 21 issues, which cover environmental, social and operating, and invited internal and external stakeholders to assess the materiality of the ESG issues through scoring tools and interviews. The management of the Group has reviewed the ranking of materiality of ESG issues, and disclosed the results subsequently in this Report. The materiality assessment results can rank the significance of the opinions of the stakeholders, so that the Group can report and act on those with a high priority.

6 重要性矩陣

於本年度，本集團對多項環境、社會及管治議題進行重要性評估，以識別對本集團業務最重要及持份者最關注的議題。該評估有助本集團確保其業務發展符合持份者的期望。本集團已識別21項涵蓋環境、社會及營運的議題，並邀請內部及外部持份者透過評分工具及面談評估環境、社會及管治議題的重要性。本集團管理層已審閱環境、社會及管治議題的重要性級別，其後於本報告內披露結果。重要性評估的結果能對持份者的意見進行重要性排序，使本集團可對較重要的議題優先進行匯報並採取行動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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During the Year, the Group has evaluated a number of environmental, social and operation related issues, and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure the Group's business development is in line with the expectations and requirements of its stakeholders. The Group's and its stakeholders' matters of concern are presented in the following materiality matrix:

於本年度內，本集團對多項環境、社會及營運相關議題進行評估，並通過不同渠道評估其對持份者及本集團的重要性。該評估有助確保本集團的業務發展符合持份者的期望及要求。本集團及其持份者關注的事項在以下重要性矩陣呈列：

| | | Importance to the Group 對本集團的重要性 | | |
|---------------------------------------|-----------|-------------------------------------|--|--|
| | | Low 低 | Medium 中 | High 高 |
| Importance to Stakeholder 對持份者的重要性 | High 高 | | <ul style="list-style-type: none"> ◆ Engagement with customers on environmental issues ◆ Labor standards in supply chain ◆ Waste ◆ Talent attraction and retention | <ul style="list-style-type: none"> ◆ Greenhouse gas emission ◆ Customer privacy ◆ Environmental impact created by our business ◆ Occupational health and safety ◆ Use of chemicals ◆ Anti-corruption ◆ Corporate governance ◆ Green building certificate |
| | | | <ul style="list-style-type: none"> ◆ 環境議題的客戶參與 ◆ 供應鏈勞工準則 ◆ 廢棄物 ◆ 吸引及挽留人才 | <ul style="list-style-type: none"> ◆ 溫室氣體排放 ◆ 客戶私隱 ◆ 業務造成的環境影響 ◆ 職業健康及安全 ◆ 使用化學品 ◆ 反貪污 ◆ 企業管治 ◆ 綠色建築認證 |



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| | | Importance to the Group 對本集團的重要性 | |
|--------|--|--|--|
| | | Low 低 | High 高 |
| Medium | | <ul style="list-style-type: none"> ◆ Community investment ◆ Employee benefit ◆ Supply chain management ◆ Economic value generated ◆ Customer satisfaction ◆ Training and development | <ul style="list-style-type: none"> ◆ Energy consumption ◆ Inclusion and equal opportunity ◆ Water consumption |
| 中 | | <ul style="list-style-type: none"> ◆ 社區投資 ◆ 僱員福利 ◆ 供應鏈管理 ◆ 產生的經濟價值 ◆ 客戶滿意度 ◆ 培訓及發展 | <ul style="list-style-type: none"> ◆ 能源消耗 ◆ 共融及平等機會 ◆ 耗水量 |
| Low | | | |
| 低 | | | |

Based on the participation of the stakeholders, the Group has identified issues with material environmental and social impacts and matters concerned by stakeholders.

基於持份者參與，本集團已識別具有重大環境及社會影響的議題及持份者關注的事項。

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The table underneath showed the aspects on the ESG Guide to be assessed and those ESG issues were determined to be material to the Group.

下表顯示ESG指引中有待評估的方面，且該等ESG問題對本集團而言為重大。

ESG Aspects as set forth in the ESG Guide ESG 指引中載列的 ESG 方面

Material ESG issues for the Group 本集團的重大 ESG 問題

| | |
|--------------------------------------|---|
| (A) Environmental | |
| (A) 環境 | |
| A1 Emissions | Emission from town gas, electricity or vehicle |
| A1 排放物 | 城鎮燃氣、電力或車輛的排放 |
| A2 Use of Resources | Use of energy and paper |
| A2 資源使用 | 能源及紙張的使用 |
| A3 Environment and Natural Resources | |
| A3 環境及天然資源 | |
| A4 Climate Change | |
| A4 氣候變化 | |
| (B) Social | |
| (B) 社會 | |
| B1 Employment and Labour Practices | Labour practices |
| B1 僱傭及勞工常規 | 勞工常規 |
| B2 Health and Safety | Workplace health and safety |
| B2 健康與安全 | 工作地點的健康與安全 |
| B3 Development and Training | Employee development and training |
| B3 發展及培訓 | 僱員發展及培訓 |
| B4 Labour Standards | Anti-child and forced labour |
| B4 勞工標準 | 反童工及強制勞工 |
| B5 Supply Chain Management | Supply chain management |
| B5 供應鏈管理 | 供應鏈管理 |
| B6 Product Responsibility | Product responsibility |
| B6 產品責任 | 產品責任 |
| B7 Anti-corruption | Anti-corruption, fraud prevention and anti-money laundering |
| B7 反貪污 | 反貪污、防止欺詐及反洗黑錢 |
| B8 Community Investment | Community programs, employee volunteering and donation |
| B8 社區投資 | 社區計劃、員工志願活動及捐贈 |

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A. Environmental

The Group is committed to minimizing its environmental impact and complying with the evolving laws and regulations on environmental protection of the PRC and Hong Kong. The Group approaches its environmental management in a systematic and comprehensive manner to review and update its environmental policies periodically, to comply with the latest requirements of the applicable laws and regulations that have a significant impact on the Group.

The Group has developed procedures for the management of environmental health and safety and established a healthy and safe working environment, to minimize the security risks at work and the environmental impact of production activities. Every year, the Group conducts water quality testing and air quality testing for employees in the production and living areas of the plant.

Fully aware of the importance of environmental protection, the Group has adopted regular measures to manage emissions and wastes.

A1.1. Emissions Data from Gaseous Fuel Consumption

The Group's exhaust gas emissions are mainly from the combustion of gasoline by motor vehicles. The exhaust gases emitted from the combustion of relevant fossil fuels mainly include nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matters (PM).

- a) Since the Company did not have town fuel and town gas consumption during the Year, therefore no emissions data from gaseous fuel consumption applied.

A. 環境

本集團竭盡全力減少其對環境的影響，並遵守中國及香港不斷改變的環保法律及法規。本集團採取系統全面的環境管理方針，確保環境政策得到定期檢討和更新，以符合對本集團有重大影響的適用法律及法規之最新要求。

本集團已制定環境健康安全管理制度，建立一個健康及安全的工作環境，盡可能減少工作中存在的各種安全危險以及減少各種生產活動對環境的影響。本集團每年定期對廠房生產及生活區域的員工飲用水進行水質測試及對生產車間空氣質量進行測試。

本集團充分認知環境保護的重要性，並已定期採取措施，以管理排放物和廢棄物。

A1.1. 氣體燃料消耗的排放數據

本集團廢氣排放主要產生自車輛燃燒汽油。相關化石燃料燃燒所排放的廢氣主要包括氮氧化物(NO_x)、硫氧化物(SO_x)及顆粒物(PM)。

- a) 由於本公司於本年度並無城鎮燃料及燃氣消耗，因此並無適用於氣體燃料消耗的排放數據。

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b) the Company owned some motor vehicles during the Year, the emissions data from the vehicles is set out below:

b) 本公司於本年度擁有若干車輛，該等車輛的排放數據載列如下：

Key performance indicator ("KPI")

關鍵績效指標 (「關鍵績效指標」)

| | 2023 2023年 | Unit 單位 | % 百分比 |
|-------------------------|---------------|------------|----------|
| NO _x 氮氧化物 | 90.7 | Kg 千克 | 90.9% |
| SO _x 硫氧化物 | 0.1 | Kg 千克 | 0.1% |
| PM 顆粒物 | 9.0 | Kg 千克 | 9.0% |
| Total 總量 | 99.8 | Kg 千克 | 100% |

Looking forward the Group will continue to improve the efficiency of usage of vehicles by better planning of the travelling routes, so as to better control its air emissions.

展望未來，本集團將繼續優化出行路線規劃，提高車輛使用效率，從而更好地控制其廢氣排放。

A1.2. Greenhouse Gas Emission

The Group's greenhouse gas emissions are mainly from the combustion of gasoline by motor vehicles and the use of electricity. The emissions of greenhouse gases include direct and indirect emissions.

A1.2. 溫室氣體排放

本集團產生的溫室氣體排放主要來自車輛燃燒汽油及用電。溫室氣體排放包括直接排放及間接排放。

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The following table sets out the key performance indicators of the Group's greenhouse gases for the Year:

於本年度，本集團溫室氣體的關鍵績效指標載列於下表：

| | KPI 關鍵績效指標 | | % 百分比 |
|-----------------------------------|---------------|-------------|----------|
| | 2023 2023年 | Unit 單位 | |
| Scope 1 範圍一 | | | |
| Direct Emission 直接排放 | 14.7 | tonnes 噸 | 3.2% |
| Scope 2 範圍二 | | | |
| Indirect Emission 間接排放 | 448.1 | tonnes 噸 | 96.8% |
| Scope 3 範圍三 | | | |
| Other indirect Emission 其他間接排放 | — | tonnes 噸 | — |
| Total 總量 | 462.8 | tonnes 噸 | 100% |

Scope 1: Direct emissions of greenhouse gases from the business owned or controlled by the Group including emissions of greenhouse gases from the use of motor vehicles by the Company.

範圍一：由本集團所擁有或控制的業務直接產生的溫室氣體排放，包括來自本公司使用汽車的溫室氣體排放。

Scope 2: Indirect emissions of greenhouse gases from electricity purchased and gas consumed.

範圍二：購買電力及消耗燃氣間接產生的溫室氣體排放。

During the Year, there was 462.8 (2022: 355.5) tonnes of carbon dioxide equivalent greenhouse gases (mainly the usage of vehicles for transportation of petrol and gasoline) emitted from the Group's operation.

於本年度，本集團的經營活動排放462.8噸(2022年：355.5噸)二氧化碳當量的溫室氣體(主要是使用車輛運輸石油及汽油)。



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The Group's long term plan is to, by the Year 2026, reduce the intensity of the exhaust gas emission and greenhouse gas emissions by 5% based on the benchmark of the Year 2021.

本集團的長期目標是於2026年度前根據2021年度的基準將廢氣排放及溫室氣體排放密度分別減少5%。

| Environmental KPIs 環境關鍵績效指標 | Emission reduction target 減排目標 | Benchmark target on 2021 2021年基準目標 | Status 狀態 |
|---|---|--|---------------------|
| Scope 1 範圍一 | | | |
| Direct Emission 直接排放 | 5% reduction by Year 2026 於2026年度前減少5% | 70.6 tonnes 70.6噸 | In progress 進行中 |
| Scope 2 範圍二 | | | |
| Indirect Emission 間接排放 | 5% reduction by Year 2026 於2026年度前減少5% | 745.3 tonnes 745.3噸 | In progress 進行中 |
| Scope 3 範圍三 | | | |
| Other indirect Emission 其他間接排放 | 5% reduction by Year 2026 於2026年度前減少5% | — — | In progress 進行中 |
| Total Greenhouse Gas Emission 溫室氣體排放總量 | 5% reduction by Year 2026 於2026年度前減少5% | 815.9 tonnes 815.9噸 | In progress 進行中 |

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A1.3 Hazardous Waste and Non-hazardous Waste and A1.4

Waste Management

Hazardous waste is generated in toy manufacturing. The hazardous waste mainly includes pollutants such as hydrocarbons (CxHx). The following table sets out the key performance indicators of hazardous wastes of the Group for the Year:

| | KPI 關鍵績效指標 | | % |
|------------------------------|---------------|------------|--------|
| | 2023 2023年 | Unit 單位 | |
| Hazardous Waste 有害廢棄物 | 43.12 | kg 千克 | 100.0% |
| Non-hazardous Waste 無害廢棄物 | — | kg 千克 | 0% |
| Total 總量 | 43.12 | kg 千克 | 100% |

The Group has specific measures for the discharge of hazardous waste. For instance, paint suppliers must comply with (i) regulations regarding Polycyclic Aromatic Hydrocarbons (PAHs) and other substances in paint and (ii) Toy Paint Regulations issued by the United States and European countries. Suppliers must also perform pre-production inspections for hazardous substances before beginning mass production. All post-production volatilization resulting from paint spraying and the pad printing process must be filtered before being discharged into the environment, thus minimizing the potential risk to human health. All wastewater must be filtered and converted for reuse. Hazardous pollutants are only discharged after purification and filtration, conforming to national regulations on the discharge of atmospheric pollutants.

A1.3 有害廢棄物及無害廢棄物 及 A1.4

廢棄物管理

本集團在玩具製造過程中產生有害廢棄物，主要包括碳氫化合物(CxHx)等污染物。本集團於本年度產生的有害廢棄物的關鍵績效指標載列於下表：

本集團已制訂有害廢棄物排放的具體措施。如塗漆供應商須遵守(i)有關塗漆中所含多環芳烴(PAH)和其他物質的法規及(ii)美國與歐洲國家頒佈的玩具漆法規。供應商亦須在開始批量生產之前對有害物質進行生產前檢查。由塗漆噴塗與轉印工藝引起的所有生產後揮發均須在排放到環境中之前進行過濾，從而最小化對人體健康的潛在風險。所有廢水須進行過濾和轉化後以重新使用。有害廢棄物僅可經過淨化和過濾後排放，並符合國家有關大氣廢棄物排放的規定。

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To better manage the Group's major issues and their performance on environmental aspects, the Group proposes the following five-year target on waste reduction by the Year 2026:

為更好地管理本集團的重大議題及其在環境方面的表現，本集團的五年期目標是於2026年度前減廢如下：

| Environmental KPIs 環境關鍵績效指標 | Waste reduction target 減廢目標 | Benchmark target on 2021 2021年基準目標 | Status 狀態 |
|---------------------------------------|---|--|---------------------|
| Hazardous Waste 有害廢棄物 | 5% reduction by Year 2026 於2026年度前減少5% | 1,431kg 1,431千克 | In progress 進行中 |
| Non-hazardous Waste 無害廢棄物 | 5% reduction by Year 2026 於2026年度前減少5% | 0.005kg 0.005千克 | In progress 進行中 |

The Group will continue to assess, record and disclose its greenhouse gas emissions and other environmental data annually, and evaluate the effectiveness of existing measures to further draw targets and work up plans for greenhouse gas and hazardous waste reduction. During the year, the Group have achieved the target of Year 2026.

本集團將繼續評估、記錄及披露每年溫室氣體排放及其他環境數據，並評估現有措施的成效，以進一步制定減排溫室氣體及減少有害物目標及工作計劃。於本年度，本集團已實現2026年度的目標。

The Group is not aware of any material non-compliance with relevant laws and regulations including the Environmental Protection Law of the People's Republic of China, Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Water Pollution, and Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) relating to its air and greenhouse gas emissions, discharging into water and land, and generation of hazardous and non-hazardous waste during the Year. In addition, the Group did not receive any material fines or sanctions for non-compliance with the relevant laws and regulations in the Year.

於本年度，本集團並不知悉任何有關其於空氣及溫室氣體排放、向水及土地的排污以及有害及無害廢棄物的產生方面在相關法律法規下有任何重大違規情況，包括《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》及《空氣污染管制條例》(香港法例第311章)。此外，於本年度本集團並無因未遵守有關法律法規而遭受任何重大罰款或制裁。

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A2.1 Use of resource

The Group is committed to minimizing the impact of its manufacturing process on the environment to conserve the environment. The Group strives to improve the efficient use of natural resources, such as minimizing waste/emissions and implementing a recycling program. Measures are detailed as follows:

- Switch off lights and turn off unnecessary energy-consuming devices when they are not in use;
- Promote environmental protection such as saving water and electricity by slogan or poster in office;
- Encourage printing or photocopying on both sides of paper, where applicable;
- Regular maintenance of vehicles to ensure good condition of such vehicles for operational efficiency;
- Adopt the use of electric cars; and
- Focus on quality management so as to reduce wastage and scrap for less pollution resulted.

A2.1 資源使用

本集團將其製造過程對環境的影響減至最小，並一直致力於環境保護。本集團致力提高天然資源的使用效益，例如盡量減少廢棄物／排放及實施回收計劃，相關具體措施如下：

- 在不使用時，關閉電燈及不必要的耗能設備；
- 宣傳環保，例如在辦公室張貼倡導節約水電的標語或海報；
- 鼓勵雙面打印或影印(如適用)；
- 定期保養車輛，確保車輛狀況良好，以提高運行效率；
- 使用電動車；及
- 注重質量管理，減少浪費及廢料，從而減少污染。

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The following table sets out the key performance indicators for the Group's use of resources in the Year:

於本年度，本集團資源使用的關鍵環境績效指標載列於下表：

| | KPI 關鍵績效指標 | | | |
|--|--------------------------------------|--------------|--------------------------------------|-----------------------------------|
| | 2023 | 2022 | Unit | % increase/ (decrease) |
| | 2023年 | 2022年 | 單位 | 增加/ (減少)百分比 |
| Electricity consumed 電力耗量 | 535,572 | 405,512 | MWh 兆瓦時 | (32%) |
| Gasoline and petrol consumed 汽油耗量 | 62,976 | 69,780 | MWh 兆瓦時 | (10%) |
| Total energy consumed 能源消耗總量 | 598,549 | 475,292 | MWh 兆瓦時 | (26%) |
| Water consumed 水耗量 | 11,511 | 16,006 | tonnes 噸 | (28%) |
| | KPI (intensity) 關鍵績效指標(密度) | | | |
| | 2023 | 2022 | Unit | |
| | 2023年 | 2022年 | 單位 | |
| Total energy consumption intensity 能源消耗密度總量 | 4.27 | 2.94 | MWh/thousand of revenue 兆瓦時／千元收益 | |
| Water consumption intensity 耗水密度 | 0.08 | 0.10 | Tonnes/thousand of revenue 噸／千元收益 | |

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To better manage the Group's major issues and their performance on environmental aspects, the Group proposes the following five-year target on savings by the Year 2026:

為更好地管理本集團的重大議題及其在環境方面的表現，本集團於2026年度前的五年期節約目標如下：

| Environmental KPIs 環境關鍵績效指標 | Emission reduction target 減排目標 | Benchmark target on 2021 2021年基準目標 | Status 狀態 |
|--|---|--|---------------------|
| Energy consumption intensity 能源消耗密度 | 5% reduction by Year 2026 於2026年度前減少5% | 6.11MWh 6.11兆瓦時 | In progress 進行中 |
| Water consumption intensity 耗水密度 | 5% reduction by Year 2026 於2026年度前減少5% | 0.16MWh 0.16兆瓦時 | In progress 進行中 |

The Group has taken several measures to increase resource efficiency. For instance, the Group installed LED lights to increase illumination more efficiently in the production line area. Also, the Group has utilized hot runner systems within injection molding machines to reduce waste.

本集團已採取多項提高資源效率的措施。例如，本集團已安裝LED燈，以更有效提高生產線區域的照明度。此外，本集團在注塑機內使用流道系統以減少浪費。

The Group obtained suitable water sources in compliance with the Regulations on the Administration of the License for Water Drawing and the Levy of Water Resource Fees of the PRC (2017 Revision) in the Year. In the Year, there was no issue in sourcing water that was fit for purpose. All water supplies were acquired from public water pipes.

本集團於本年度依照《中華人民共和國取水許可和水資源費徵收管理條例(二零一七年修訂版)》獲取適當的水資源。於本年度，本公司並無就特定用途獲取水資源的問題。所有供水均從公共水管獲取。

Besides, the management of the Group believed that the use of packaging materials is immaterial.

此外，本集團管理層認為，包裝材料的耗用並不重大。

A3 Environmental and Natural Resources

The Group conducts its business operations in compliance with the relevant provisions of the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and appropriately treats the generated emissions and pollutants. All emissions and pollutants are tested and recorded in a detailed manner, and meet the requirements of national environmental protection regulations and emission standards without adversely affecting the environment and natural resources.

A3 環境及天然資源

本集團依照《固定污染源排污許可分類管理名錄》及《中華人民共和國固體廢物環境污染防治法》相關規定經營業務，並妥善處理所產生的排放和污染物。所有排放和污染物均經過檢測及詳細記錄，以符合國家環保法規及排放標準要求，故未有對環境及自然資源產生負面影響。



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A4 Climate change

The continuous emission of greenhouse gas leads to climate change. In response to climate change, the Group reference the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) framework to assess climate-related risks. There are two main types of risks, which are: (i) physical risks associated with climate change impacts; and (ii) transition risks associated with low-carbon economy.

The climate-related risks identified by the Group are mainly structural damage to premises of the Group and where the Group's construction and operating projects are held due to the increase in frequency of extreme weather events and flooding due to changes in rainfall patterns. Such climate change may affect labor management and planning, and also increase the risk of work-related injuries for the employees. In addition, there is a risk that the Group's infrastructure and machines may be damaged due to climate change, and facilities damage will affect operations and lead to an increase in operation costs.

In response to the above climate-related risks, the Group has purchased employee injury insurances for all employees. Such insurances cover the expenditure coverage for employees' injuries due to weather conditions. The Group has also purchased relevant property insurance for all construction projects, operating projects and the Group's key fixed assets to cover property losses due to weather conditions and reduce maintenance costs that may be required.

A4 氣候變化

溫室氣體的持續排放導致氣候產生變化。為應對氣候變化，本集團參考了金融穩定委員會的氣候相關財務信息披露工作組(Task Force on Climate-related Financial Disclosures，簡稱TCFD)框架，以評估氣候相關風險。有關風險分為兩大類別，分別是：(i)與氣候變化影響相關的實體風險；及(ii)與低碳經濟相關的轉型風險。

本集團識別的氣候相關風險主要為極端天氣事件頻密程度提高令本集團的辦公場所及本集團的建設和運營項目所在的地方結構受損及因降雨模式的改變而引致的水災。該等氣候變化或會影響勞動力管理和規劃，亦增加僱員因工受傷的風險。此外，本集團的基礎建設及機器亦存在可能受氣候變化有損害的風險，設施毀損會影響營運及導致營運成本上升。

為應對上述氣候相關風險，本集團已經為所有的僱員購買了僱員的工傷保險。該等保險涵蓋因天氣因素而產生僱員損傷的支出保障。另外，本集團亦已為所有工程項目、運營項目及集團的主要固定資產購買了相關的財產保險，以保障因天氣因素而產生的財產損失，以及減少可能需要的維修費用。

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B. Social

The Group highly values its employees who have dedicated themselves to the business of the Group. As a responsible corporation, the Group commits itself to providing a decent and healthy workplace to its employees. The Group has formulated comprehensive employment policies. The Group has implemented the employment principles of “selecting people for jobs, matching people with positions, and conducting recruitment openly and fairly”.

B1. Employment and Labour Practices

Employee Benefits

The Group appreciates the hard work and contributions of each employee. A comprehensive employee benefits package is therefore in return to offer to its dedicated and talented staff. The employee benefits are compensated fairly according to their performance, with reference to the market practice.

The Group performs annual staff performance appraisal to assess the performance of employees for the year-end bonus determination. In this regard, a transparent mechanism is conducted by taking into account various factors, including but not limited to the employees’ attendance performance, capability, attitude, and contributions to the Group. With reference to appraisal on the employees, staff promotion and salary increment are rewarded to the contributing and improving employees.

In addition, the Group contributes to the employees’ social insurance and housing funds with reference to the Labor Law of the PRC for its employees. Besides, high temperature subsidy is offered for the front-line employees of gas refuelling stations on several months within summer season annually.

B. 社會

本集團高度重視其僱員，彼等勤勉敬業。作為一家負責任的企業，本集團致力為僱員提供一個良好健康的工作場所。本集團制定了全面的僱傭政策制度，實行「任人唯賢、人盡其才、公開公平招聘」的僱傭原則。

B1. 僱傭及勞工慣例

僱員福利

本集團十分感激每名僱員的辛勤工作及貢獻。因此，為回饋愛崗敬業、富有才華的員工，我們提供全面的僱員福利待遇。僱員福利參照市場慣例，按僱員表現公平分配。

本集團每年進行員工績效考核評估僱員表現，從而釐定年終花紅。就此而言，本集團採取透明的機制，考慮(包括但不限於)僱員的出勤表現、能力、態度及對本集團的貢獻等多個因素。參照僱員的考核情況，對有貢獻、有進步的僱員給予晉升及加薪獎勵。

此外，本集團根據《中華人民共和國勞動法》為其僱員繳納社會保險及住房公積金。本集團亦於每年夏季的若干月份為加氣站的一線僱員提供高溫補貼。

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Staff Composition

As at 31 December 2023, the Reporting Entities employed a total of 27 (2022: 95) staff.

a) Employees' Employment Type Distribution

| By employment type 按僱傭類型 | 2023 2023年 | | 2022 2022年 | |
|-----------------------------|---------------|--------------|---------------|--------------|
| | Male 男性 | Female 女性 | Male 男性 | Female 女性 |
| Part-time employment 兼職 | 0% | 0% | 0% | 0% |
| Full-time employment 全職 | 62% | 38% | 57% | 43% |
| Total 總計 | 62% | 38% | 57% | 43% |

員工構成

於2023年12月31日，報告實體共有27名(2022年：95名)員工。

a) 僱員僱傭類型分佈

b) Employees' Age and Gender Distribution

| Age Group 年齡組別 | 2023 2023年 | | 2022 2022年 | |
|--------------------|---------------|--------------|---------------|--------------|
| | Male 男性 | Female 女性 | Male 男性 | Female 女性 |
| 0-30 0至30歲 | 0% | 13% | 5% | 11% |
| 31-50 31至50歲 | 49% | 25% | 29% | 24% |
| 51-60 51至60歲 | 13% | 0% | 23% | 8% |
| = 61/>61 61歲或以上 | 0% | 0% | 0% | 0% |
| Total 總計 | 62% | 38% | 57% | 43% |

b) 僱員年齡及性別分佈

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c) *Employees' Geographical Distribution*

| Location 地點 | 2023 2023年 | 2022 2022年 |
|------------------------|---------------|---------------|
| Hong Kong 香港 | 0% | 15% |
| Mainland China 中國內地 | 100% | 85% |
| Total 總計 | 100% | 100% |

c) 僱員地區分佈

In the Year, the Group was not aware of any material violations of the relevant laws and regulations relating to the Group's compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The Group strictly complied with local laws and regulations relating to employment, such as the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Labor Law of the People's Republic of China, and the Production Safety Law of the People's Republic of China. In addition, there were no material fines or sanctions for non-compliance with the relevant laws and regulations in the Year.

於本年度，本集團並不知悉任何對賠償及解聘、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視及其他福利及待遇在相關法律法規下有任何重大違規情況。本集團嚴格遵守與僱傭有關的地方法律法規，如《僱傭條例》(香港法例第57章)、《強制性公積金計劃條例》(香港法例第485章)、《最低工資條例》(香港法例第608章)、《性別歧視條例》(香港法例第480章)、《中華人民共和國勞動法》及《中華人民共和國安全生產法》。此外，於本年度並無因未遵守有關法律法規而遭受重大罰款或制裁的情況。



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B2 Employee Health and Safety

The Group treats employees' safety and their working environment with the highest priority. In order to ensure the implementation of safety measures and improve employees' safety awareness, a production safety system has been developed to provide education and establish assessments for employees in different departments, especially focusing on machine operation for employees from the production department. Supervisors must strictly follow the operating procedures to prevent accidents and ensure the safety of workers.

The Group follows fire protection policies, regulations and technical specifications. According to the provisions of the Fire Control Law of the People's Republic of China and the Regulations on the Administration of Fire Control Safety of the Group, we have established a specialized fire protection team to develop and implement the Group's fire safety system. The Group has also set up an emergency response team, equipped with special fire alarm devices and firefighting apparatuses, and arranged special personnel for regular inspections and maintenance. In addition, the Group regularly organizes fire drills to enhance employees' awareness of fire prevention and ensure a safe working environment.

B2 僱員健康與安全

本集團將僱員安全和工作環境視為重中之重。為確保落實安全措施及提升僱員安全意識，已制定生產安全制度，為不同部門僱員提供教育及進行評估，尤其著重於生產部僱員的機器操作。主管必須嚴格遵從操作程序，以預防事故及保障工人安全。

本集團嚴格遵守各項消防政策、法規及技術規範。根據《中華人民共和國消防法》和本集團消防安全管理規定的要求，我們已建立一個專責消防小組，負責制定實施本集團的消防安全制度。本集團亦已建立一個應急小組，配備專業消防警報設備及滅火裝置，並安排專人定期檢查及維護。此外，本集團定期進行消防演習，以提升僱員防火意識及確保工作環境安全。

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In the Year 2023, the number and rate of work-related fatalities and the number of work days lost due to work-related injuries are as follows:

於2023年度，因工亡故的人數及比率及因工傷損失工作日數如下：

| Health and Safety 健康與安全 | 2023 2023年 | 2022 2022年 | 2021 2021年 |
|--|----------------------|----------------------|----------------------|
| Number of work-related fatalities 因工亡故的人數 | — | — | — |
| Lost days due to work injury 因工傷損失工作日數 | — | — | — |

The Group believes that the health and safety of its employees are of paramount importance. The Group believes that all incidents are preventable and takes a proactive approach through risk identification and mitigation. The Group has formulated policies on production, environment and employees' health, outlining a series of responsibilities and safety measures, including fire safety systems, electrical and mechanical safety systems, industrial hygiene management systems and work injury accident investigation systems to ensure the highest safety and health standards at the Group, so as to provide a safe workplace for all employees.

本集團認為僱員的健康及安全至關重要。本集團相信一切事故皆可預防，採取主動識別及降低風險的方針。為確保能提供給全體僱員一個安全的工作場所，本集團已制定生產、環境及僱員健康管理政策，訂明一系列責任和安全措施，包括消防制度、機電安全制度、工業衛生管理制度及工傷事故調查制度，確保本集團達致最高安全健康標準。

In the Year, the Group was not aware of any material violations of the relevant laws and regulations that have a significant impact on the provision of a safe working environment and the protection of employees from occupational hazards. The Group strictly complied with local laws and regulations on health and safety, such as the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Law of the People's Republic of China on the Prevention and Treatment Occupational Diseases. In addition, there were no material fines or sanctions for non-compliance with the relevant laws and regulations in the Year.

於本年度，本集團並不知悉有關對提供安全工作環境及保護僱員免受職業危害產生重大影響之有關法律法規之任何重大違規情況。本集團嚴格遵守與健康及安全有關的地方法律法規，如《職業安全及健康條例》(香港法例第509章)及《中華人民共和國職業病防治法》。此外，於本年度並無因未遵守有關法律法規而遭受重大罰款或處罰的情況。

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B3 Development and Training

The Group believes that training and education are vital for utilizing human resources and boosting morale among the workforce to raise productivity and product quality. The human resources department manages the training management system and coordinates with responsible departments to organize various training events. In the Year, the Group held five training sessions with a total training duration of 113 hours. Trainings covered the employees' codes of conduct, fire drills, induction training, chemical safety, hazardous waste treatment and machine operation, etc. Feedback was collected to better help employees improve necessary skills.

B3 發展及培訓

本集團相信培訓及教育對利用人力資源及提高僱員隊伍動力來提升生產力和產品質量至關重要。人力資源部管理培訓管理制度，並協調負責部門組織各類培訓活動。於本年度，本集團舉行了5次培訓，總培訓時數達113小時。這些培訓涵蓋僱員行為準則、消防演習、入職培訓、化學品安全、有害廢棄物處理及機器操作等。相關反饋會被收集並會幫助僱員提升所需技能。

| | 2023 2023年 | | |
|----------------------------------|---------------|--------------|-------------|
| | Male 男性 | Female 女性 | Total 總計 |
| Top management 高級管理層 | 17 | 9 | 26 |
| Middle management 中級管理層 | 10 | 12 | 22 |
| Front-line staff 前線員工 | 35 | 28 | 63 |
| Total training hours 總培訓時數 | 62 | 49 | 111 |
| Average training hours 平均培訓時數 | 3.00 | 3.33 | 3.13 |

% of employee training 僱員培訓百分比

| | 2023 2023年 | | |
|-------------------------------|---------------|--------------|-------------|
| | Male 男性 | Female 女性 | Total 總計 |
| Top management 高級管理層 | 12% | 24% | 36% |
| Middle management 中級管理層 | 20% | 4% | 24% |
| Front-line staff 前線員工 | 28% | 12% | 40% |
| Total training hours 總培訓時數 | 60% | 40% | 100% |

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B4 Labour Standard

The recruitment process of the Group is subject to a stringent internal review process that includes verifying the personal information of applicants. For instance, the human resources department collects proof of identification from candidates to ensure that their age fulfills legal requirement.

The Group respects and complies with international human rights principles, such as the United Nations' Universal Declaration of Human Rights and the convention of the International Labor Organization (ILO). The Group also complies with the Regulations on Prohibition of Child Labor and will not hire minorities who are under 16 years old. The Group has developed policies against using child labor and has zero tolerance for all forms of forced, bonded, or imprisoned labor in our own operations and in our supply chain. In case child labor and forced labor are found, the Group will terminate the labor contract with them as soon as possible and hold the responsible persons accountable.

In the Year, all employees were over the age of 18 and employed in accordance with the provisions of all applicable laws and regulations in the PRC and Hong Kong. The Group was not aware of any material violation of the relevant laws and regulations on prohibiting the employment of child labor or forced labor. The Group strictly complied with local laws and regulations relating to labor standards, such as the Labor Law of the People's Republic of China and the Regulations on Prohibition of Child Labor. In addition, the Group did not receive any material fines or sanctions for non-compliance with the relevant laws and regulations in the Year.

B5 Supply Chain Management

The Group has the greatest respect for the laws and regulations that govern its business and always adheres to international best practices and conducts fair and unbiased procurement processes when dealing with suppliers.

The Group has set out clear requirements on selection and management of suppliers to ensure standardized management and proper selection of and corporation with suppliers. In selecting suppliers, the Group will take the following into consideration: (i) operating license granted by and registration with the Industry and Commerce Bureau; (ii) plant size, production capacity and technology capabilities; (iii) stable quality of production; and (iv) integrity and reasonableness of prices.

B4 勞工準則

本集團招聘流程設有嚴格的內部審查程序，包括核實申請人的個人資料。例如人力資源部會收集求職者的身份證明，確保其年齡達到法定要求。

本集團尊重並遵循國際人權原則，例如聯合國《世界人權宣言》及國際勞工組織公約。本集團亦遵守《禁止使用童工規定》，不會僱用未滿16歲的未成年人。本集團已制定政策禁用童工，並且對自身營運及供應鏈中所有形式的強制、抵債或監禁勞工持零容忍態度。如發現有童工及強制勞工的情況，本集團將會第一時間與其解除勞動合同，並對責任人追究責任。

於本年度，所有僱員均年滿18歲，並按照中國及香港所有適用法律法規要求獲僱用。本集團並不知悉有關禁止僱用童工或強制勞工之有關法律法規上有任何重大違規情況。本集團嚴格遵守與勞工準則有關的地方法律法規，如《中華人民共和國勞動法》及《禁止使用童工規定》。此外，於本年度本集團並無因未遵守有關法律法規而遭受任何重大罰款或處罰。

B5 供應鏈管理

本集團恪守管轄其業務的法律法規，在與供應商往來時始終遵守國際最佳做法及採取不偏不倚的採購流程。

本集團已制定甄選及管理供應商的明確要求，確保規範管理和適當甄選供應商及與其合作。在甄選供應商時，本集團會考慮以下因素：(i) 工商局出具的經營許可證和辦理的登記；(ii) 廠房規模、產能及技術能力；(iii) 穩定的生產質量；及(iv) 誠信及價格合理性。

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The suppliers are required to provide information on the scale of their factories, their production capacity, quality issues and technology capabilities in the “supplier questionnaire” prepared by the procurement department for preliminary screening. Then the Group would establish a specialized file to record basic information for the suppliers who meet the requirements, conduct regular quality inspections and maintain long-term cooperation. In addition, the Group has worked out stringent quality control measures to ensure that the production quality meets customer and regulatory requirements. Quality control managers conduct detailed quality inspections on samples provided by suppliers from time to time, to avoid operational risks caused by quality problems. Further, the Group will regularly evaluate the performance indicators of suppliers, such as the product qualified rate and the punctual shipment, and conduct investigations on compliance with the legal provisions on avoiding child and forced labor.

The following table sets out the number of suppliers by region as at 31 December 2023:

| By location 按地區劃分 | No. of suppliers 供應商數目 |
|----------------------|------------------------------|
| China 中國 | 2 |
| Total 總計 | 2 |

供應商須在採購部為進行初選發出的「供應商調查問卷」中，提供廠房規模、產能、質量及技術能力等資料。然後，本集團會建立專門檔案，記錄符合要求的供應商的基本資料，以進行定期質量檢查和維持長期合作。此外，本集團已設立嚴謹的質量控制措施，以確保生產質量符合客戶及法規要求。為避免因質量問題產生經營風險，質控經理會不時對供應商提供的樣板進行詳細質量檢查。另外，本集團會定期評估供應商績效指標，例如產品合格率及準時付運，並調查供應商遵守避免使用童工及強制勞工法律規定的情況。

截至2023年12月31日，按地區劃分的供應商數目列載於下表：

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B6 Product Responsibility

In the Year, the Group complied with all relevant laws and regulations in relation to product liability and no products sold by our Group were recalled for safety or health reasons, nor were there any complaints regarding product or service quality issues. Products were consistent with the requirements of the GB/T 19001-2016 quality management system.

The Group has formulated a quality manual according to the GB/T 19000-2016 quality management system to ensure that it provides all customers with high-quality products and services. The Group's product design, production and customer service must be carried out in strict accordance with the quality manual. The Group has also formulated a series of procedures and operational instructions to ensure that employees of relevant departments observe regulatory measures. Meanwhile, the Group has full control of its outsourced production based on the quality manual.

In addition, the Group's management team reviews the quality manual annually to ensure that it is updated in accordance with changes of operating conditions and international standards. The Group attaches appropriate product safety warnings to its products in conspicuous places and on the packages, to see that the products manufactured meet safety standards.

The Group's quality control personnel follow strict quality assurance processes at all stages of production, from design, raw materials and manufacturing to packaging and storage. The Group has utilized continuous quality assurance, planning control, improvement and other workable plans throughout all stages of production. More specifically, the Group places more emphasis on quality control at earlier stages of production to discover and resolve quality issues early on. For raw materials, semi-finished and finished products provided by subcontractors, random inspections and tests are carried out by inhouse laboratories. Defective products are stored separately and sent to the production line or subcontractors for rework.

B6 產品責任

於本年度，本集團遵守有關產品責任的所有相關法律法規，而本集團所售產品並未因安全或健康理由而召回，亦沒有任何有關產品或服務質量問題的投訴。產品符合GB/T19001-2016質量管理體系的規定。

本集團已根據GB/T19000-2016質量管理體系制定質量手冊，確保能夠為所有客戶提供優質產品服務。本集團的產品設計、生產及客戶服務必須嚴格依照質量手冊進行。本集團亦制定了一系列程序和操作指示，確保有關部門僱員將遵守監控措施。同時，本集團根據質量手冊對其外包生產握有全面控制權。

此外，本集團管理團隊會每年檢討質量手冊，以確保根據經營環境及國際標準的變化作出相應更新。為確保生產的產品達到安全標準，本集團於其產品顯眼處及包裝上貼上適當產品安全警示。

本集團的質量控制人員在從設計、原材料及製造到包裝及存儲的所有生產階段均遵循嚴格的質量保證程序。本集團在生產的所有不同階段均採用持續的質量保證、計劃控制、改進及其他可行的計劃。具體而言，本集團更注重早期生產階段的質量監控，以便及早發現並解決質量問題。對於分包商提供的原材料、半成品及成品，由內部實驗室進行隨機檢查和測試。不良品要分開存放，並退回生產線或分包商處進行返工。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group has both external and internal complaint reporting systems in place. For external complaint reporting, the Group accepts complaints online or via other telecommunication channels, such as e-mails and telephone. For internal complaint reporting, the employee manual specifies the reporting mechanism and punishments for violations. Once an internal complaint is received, the administrative department will carry out on-site investigation(s), collect evidence, conduct interviews with witnesses and take necessary disciplinary actions.

The Group highly values information security and protection of customer privacy and strictly complies with relevant national and local laws and regulations. Employees must comply with all internal guidelines regarding the collection, processing, transfer, retention and disposal of customers' personal information in order to safeguard information security.

The Group has established a detailed intellectual property management system in accordance with applicable laws and regulations. The system is composed of four major aspects, namely (i) guidelines; (ii) institutions and responsibilities; (iii) policies; and (iv) rewards and punishments.

The Group was not aware of any material violations of the relevant laws and regulations on product health and safety, advertising, labeling, right to privacy and remedy in the Year. The Group strictly complied with local laws and regulations relating to product liability, such as the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong), the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Anti-Unfair Competition Law of the People's Republic of China. In addition, the Group did not receive any material fines or sanctions in the Year.

本集團設有外部及內部投訴舉報制度。對於外部投訴舉報，本集團通過網上或其他電訊渠道受理投訴，例如電郵及電話。對於內部投訴舉報，員工手冊已訂明了舉報機制及違規懲罰。一旦接獲內部投訴，行政部將展開實地調查、搜證、約談證人並採取必要的紀律行動。

本集團高度重視信息安全及客戶隱私保護，嚴格遵守國家和地方的相關法律法規。員工必須遵守關於收集、處理、轉移、保留和處置客戶個人資料的所有內部指引，以保障信息安全。

本集團已根據適用的法律法規制定詳細的知識產權管理制度。該制度包括四大方面，即：(i) 指引；(ii) 機構和責任；(iii) 政策；及 (iv) 獎勵及懲罰。

於本年度，本集團並不知悉有關產品健康及安全、廣告、標籤、私隱權以及補救方法方面的法律法規上有任何重大違規情況。本集團嚴格遵守與產品責任有關的地方法律法規，如《版權條例》(香港法例第528章)、《中華人民共和國專利法》、《中華人民共和國著作權法》、《中華人民共和國商標法》及《中華人民共和國反不正當競爭法》。此外，於本年度本集團並無遭受任何重大罰款或制裁。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



B7 Anti-corruption

Corruption, bribery or fraud in any form is prohibited. The Group's anti-corruption policies set out the standards of conduct to which all employees are required to adhere to promote integrity in the workplace. All employees are prohibited from offering or accepting money or anything of value by using work as an excuse or any authority granted by the Group.

In the Year, the Group provided internal training on anti-corruption topics to its directors and employees with reference to the anti-corruption resource website, to further their understanding of the importance of anti-corruption and the legal and regulatory provisions.

The Group was not aware of any material violations of the relevant laws and regulations on prevention of bribery, extortion, fraud and money laundering in the Year. The Group strictly complied with the local laws and regulations relating to anti-corruption, such as the Prevention of Bribery Ordinance, the Criminal Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. In addition, the Group did not receive any material fines or sanctions in the Year.

During the Year, the Group has provided 1 hour of anti-corruption training to its staff. Also, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

B8 Community Investment

The Group has mapped out policies relating to community investment, financial contributions and donations. The Group supports projects and plans that meet local community demands, while aiming to align with the local culture, heritage and morals.

B7 反貪污

本集團禁止任何形式的腐敗、賄賂或欺詐行為。本集團的反腐政策載列多項行為準則，要求全體僱員遵守，以促進職場誠信。禁止全體僱員利用工作做藉口或本集團任何授權提供或收受金錢或任何有價之物。

於本年度，本集團參考反貪污資源網站向其董事及僱員提供以反貪污為主題的內部培訓，加深彼等對反腐倡廉的重要性及法律法規條款的了解。

於本年度，本集團並不知悉有關防止賄賂、勒索、欺詐及洗黑錢方面的法律及法規上有任何重大違規情況。本集團嚴格遵守與反貪污有關的地方法律法規，如《防止賄賂條例》、《中華人民共和國刑法》及《中華人民共和國反洗錢法》。此外，於本年度本集團並無遭受任何重大罰款或制裁。

於本年度，本集團已向其員工提供1小時的反貪污培訓。此外，並無針對本集團及其僱員提出的已審結貪污訴訟案件。

B8 社區投資

本集團已制定有關社區投資、財政捐助及捐贈的政策。本集團支持滿足當地社區需求的項目和計劃，同時力求遵循當地文化、傳統及道德。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



McMillanWoods

Professionalism at the forefront

To the Shareholders of Kidztech Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Kidztech Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 96 to 179, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

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

致奇士達控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計列載於第96至179頁的奇士達控股有限公司(簡稱「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，此等財務報表包括於二零二三年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策資料概要。

我們認為，該等綜合財務報表已根據香港會計師公會(簡稱「**香港會計師公會**」)頒佈的《香港財務報告準則》(簡稱「**香港財務報告準則**」)真實而中肯地反映了 貴集團於二零二三年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(簡稱「**香港審計準則**」)進行審計。我們於該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(簡稱「**守則**」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計證據能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters

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

1. Impairment assessment on trade receivables
 2. Impairment assessment on non-financial assets
- (i) Impairment assessment on trade receivables

Refer to Notes 4(ii)(c), 5(b) and 20 to the consolidated financial statements.

The Group tested the amount of trade receivables for impairment by estimation of the expected credit losses ("ECL") under requirements of HKFRS 9. This impairment test is significant to our audit because the balance of trade receivables of approximately RMB247,366,000 as at 31 December 2023 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- evaluating the design, implementation and operating effectiveness of key internal controls over credit control, debt collection and estimate of ECL;
- assessing the reasonableness of the Group's ECL models by examining the model input used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions variables and assumptions used in each of the economic scenarios and their probability weightings and assessing whether there was an indication of management bias when recognising loss allowances;
- engaging a valuation specialist to assist us to review the appropriateness of the calculation of ECL, the accuracy of the calculations in the model and the market data being adopted on a sample basis;

關鍵審計事項

關鍵審計事項為根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。此等事項乃於我們審計整體綜合財務報表及出具意見時處理。我們不會對此等事項提供單獨的意見。我們識別的關鍵審計事項為：

1. 貿易應收款項減值評估
 2. 非金融資產減值評估
- (i) 貿易應收款項減值評估

參閱綜合財務報表附註4(ii)(c)、5(b)及20。

貴集團已根據香港財務報告準則第9號規定估計預期信貸虧損（「預期信貸虧損」）測試貿易應收款項減值金額。有關減值測試對我們的審計意義重大，原因為於二零二三年十二月三十一日的貿易應收款項結餘約人民幣247,366,000元對綜合財務報表而言屬重要。此外，貴集團的減值測試涉及應用判斷並基於估計作出。

我們的審計程序包括（其中包括）下列各項：

- 評估信貸控制、收回債務及預期信貸虧損估計的關鍵內部控制的設計、實施及運作成效；
- 透過檢查管理層用於作出相關判斷的模式輸入數據評估貴集團預期信貸虧損模式的合理性，當中包括測試過往違約數據的準確性、評估過往虧損率是否根據當前經濟狀況的可變因素及各經濟情景下所用的假設及其機率比重進行適當調整，及評估是否有跡象顯示管理層於確認虧損撥備時存有偏見；
- 委聘一名估值專家協助我們檢討預期信貸虧損計算的合適性、模型中的計算及市場數據（採用抽樣方式）的準確性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)

(i) Impairment assessment on trade receivables (Continued)

- checking subsequent settlements after the year end from the customers; and
- evaluating the adequacy of disclosures in respect of the impairment review in the consolidated financial statements.

(ii) Impairment assessment of non-financial assets

Refer to Notes 4(ii)(b), 15 and 16 the consolidated financial statements.

The Group tested the carrying amounts of property, plant and equipment and right-of-use assets for impairment in accordance with Hong Kong Accounting Standard 36 *Impairment of Assets*. This impairment test is significant to our audit because the aggregated balance of these non-financial assets amounted to approximately RMB167,734,000 as at 31 December 2023, which is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- assessing the appropriateness of management's assessment on identification and allocation of assets to different cash-generating units ("CGU");
- discussing with the management of the Company regarding the reasonableness of the valuation methodology being adopted;
- discussing with the management of the Company the assumptions and inputs used in determining the recoverable amounts of the CGU, respectively, and challenging the reasonableness and relevance of key assumptions and inputs based on our knowledge of the business and industry;
- engaging a valuation specialist to assist us to review the appropriateness of the valuation approach and methodology, the accuracy of the calculations in the valuation model and the market data used on a sample basis; and

關鍵審計事項(續)

(i) 貿易應收款項減值評估(續)

- 於年末後檢查客戶的其後結算；及
- 評估綜合財務報表中有關減值檢討的披露是否充分。

(ii) 非金融資產減值評估

參閱綜合財務報表附註4(ii)(b)、15及16。

貴集團已根據香港會計準則第36號資產減值對物業、廠房及設備及使用權資產賬面值進行減值測試。有關減值測試對我們的審計意義重大，原因為於二零二三年十二月三十一日的該等非金融資產結餘總額約人民幣167,734,000元乃對綜合財務報表而言屬重要。此外，貴集團的減值測試涉及應用判斷並基於估計作出。

我們的審計程序包括(其中包括)下列各項：

- 評估管理層對資產識別及分配至不同現金產生單位(「現金產生單位」)的評估的適當性；
- 與貴公司管理層討論所採納的估值方法的合理性；
- 與貴公司管理層討論釐定現金產生單位的可收回金額分別使用的假設及輸入數據，並根據我們對於業務及行業的認知，對主要假設及輸入數據的合理性及相關性提出質疑；
- 聘請估值專家協助我們檢討估值方式及方法是否適當，估值模型中的計算及抽樣使用市場數據是否準確；及

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)

- (ii) Impairment assessment of non-financial assets (Continued)
- evaluating the adequacy of disclosures in respect of the impairment review in the consolidated financial statements.

Other Information

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

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

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

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

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

關鍵審計事項(續)

- (ii) 非金融資產減值評估(續)
- 評估綜合財務報表中有關減值檢討的披露是否充分。

其他信息

貴公司董事(「**董事**」)須對其他信息負責。其他信息包括 貴公司年報內所載的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任為閱讀其他信息，從而考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述。基於我們已執行的工作，倘我們認為其他信息存在重大錯誤陳述，我們須報告該事實。就此而言，我們並無任何須報告事宜。

董事及審核委員會就綜合財務報表須承擔的責任

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements (Continued)

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

The audit committee of the Company assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

董事及審核委員會就綜合財務報表須承擔的責任(續)

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

貴公司審核委員會協助董事監督貴集團財務匯報過程的責任。

核數師就審計綜合財務報表的責任

我們的目標為對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發佈載有我們的意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，及不可用作其他用途。我們並不就本報告的內容向任何其他人士承擔任何責任或接受任何義務。

合理保證為高水準保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時定能發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期該等錯誤陳述單獨或匯總而言可能影響綜合財務報表使用者依賴綜合財務報表作出的經濟決定，則有關的錯誤陳述可被視為重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表的責任(續)

根據香港審計準則進行審計時，我們運用專業判斷，於整個審計過程中保持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致重大錯誤陳述的風險，因應對此等風險設計及執行審計程序，獲得充足及適當審計證據，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、故意遺漏、虛假陳述或凌駕內部控制，因此未能發現由於欺詐造成的重大錯誤陳述之風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審計有關的內部控制，以設計於有關情況下恰當的審計程序，但並非旨在對貴集團內部控制的有效性發表意見。
- 評價所用會計政策的恰當性及董事所作會計估計及相關披露的合理性。
- 對董事採用持續經營會計基準的恰當性作出結論，並根據獲取的審計證據，確定是否存在對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若我們認為存在重大不確定因素，我們須於核數師報告中提請使用者注意綜合財務報表中的相關披露。假若相關披露不足，則我們須修改我們的意見。我們的結論是基於直至核數師報告日期所獲得的審計證據。然而，未來事件或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

核數師就審計綜合財務報表的責任(續)

- 評價綜合財務報表的整體呈報、結構及內容(包括披露)以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲得充足、適當的審計證據，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審計工作。我們須為我們的審計意見承擔全部責任。

除其他事項外，我們與 貴公司審核委員會就審計工作的計劃範圍、時間安排及重大審計發現等範疇進行溝通，包括我們於審計中識別出內部監控的任何重大缺陷。

我們亦向 貴公司審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，以及在適用的情況下，消除不利影響的行動或採取相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Hui Chi Kong

Audit Engagement Director
Practising Certificate Number P07348

24/F, Siu On Centre, 188 Lockhart Road, Wan Chai
Hong Kong, 26 June 2024

我們從與 貴公司審核委員會溝通的事項中確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們於核數師報告中描述該等事項，除非法律或法規不允許對這些事項作出公開披露，或在極端罕見的情況下，若合理預期於我們報告中溝通某事項而造成的負面後果超過其產生的公眾利益，我們將不會在報告中溝通該事項。

長青(香港)會計師事務所有限公司

執業會計師

許志剛

審計項目董事
執業牌照編號P07348

灣仔駱克道188號兆安中心24樓
香港，二零二四年六月二十六日

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 2023
截至二零二三年十二月三十一日止年度

| | | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|----------------------|-------------|-----------------------------------|-----------------------------------|
| Revenue | 收益 | 6 | 131,409 | 169,431 |
| Cost of sales | 銷售成本 | | (116,383) | (141,101) |
| Gross profit | 毛利 | | 15,026 | 28,330 |
| Other income and other gains/ (losses), net | 其他收入及其他收益/ (虧損)淨額 | 7 | (9,318) | 1,432 |
| Selling expenses | 銷售開支 | | (1,619) | (898) |
| Administrative expenses | 行政開支 | | (35,090) | (76,141) |
| Net impairment losses on trade and other receivables | 貿易及其他應收款項減值 虧損淨額 | | (40,736) | (24,018) |
| Loss from operation | 經營虧損 | | (71,737) | (71,295) |
| Finance costs | 融資成本 | 10 | (19,621) | (10,791) |
| Loss before tax | 除稅前虧損 | | (91,358) | (82,086) |
| Income tax (expense)/credit | 所得稅(開支)/抵免 | 11 | (6,936) | 5,428 |
| Loss for the year | 年內虧損 | 9 | (98,294) | (76,658) |
| Other comprehensive income for the year | 年內其他全面收益 | | | |
| <i>Items that may be reclassified to profit or loss:</i> | <i>可重新分類至損益的項目:</i> | | | |
| Exchange differences on translating foreign operations | 換算海外經營業務的 匯兌差額 | | 4,014 | 3,842 |
| Total comprehensive loss for the year | 年內全面虧損總額 | | (94,280) | (72,816) |
| Loss for the year attributable to: | 以下各方應佔年內虧損: | | | |
| - owners of the Company | - 本公司擁有人 | | (97,994) | (76,658) |
| - non-controlling interests | - 非控股權益 | | (300) | - |
| | | | (98,294) | (76,658) |
| Total comprehensive loss attributable to: | 以下各方應佔全面虧損 總額: | | | |
| - owners of the Company | - 本公司擁有人 | | (93,978) | (72,816) |
| - non-controlling interests | - 非控股權益 | | (302) | - |
| | | | (94,280) | (72,816) |
| Loss per share | 每股虧損 | | | |
| Basic and diluted (RMB cents) | 基本及攤薄 (人民幣分) | 14 | (16.8) | (14.7) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023
於二零二三年十二月三十一日

| | | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|------------------|-------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 141,596 | 146,887 |
| Right-of-use assets | 使用權資產 | 16 | 26,138 | 31,248 |
| Intangible assets | 無形資產 | 17 | 73 | 287 |
| Deferred tax assets | 遞延稅項資產 | 18 | – | 9,409 |
| Prepayments | 預付款項 | 21 | 14,091 | 30,336 |
| | | | 181,898 | 218,167 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 19 | 24,545 | 10,858 |
| Trade receivables | 貿易應收款項 | 20 | 247,366 | 327,541 |
| Prepayment and other receivables | 預付款項及其他應收款項 | 21 | 137,654 | 173,936 |
| Cash and cash equivalents | 現金及現金等價物 | 22 | 48,899 | 6,223 |
| | | | 458,464 | 518,558 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 23 | 136,731 | 168,815 |
| Amount due to a related company | 應付一間關聯公司款項 | 24 | 962 | 962 |
| Contract liabilities | 合約負債 | 25 | 890 | 820 |
| License fee payable | 應付授權費 | 26 | 1,867 | 1,867 |
| Bank and other borrowings | 銀行及其他借款 | 27 | 143,744 | 139,834 |
| Lease liabilities | 租賃負債 | 28 | 565 | 2,512 |
| Current income tax liabilities | 即期所得稅負債 | | 18,682 | 18,142 |
| | | | 303,441 | 332,952 |
| Net current assets | 流動資產淨值 | | 155,023 | 185,606 |
| Total assets less current liabilities | 資產總額減流動負債 | | 336,921 | 403,773 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023
於二零二三年十二月三十一日

| | | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------------------|--------------|-------------|-----------------------------------|-----------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Deferred revenue | 遞延收益 | 29 | 13 | 502 |
| Deferred tax liabilities | 遞延稅項負債 | 18 | – | 2,425 |
| Lease liabilities | 租賃負債 | 28 | – | 2,496 |
| | | | 13 | 5,423 |
| NET ASSETS | 資產淨值 | | 336,908 | 398,350 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 562 | 467 |
| Reserves | 儲備 | 31(a) | 336,648 | 397,883 |
| | | | 337,210 | 398,350 |
| Non-controlling interests | 非控股權益 | | (302) | – |
| TOTAL EQUITY | 權益總額 | | 336,908 | 398,350 |

The consolidated financial statements on pages 96 to 179 were approved and authorised for issue by the board of directors on 26 June 2024 and are signed on its behalf by:

第96至179頁的綜合財務報表於二零二四年六月二十六日獲董事會批准及授權刊發，並由下列董事代表董事會簽署：

Yu Huang
余煌
Director
董事

Zhu Qiang
朱強
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

| | | Share capital | Share premium | Statutory reserve | Capital reserve | Foreign currency translation reserve | Merger reserve | Option reserve | Retained earnings/ (accumulated losses) | Total reserves | Non-controlling interests | Total |
|---|---------------|-----------------|---------------|-------------------|-----------------|--------------------------------------|-------------------|------------------|---|----------------|---------------------------|----------|
| | | 股本 | 股份溢價 | 法定儲備 | 資本儲備 | 外幣換算儲備 | 合併儲備 | 購股權儲備 | 保留盈利/ (累計虧損) | 總儲備 | 非控股權益 | 總計 |
| | | (note 31(c)(i)) | | (note 31(c)(ii)) | | (note 31(c)(iii)) | (note 31(c)(iii)) | (note 31(c)(iv)) | | | | |
| | | (附註31(c)(i)) | | (附註31(c)(ii)) | | (附註31(c)(iii)) | (附註31(c)(iii)) | (附註31(c)(iv)) | | | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | 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 | 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 | 人民幣千元 |
| At 1 January 2022 | 於二零二二年一月一日 | 467 | 101,378 | 23,239 | 274,282 | (1,442) | (22,103) | - | 65,942 | 441,296 | - | 441,763 |
| Total comprehensive loss for the year | 年內全面虧損總額 | - | - | - | - | 3,842 | - | - | (76,658) | (72,816) | - | (72,816) |
| Recognition of share-based payments | 確認為以股份支付之款項 | - | - | - | - | - | - | 29,403 | - | 29,403 | - | 29,403 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 467 | 101,378 | 23,239 | 274,282 | 2,400 | (22,103) | 29,403 | (10,716) | 397,883 | - | 398,350 |
| At 1 January 2023 | 於二零二三年一月一日 | 467 | 101,378 | 23,239 | 274,282 | 2,400 | (22,103) | 29,403 | (10,716) | 397,883 | - | 398,350 |
| Total comprehensive loss for the year | 年內全面虧損總額 | - | - | - | - | 4,016 | - | - | (97,994) | (93,978) | (302) | (94,280) |
| Placing of shares under general mandate | 根據一般授權配售股份 | 95 | 33,072 | - | - | - | - | - | - | 33,072 | - | 33,167 |
| Share issue expenses | 股份發行開支 | - | (329) | - | - | - | - | - | - | (329) | - | (329) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 562 | 134,121 | 23,239 | 274,282 | 6,416 | (22,103) | 29,403 | (108,710) | 336,648 | (302) | 336,908 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | 經營活動所得現金流量 | | |
| Loss before tax | 除稅前虧損 | (91,358) | (82,086) |
| Adjustments for: | 調整： | | |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 12,084 | 16,420 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 2,762 | 5,758 |
| Amortisation of intangible assets | 無形資產攤銷 | 214 | 239 |
| Net impairment losses on trade and other receivables | 貿易及其他應收款項減值虧損淨額 | 40,743 | 24,018 |
| Written off of intangible assets | 撇銷無形資產 | - | 2,286 |
| Impairment loss on inventories | 存貨減值虧損 | 8,569 | 6,586 |
| Interest income | 利息收入 | - | (5) |
| Finance costs | 財務成本 | 19,621 | 10,791 |
| Gain on early termination of lease | 提早終止租賃的收益 | (240) | (7) |
| Loss on disposals of property, plant and equipment | 出售物業、廠房及設備的虧損 | 9,566 | 1,094 |
| Loss on disposal of right-of-use assets | 出售使用權資產的虧損 | - | 340 |
| Amortisation of deferred revenue | 遞延收益攤銷 | (489) | (527) |
| Share-based payment expenses | 以股份支付之款項開支 | - | 29,403 |
| Operating cash flows before working capital changes | 營運資金變動前的經營現金流量 | 1,472 | 14,310 |
| Change in inventories | 存貨變動 | (22,256) | 5,794 |
| Change in trade receivables | 貿易應收款項變動 | 40,751 | (226,657) |
| Change in prepayments and other receivables | 預付款項及其他應收款項變動 | 39,820 | (83,326) |
| Change in trade and other payables | 貿易及其他應付款項變動 | (18,799) | 1,851 |
| Change in contract liabilities | 合約負債變動 | 70 | (1,075) |
| Cash generated from/(used in) operations | 經營所得/(所用)現金 | 41,058 | (289,103) |
| Income tax paid | 已付所得稅 | - | (111) |
| Net cash generated from/(used in) operating activities | 經營活動所得/(所用)現金淨額 | 41,058 | (289,214) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Cash flows from investing activities | 投資活動所得現金流量 | | |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (55) | - |
| Proceeds from disposals of property, plant and equipment | 出售物業、廠房及設備所得款項 | - | 400 |
| Proceeds from disposal of right-of-use assets | 出售使用權資產所得款項 | - | 572 |
| Refund in prepayments | 預付款項退款 | - | 21,759 |
| Interest received | 已收利息 | - | 5 |
| Net cash (used in)/from investing activities | 投資活動(所用)/所得現金淨額 | (55) | 22,736 |
| Cash flows from financing activities | 融資活動所得現金流量 | | |
| Repayment of borrowings | 償還借款 | (10,729) | (21,701) |
| Interest paid | 已付利息 | (5,101) | (6,433) |
| Principal and interest element of lease payments | 租賃付款的本金及利息部分 | (2,054) | (8,085) |
| (Repayment to)/advance from shareholders | (償還股東款項)/股東墊款 | (13,283) | 22,329 |
| Proceeds from issue of shares | 發行股份所得款項 | 33,167 | - |
| Share issue expenses | 股份發行開支 | (329) | - |
| Net cash from/(used in) financing activities | 融資活動所得/(所用)現金淨額 | 1,671 | (13,890) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加/(減少)淨額 | 42,674 | (280,368) |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 6,223 | 286,512 |
| Effect of changes in foreign exchange rate | 外匯匯率變動的影響 | 2 | 79 |
| Cash and cash equivalents at end of year | 年末現金及現金等價物 | 48,899 | 6,223 |
| Analysis of cash and cash equivalents | 現金及現金等價物分析 | | |
| Bank and cash balances | 銀行及現金結餘 | 48,899 | 6,223 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. General Information

Kidztech Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 25 October 2019 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s shares (the “**Share(s)**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 March 2020 (the “**Listing**”).

The Company is an investment holding company and its subsidiaries (together, “**the Group**”) are principally engaged in manufacturing and sales of toys, raw materials and electronic parts. The principal activities of its subsidiaries are set out in note 36 to the consolidated financial statements.

2. Adoption of New and Revised Hong Kong Financial Reporting Standards

(a) Application of new and revised HKFRSs

The Group has applied the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

| | |
|---|--|
| Amendments to HKSA 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred tax related to assets and liabilities arising from a single transaction |
| Amendments to HKAS 12 | International Tax Reform — Pillar Two Model Rules |
| HKFRS 17 | Insurance Contracts |

1. 一般資料

奇士達控股有限公司(「**本公司**」)根據開曼群島公司法於二零一九年十月二十五日在開曼群島註冊成立為獲豁免有限責任公司。其註冊辦事處的地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司股份(「**股份**」)已於二零二零年三月十八日在香港聯合交易所有限公司(「**聯交所**」)主板上市(「**上市**」)。

本公司為投資控股公司，連同其附屬公司(統稱「**本集團**」)主要從事玩具、原材料及電子零件的製造及銷售。其附屬公司的主要業務載於綜合財務報表附註36。

2. 採納新訂及經修訂香港財務報告準則

(a) 應用新訂及經修訂香港財務報告準則

本集團首次應用由香港會計師公會(「**香港會計師公會**」)頒佈，於二零二三年一月一日或之後開始之年度期間強制生效的以下香港財務報告準則(「**香港財務報告準則**」)修訂本，以編製綜合財務報表：

| | |
|--------------------------------|----------------------|
| 香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本) | 會計政策披露 |
| 香港會計準則第8號(修訂本) | 會計估計定義 |
| 香港會計準則第12號(修訂本) | 與單一交易產生的資產及負債相關的遞延稅項 |
| 香港會計準則第12號(修訂本) | 國際稅收改革 — 支柱二立法模版 |
| 香港財務報告準則第17號 | 保險合約 |

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2. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

(a) Application of new and revised HKFRSs (Continued)

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

(b) Change in accounting policy

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

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

2. 採納新訂及經修訂香港財務報告準則(續)

(a) 應用新訂及經修訂香港財務報告準則(續)

除下文所述外，本年度應用新訂香港財務報告準則及其修訂本不會對本集團本年度及過往年度的財務狀況及表現及／或綜合財務報表所載披露事項產生重大影響。

(b) 會計政策之變動

因應用香港會計師公會就香港取消強制性公積金(「強積金」)與長期服務金(「長期服務金」)對沖機制的會計影響所發出的指引而作出的會計政策變動

本集團有若干附屬公司於香港經營業務，於某些情況下必須向僱員支付長期服務金。同時，本集團亦向負責管理以信託形式持有資產的受託人支付強制性強積金供款，該等資產僅用於支付各僱員的退休福利。僱傭條例(第57章)容許僱員以僱主的強積金供款累算退休權益抵銷長期服務金。於二零二二年六月，香港特區政府於憲報刊登二零二二年僱傭及退休計劃法例(抵銷安排)(修訂)條例(「**修訂條例**」)，取消使用僱主的強制性強積金供款累算權益抵銷遣散費及長期服務金(「**廢除機制**」)。廢除機制將於二零二五年五月一日(「**過渡日期**」)正式生效。此外，根據修訂條例，計算長期服務金的金額時，會以緊接過渡日期(而非僱傭終止日期)前最後一個月的薪金計算過渡日期前的僱傭期。

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2. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

(b) Change in accounting policy (Continued)

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

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

The Amendment Ordinance has no material impact on the Group’s LSP liability and staff cost.

2. 採納新訂及經修訂香港財務報告準則(續)

(b) 會計政策之變動(續)

因應用香港會計師公會就香港取消強制性公積金(「強積金」)與長期服務金(「長期服務金」)對沖機制的會計影響所發出的指引而作出的會計政策變動(續)

香港會計師公會於二零二三年七月刊發「取消香港強積金抵銷長期服務金機制的會計影響」，就對沖機制的會計方法及取消香港強積金抵銷長期服務金機制的影響提供指引。有鑒及此，本集團已追溯實施香港會計師公會就長期服務金責任發佈的指引，以便就對沖機制及廢除機制的影響提供更可靠及更恰當的資料。

修訂條例對本集團長期服務金責任及員工成本並無重大影響。

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綜合財務報表附註

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2. Adoption of New and Revised Hong Kong Financial Reporting Standards (Continued)

(c) New and revised 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:

| | Effective for accounting periods beginning on or after 於以下日期或之後開 始的會計期間生效 |
|--|---|
| Amendments to HKAS 1 Classification of liabilities as current or non-current 香港會計準則第1號(修訂本)負債分類為流動或非流動 | 1 January 2024 二零二四年一月一日 |
| Amendments to HKAS 1 Non-current liabilities with covenants 香港會計準則第1號(修訂本)附帶契諾的非流動負債 | 1 January 2024 二零二四年一月一日 |
| Amendments to HKFRS 16 — Lease Liability in a sales and leaseback 香港財務報告準則第16號(修訂本)一售後租回之租賃負債 | 1 January 2024 二零二四年一月一日 |
| Revised of Hong Kong Interpretation 5 (revised) presentation of financial statements- classification by borrower of a term loan that contains a repayment on demand clause (“HK Int 5 (Revised)”)) 香港詮釋第5號(經修訂)財務報表之呈列 — 借款人對載有按要求償還條款的定期 貸款的分類(「香港詮釋第5號(經修訂)」) | 1 January 2024 二零二四年一月一日 |
| Amendments to HKAS 7 and HKFRS 7 Supplier finance arrangements 香港會計準則第7號及香港財務報告準則第7號(修訂本)供應商融資安排 | 1 January 2024 二零二四年一月一日 |
| Amendments to HKAS 21 — Lack of Exchangeability 香港會計準則第21號(修訂本)一缺乏可兌換性 | 1 January 2025 二零二五年一月一日 |
| Amendments to HKFRS 10 and HKAS 28 Sale or contribution of assets between an investor and its associate or joint venture 香港財務報告準則第10號及香港會計準則第28號(修訂本)投資者及其聯營公司或合 資企業之間的資產出售或投入 | To be determined by the HKICPA 待香港會計師公會 釐定 |

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the directors of the Company anticipate that the application of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 採納新訂及經修訂香港財務報告準則(續)

(c) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並未提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

本集團正在評估該等修訂本及新訂準則預期於首次應用期間的影響。迄今為止，本公司董事預計，應用新訂及經修訂香港財務報告準則將不會對可預見未來的綜合財務報表產生重大影響。

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綜合財務報表附註

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3. Material Accounting Policy Information

These consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA, and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

3. 重大會計政策資料

該等綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則以及聯交所證券上市規則及香港公司條例所規定的適用披露資料編製。

該等綜合財務報表按歷史成本慣例編製。該等綜合財務報表以人民幣(「人民幣」)呈列，除另有指明外，所有金額均湊整至最接近千位數。

編製符合香港財務報告準則的綜合財務報表須使用主要假設及估計。管理層亦須於應用會計政策時作出其判斷。涉及重大判斷以及假設及估計的範圍對綜合財務報表而言屬重大，並於綜合財務報表附註4披露。

編製該等綜合財務報表所應用的主要會計政策載於下文。

合併

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司指本集團對其具有控制權之實體。當本集團因為參與該實體而承擔可變回報之風險或享有可變回報之權益，並有能力透過其對該實體之權利影響此等回報時，本集團即控制該實體。當本集團擁有現有權利指示相關業務(即對實體收益產生重大影響的業務)，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。僅在持有人能實際行使潛在投票權的情況下，方會考慮該權利。

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3. Material Accounting Policy Information (Continued)

Consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intra-group transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

3. 重大會計政策資料(續)

合併(續)

附屬公司在控制權轉移至本集團之日起合併入賬。該等公司在控制權終止之日起取消合併入賬。

出售附屬公司而導致失去控制權之收益或虧損乃指(i)出售代價之公平值連同於該附屬公司任何保留投資之公平值與(ii)本公司應佔該附屬公司之資產淨值連同與該附屬公司有關之任何剩餘商譽以及任何累計外幣換算儲備兩者間之差額。

集團內部交易、結餘及未變現溢利予以對銷。除非交易提供已轉讓資產出現減值的證據，未變現虧損亦予以對銷。附屬公司的會計政策在必要時會作出更改，以確保與本集團所採納的政策一致。

獨立財務報表

於本公司之財務狀況表內，於一間附屬公司的投資按成本減去減值虧損列賬，除非有關投資被分類為持作出售(或計入分類為持作出售之出售組別內)。成本包括投資的直接歸屬成本。附屬公司的業績由本公司按已收或應收股息基準入賬。

自附屬公司投資收取股息時，如股息超過宣派股息期內附屬公司的全面收益總額，或如獨立財務報表中的投資賬面值超過綜合財務報表中投資對象淨資產(包括商譽)的賬面值，則須對有關投資進行減值測試。

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3. Material Accounting Policy Information (Continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the operating subsidiaries incorporated in Hong Kong is Hong Kong dollars ("HK\$"), while the functional currency of the other subsidiaries of the Group is RMB. The consolidated financial statements are presented in RMB, which is the functional currency of the Company and the operating subsidiaries and the Group's presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

3. 重大會計政策資料(續)

外幣換算

(a) 功能及呈列貨幣

本集團各個實體財務報表所包含項目以實體營運所在之主要經濟環境之貨幣(「功能貨幣」)計量。在香港註冊成立的營運附屬公司的功能貨幣為港元(「港元」)，而本集團其他附屬公司的功能貨幣為人民幣。綜合財務報表以本公司及營運附屬公司之功能貨幣及本集團呈列貨幣人民幣呈列。

(b) 各實體財務報表的交易及結餘

外幣交易於初始確認時按交易日期當時的匯率換算為功能貨幣。以外幣計值的貨幣資產及負債按各報告期末的匯率換算。該換算政策產生的收益及虧損於損益中確認。

按歷史成本以外幣為單位計量的非貨幣資產及負債，按交易日期通行的匯率換算。交易日期乃本公司初步確認該等非貨幣資產或負債之日期。以外幣按公平值計量的非貨幣項目按釐定公平值當日的匯率換算。

當非貨幣項目的收益或虧損於其他全面收益確認時，該收益或虧損的任何匯兌部分於其他全面收益確認。當非貨幣項目的收益或虧損於損益中確認時，該收益或虧損的任何匯兌部分於損益中確認。

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3. Material Accounting Policy Information (Continued)

Foreign currency translation (Continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

3. 重大會計政策資料(續)

外幣換算(續)

(c) 合併時進行換算

功能貨幣與本公司呈列貨幣不同之所有集團實體之業績及財務狀況按以下方式換算為本公司呈列貨幣：

- 每份呈列之財務狀況表內之資產及負債按該財務狀況表日期之收市匯率換算；
- 收入及開支按平均匯率換算(除非此平均匯率並非交易日期當時的匯率之累計影響之合理約數，在此情況下，收支項目按交易日期之匯率換算)；及
- 所有由此產生之匯兌差額在外幣換算儲備中確認。

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3. Material Accounting Policy Information (Continued)

Foreign currency translation (Continued)

(c) Translation on consolidation (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Buildings comprise mainly factories and offices. Property, plant and equipment are carried at costs less subsequent depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The useful lives are as follows:

| | |
|--------------------------------|-------------|
| Buildings | 30–35 years |
| Leasehold improvements | 2–5 years |
| Mould and machinery | 3–10 years |
| Motor vehicles | 3–10 years |
| Furniture and office equipment | 3–5 years |

3. 重大會計政策資料(續)

外幣換算(續)

(c) 合併時進行換算(續)

編製合併賬目時，換算海外實體投資淨額及借款產生之匯兌差額均於外幣換算儲備確認。當出售海外業務時，該匯兌差額將於綜合損益確認，作為出售之部分收益或虧損。

收購海外實體產生之商譽及公平值調整被視為該海外實體之資產及負債，並按收市匯率換算。

物業、廠房及設備

樓宇主要包括工廠及辦公室。物業、廠房及設備按成本減其後折舊及減值虧損列賬。

其後成本僅在與未來經濟利益有可能流入本集團有關之項目，而該項目之成本能夠可靠計量時，方會計入資產之賬面值或確認為獨立資產(倘適用)。所有其他維修及保養費用在產生之期間內於損益中確認。

物業、廠房及設備折舊以直線法按足以於估計可使用年期內撇銷其成本減其剩餘價值之比率計算。可使用年期如下：

| | |
|---------|--------|
| 樓宇 | 30至35年 |
| 租賃物業裝修 | 2至5年 |
| 模具及機器 | 3至10年 |
| 汽車 | 3至10年 |
| 傢俬及辦公設備 | 3至5年 |

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截至二零二三年十二月三十一日止年度

3. Material Accounting Policy Information (Continued)

Property, plant and equipment (Continued)

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

| | |
|----------------|---------|
| Land use right | 2%–3% |
| Buildings | 20%–50% |
| Motor vehicles | 20%–33% |

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

3. 重大會計政策資料(續)

物業、廠房及設備(續)

資產之剩餘價值、可使用年期及折舊方法於各報告期末進行檢討，及在適當時調整。

在建工程指在建樓宇及待安裝廠房及機器，以成本扣除減值虧損列示。相關資產於可供使用時計提折舊。

出售物業、廠房及設備的收益或虧損為銷售所得款項淨額及有關資產賬面值之間的差額，並於損益中確認。

租賃

本集團作為承租人

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。使用權資產按成本減累計折舊及減值虧損呈列。使用權資產折舊以直線法按於資產使用年期或租期(以較短者為準)內撇銷其成本之比率計算。主要年率如下：

| | |
|-------|---------|
| 土地使用權 | 2%至3% |
| 樓宇 | 20%至50% |
| 汽車 | 20%至33% |

使用權資產乃按成本(包括租賃負債初始計量金額、預付租賃款項、初始直接成本及恢復成本)計量。租賃負債包括租賃款項的淨現值，倘若有關利率可予確定，則使用租賃中隱含的利率貼現，否則使用本集團的增量借款利率計算。每筆租賃款項均於租賃負債及融資成本之間分配。融資成本於租期內在損益內扣除，以使租賃負債餘額的利率固定。

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3. Material Accounting Policy Information (Continued)

Leases (Continued)

The Group as lessee (Continued)

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. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group entities, which do not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

3. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借貸利率計算。為釐定增量借款利率，本集團：

- 在可能的情況下，以個別承租人近期收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化；
- 採用以無風險利率為起點的累加法，並按照集團實體持有租賃的信貸風險(近期並無第三方融資)進行調整，及
- 針對租賃做出特定調整，如租賃期、國家、貨幣及抵押。

倘個別承租人可獲得可隨時觀察到的攤銷貸款利率(通過近期融資或市場數據)且其付款情況與租賃類似，則集團實體以該利率為起點以釐定增量借款利率。

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3. Material Accounting Policy Information (Continued)

Leases (Continued)

The Group as lessee (Continued)

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Intangible assets

(a) Trademarks

Trademarks are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 5 years.

(b) Software

Acquired computer softwares are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Softwares are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 3–5 years.

3. 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

與短期租賃相關的付款及低價值資產的租賃於租期內以直線法在損益內確認為開支。短期租賃為初始租賃期為12個月或以下的租賃。低價值資產為價值低於5,000美元的資產。

本集團作為出租人

資產擁有權的全部風險及回報並無實質上轉移至承租人的租賃入賬列作經營租賃。經營租賃租金收入按有關租期以直線法確認。

無形資產

(a) 商標

商標按成本減累計攤銷及減值虧損呈列。攤銷以直線法於商標估計使用年期5年內計算。

(b) 軟件

購入的電腦軟件按購入及使用該特定軟件達到預定可使用狀態所產生的成本作資本化處理。軟件按成本減累計攤銷及減值虧損呈列。攤銷以直線法於軟件估計使用年期3至5年內計算。

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3. Material Accounting Policy Information (Continued)

Intangible assets (Continued)

(c) License rights

License rights are stated at historical cost less accumulated amortisation and accumulated impairment losses. They are initially measured at the fair value of the consideration given to acquire the license at the time of the acquisition, which represents the capitalised present values of the fixed minimum payment to be made upon commencement of the license contract and in subsequent years.

The Group amortises intangible assets with limited useful lives of 3 to 5 years for trademarks and software and over the terms of the license right contracts of 1 to 3 years using straight-line method.

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development project (relating to the design and developing of new or improved utility models and utility patents) are recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of one to five years. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

3. 重大會計政策資料(續)

無形資產(續)

(c) 特許權

特許權按歷史成本減累計攤銷及累計減值虧損列賬。特許權初始按收購時就獲取特許權所給予的代價的公平值計量，即於授權合約開始時及隨後年度將支付的最低定額款項的資本化現值。

本集團對商標及軟件以無形資產的有限可使用年期3至5年及對特許權以1至3年的合約期限作直線攤銷。

研發

研究活動開支於產生期間內確認為開支。因本集團開發項目(與設計及開發新或改良實用模型及實用專利有關)而於內部產生的無形資產僅於下列所有條件達成後方獲確認：

- 所設立之資產可予識別(例如軟件及新工序)；
- 所設立之資產可能產生未來經濟利益；及
- 資產的開發成本能可靠計量。

內部產生的無形資產按成本減累計攤銷及減值虧損呈列。攤銷以直線法於該等資產估計使用年期一至五年內計算。倘未能確認任何內部產生的無形資產，則開發開支於產生期間的損益內確認。

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3. Material Accounting Policy Information (Continued)

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.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

3. 重大會計政策資料(續)

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本按加權平均基準計算。製成品及在建工程成本包括原材料、直接勞工成本及所有生產經常性開支的恰當比例及(如適用)分包開支。可變現淨值乃按日常業務過程中之估計售價減去估計完成成本及估計作出銷售所需費用計算。

確認及終止確認金融工具

本集團於成為該等工具合約條文的訂約方時於財務狀況表中確認金融資產及金融負債。

於收取資產現金流量的已訂約權利屆滿、本集團轉讓資產擁有權的絕大部分風險及回報或本集團並無轉讓亦無保留資產擁有權的絕大部分風險及回報，惟不保留資產的控制權時，終止確認金融資產。終止確認一項金融資產時，資產賬面值與已收代價總額之間的差額於損益內確認。

倘相關合約訂明的責任獲解除、取消或到期，則終止確認金融負債。已終止確認金融負債賬面值與已付代價之間的差額於損益內確認。

金融資產

倘金融資產買賣根據合約進行，而合約條款規定資產須於有關市場所規定的期限內交付，則金融資產按交易日基準確認入賬及終止確認，並初始按公平值加直接應佔交易成本確認，惟按公平值計入損益的投資則除外。收購按公平值計入損益的投資的直接應佔交易成本即時於損益確認。

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3. Material Accounting Policy Information (Continued)

Financial assets (Continued)

Financial assets of the Group are classified as financial assets at amortised cost.

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“**lifetime expected credit losses**”) for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

3. 重大會計政策資料(續)

金融資產(續)

本集團的金融資產被分類為按攤銷成本列賬的金融資產。

倘同時符合下列兩項條件，則金融資產(包括貿易及其他應收款項)撥歸此分類：

- 資產乃按目標為持有資產以收取合約現金流量的業務模式持有；及
- 資產的合約條款導致於特定日期產生純粹為支付本金及未償還本金利息的現金流量。

有關資產其後使用實際利率法按攤銷成本減預期信貸虧損的虧損撥備計量。

預期信貸虧損的虧損撥備

本集團就按攤銷成本列賬的金融資產的預期信貸虧損確認虧損撥備。預期信貸虧損為加權平均信貸虧損，並以發生違約風險的金額作為加權數值。

於各報告期末，倘金融工具的信貨風險自初步確認以來大幅增加，本集團就貿易應收款項按相等於所有可能發生違約事件的預期信貸虧損除以該金融工具的預計年期的金額(「**全期預期信貸虧損**」)，計量金融工具的虧損撥備。

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3. Material Accounting Policy Information (Continued)

Loss allowances for expected credit losses (Continued)

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

3. 重大會計政策資料(續)

預期信貸虧損的虧損撥備(續)

倘於報告期末，金融工具(貿易應收款項除外)的信貸風險自初步確認以來並無大幅增加，則本集團會按相等於反映該金融工具於報告期後12個月內可能發生的違約事件所引致預期信貸虧損的全期預期信貸虧損部分的金額計量金融工具的虧損撥備。

預期信貸虧損金額或為調整報告期末虧損撥備至所需金額所作撥回金額乃於損益確認為減值盈虧。

貿易及其他應收款項

應收款項於本集團擁有無條件權利收取代價時確認。收取代價的權利於代價到期付款前只待時間推移時方為無條件。倘收益在本集團擁有無條件權利收取代價前已獲確認，則金額呈列為合約資產。

應收款項使用實際利率法按攤銷成本減信貸虧損撥備列賬。

合約資產及合約負債

在本集團有權無條件獲取合約所載付款條款代價前確認收益時確認合約資產。合約資產就預期信貸虧損而進行評估，並在代價權利成為無條件後獲重新分類至應收款項。

合約負債乃於客戶在本集團確認相關收益前支付代價時確認。倘本集團於本集團確認相關收益前有無條件接納代價的權利，則合約負債亦將予以確認。於此情況下，相應的應收款項亦將予以確認。

就與客戶的單一合約而言，淨合約資產或淨合約負債得以呈列。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

倘合約包含重大融資部分，合約結餘包括按實際利息法計算的應計利息。

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3. Material Accounting Policy Information (Continued)

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. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. 重大會計政策資料(續)

現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、存放於銀行及其他金融機構的活期存款，以及可即時轉換為已知數額現金款項及受極輕微價值變動風險所限的短期高流通性投資。現金及現金等價物的組成部分亦包括須按求償還及為本集團整體現金管理一部分的銀行透支。

金融負債及權益工具

金融負債及權益工具乃根據所訂立的合約安排的實質內容以及在香港財務報告準則下金融負債及權益工具的定義而予以分類。權益工具為證明於本集團經扣除其所有負債後於資產中擁有的剩餘權益的任何合約。

借款

借款初始按公平值(扣除已產生之交易成本)確認，其後則以實際利率法按攤銷成本計量。

除非本集團有無條件權利將負債的結算遞延至報告期末後最少12個月，否則借款獲分類為流動負債。

貿易及其他應付款項

貿易及其他應付款項初始按公平值呈列，其後則以實際利率法按攤銷成本計量，惟倘貼現影響並不重大者，則以成本呈列。

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3. Material Accounting Policy Information (Continued)

Equity instruments

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

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

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

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

3. 重大會計政策資料(續)

權益工具

權益工具指能證明於實體扣除其所有負債後之資產中擁有剩餘權益之任何合約。本公司發行的權益工具按已收款項扣除直接發行成本入賬。

來自客戶合約的收益

收益乃按經參考商業慣例後與客戶訂立的合約所訂明的代價計量，且不包括代表第三方收取的金額。就客戶付款與轉移已承諾產品或服務之間的期限超過一年的合約，代價會就重大融資部分的影響作出調整。

本集團透過將產品或服務的控制權轉移予客戶而完成其履約責任時確認收益。視乎合約的條款及該合約適用的法例，履約責任可於一段時間內或於某一時間點完成。倘屬以下情況，履約責任乃於一段時間內完成：

- (a) 當客戶同時收取及消耗本集團履約所提供的利益；
- (b) 當本集團的履約行為為創造或改良一項其於被創造或改良時受客戶控制的資產；或
- (c) 當本集團的履約行為為並無創造一項對本集團有替代用途的資產，及本集團對迄今為止已完成的履約行為為擁有可強制執行付款的權利。

倘履約責任屬於一段時間內完成，收益經參考已完成有關履約責任的進度確認。否則，收益於客戶獲得產品或服務控制權之時確認。

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3. Material Accounting Policy Information (Continued)

Revenue from contracts with customers (Continued)

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

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

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

The Group's revenue is recognised as follows:

(i) Sales of toy cars, raw materials and electronic parts

Customers obtain control of the toy cars, raw materials and electronic parts when the goods are delivered to and have been accepted by them. Revenue is therefore recognised upon when the customers accepted the toy cars, raw materials and electronic parts.

(ii) Procurement and selling of raw materials and electronic parts

Customers obtain control of the raw materials and electronic parts when the customers received the goods directly delivered from suppliers. There is generally only one performance obligation which is fulfilled when the customers accepted the goods. Revenue is therefore recognised upon the customers accepted the raw material and electronic parts.

3. 重大會計政策資料(續)

來自客戶合約的收益(續)

合約資產指本集團就本集團向客戶轉讓的貨品或服務收取代價的權利(尚未成為無條件)。根據香港財務報告準則第9號對其進行減值評估。相反，應收款項指本集團收取代價的無條件權利，即支付該代價僅須經過時間流逝則會到期。

合約負債指本集團將本集團已向客戶收取代價(或應收取代價)的貨品或服務轉讓予客戶的責任。

與合約有關的合約資產及合約負債按淨額基準入賬及呈列。

本集團收益按下文確認：

(i) 銷售車模、原材料及電子零件

客戶於交付並已接納貨物時獲得車模、原材料及電子零件的控制權。因此，收益於客戶接納車模、原材料及電子零件時予以確認。

(ii) 採購及銷售原材料及電子零件

客戶於收到供應商直接交付貨物時獲得原材料及電子零件的控制權。一般僅有一項履約責任於客戶接受貨物時履行。因此，收益於客戶接納原材料及電子零件時予以確認。

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綜合財務報表附註

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3. Material Accounting Policy Information (Continued)

Other income

Rental income is recognised on a straight-line basis over the lease term.

Interest income is recognised using the effective interest method.

Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(b) 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 in profit or loss represents contributions payable by the Group to the funds.

3. 重大會計政策資料(續)

其他收入

租賃收入按直線法於租期內確認。

利息收入以實際利率法確認。

僱員福利

(a) 短期責任

僱員直至報告期末之服務獲確認工資及薪金負債(包括預期在僱員提供相關服務期間結束後12個月內悉數結算的非貨幣福利及累計病假)並按結算有關負債之預期金額計量。負債於財務狀況表內呈列為現有僱員福利責任。

(b) 退休金責任

本集團向定額供款退休計劃作出供款，所有僱員均可參與該計劃。供款由本集團及僱員按僱員基本薪金之百分比作出。自損益扣除之退休福利計劃成本指本集團應向該基金支付之供款。

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綜合財務報表附註

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3. Material Accounting Policy Information (Continued)

Employee benefits (Continued)

(b) Pension obligations (Continued)

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (“**MPF Scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme in Hong Kong. Contributions are made based on 5% of the employees’ relevant income, subject to a ceiling of monthly relevant income of HK\$30,000 and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(c) 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.

3. 重大會計政策資料(續)

僱員福利(續)

(b) 退休金責任(續)

本集團根據香港強制性公積金計劃條例為其合資格參與強制性公積金退休福利計劃(「**強積金計劃**」)之香港僱員設有定額供款之強積金計劃。供款按僱員相關收入之5%作出，上限為每月相關收入30,000港元，並於根據強積金計劃規則成為應付時自損益扣除。強積金計劃之資產與本公司資產分開，由獨立管理之基金持有。本集團之僱主供款於向強積金計劃作出供款時即悉數歸屬僱員。

就長期服務金責任而言，本集團按香港會計準則第19號第93(a)段的條款，將預期將予抵銷的僱主強積金供款作為一項視作僱員對長期服務金責任的供款入賬，並按淨額計算。未來利益的估計金額乃經扣除本集團已歸屬於僱員的強積金供款(視作相關僱員的供款)應計利益所產生的負服務成本後釐定。

(c) 離職福利

離職福利於本集團不能撤回提供該等福利時或本集團確認重組成本並涉及支付離職福利時(以較早日期為準)確認。

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3. Material Accounting Policy Information (Continued)

Employee benefits (Continued)

(d) Housing funds, medical insurances and other social insurances

Employees of the group companies in the PRC are entitled to participate in various government supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year.

(e) Bonus entitlements

The expected cost of bonus payments are recognised as a liability when the Group has a present contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

3. 重大會計政策資料(續)

僱員福利(續)

(d) 住房公積金、醫療保險金及其他社會保險

集團公司的中國僱員有權參與多項政府監管的住房公積金、醫療保險及其他僱員社會保險計劃。本集團每月根據員工工資的特定百分比向該等基金供款(設有若干上限)。本集團對有關該等基金的法律責任限於每年應付的供款。

(e) 獎金權利

當本集團因僱員提供服務而現時具有合約或推定責任，且有關責任可予可靠估計時，獎金支付的預期成本確認為負債。

以股份支付之款項

本集團發行以股本結算並以股份支付之款項予若干僱員。以股本結算並以股份支付之款項乃於授出日期按權益工具公平值(不包括非市場形式歸屬條件影響)計量。以股本結算並以股份支付之款項於授出日期釐定之公平值乃根據本集團對最終將歸屬之股份之估計及就非市場形式歸屬條件之影響作調整後，於歸屬期內按直線法支銷。

發行以股本結算並以股份支付之款項予董事及僱員乃於授出日期權益工具按公平值(不包括非市場形式歸屬條件影響)計量。以股本結算並以股份支付之款項於授出日期釐定之公平值乃根據本集團對最終將歸屬之股份之估計及就非市場形式歸屬條件之影響作調整後，於歸屬期內按直線法支銷。

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3. Material Accounting Policy Information (Continued)

Share-based payments (Continued)

The Group also provides employees with the ability to purchase the Company's ordinary shares at a discount to the current market value. The Group records an expense, based on the fair value of the discount related to shares expected to vest (taking in account the post vesting transfer restrictions), on a straight-line basis over the vesting period.

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.

3. 重大會計政策資料(續)

以股份支付之款項(續)

本集團亦向僱員提供以較當前市值折讓的價格購入本公司普通股的能力。本集團按與預期歸屬股份有關折讓的公平值(計及歸屬後轉讓限制)於歸屬期內按直線法記錄開支。

借款成本

因收購、建設或生產合資格資產(需要大量時間為其擬定用途或銷售作準備的資產)而直接產生的借款成本會資本化為該等資產的部分成本，直至該等資產大致可準備投入作擬定用途或出售。特定借款於撥作合資格資產的開支前用作短暫投資所賺取的投資收入為自合資格資本化的借款成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化的借款成本金額乃按用於該資產的開支所採用的資本化率而釐定。資本化率為適用於本集團該期間內尚未償還借貸的加權平均借款成本，惟不包括為取得合資格資產而借入的特定借款。

所有其他借款成本均於其產生期間於損益內確認。

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3. Material Accounting Policy Information (Continued)

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.

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

Repayment of a grant related to income is applied first against any unamortised deferred income set up in respect of the grant. To the extent that the repayment exceeds any such deferred income, or where no deferred income exists, the repayment is recognised immediately in profit or loss. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

3. 重大會計政策資料(續)

政府補貼

政府補貼於可合理保證本集團將遵守補貼所有附帶條件以及將獲取補貼時確認。

與收入有關之政府補貼將遞延並於期內在損益中及確認以與擬作補償的成本匹配。

作為已產生的開支或虧損的補償或向本集團提供即時財務援助而可收取(並無日後相關成本)的政府補貼，乃於其成為可收取的期間於損益內確認。

與購買資產相關的政府補貼入賬為遞延收入，並按相關資產使用年期以直線法於損益確認。

償還有關收入之補貼首先應用任何就有關補貼而設之未攤銷遞延收入。倘還款超過任何該等遞延收入，或並無遞延收入，有關還款即時於損益確認。償還有關資產之補貼以該資產之賬面值增加可償還金額或以可償還金額減遞延收入列賬。於倘並無補貼而應於迄今損益確認之累計額外折舊即時於損益確認。

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3. Material Accounting Policy Information (Continued)

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 tax 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.

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.

3. 重大會計政策資料(續)

稅項

所得稅指即期稅項及遞延稅項的總和。

現時應付稅項乃按年度應課稅溢利計算。應課稅溢利與於損益內所確認的溢利不同，乃由於前者不包括在其他年度應課稅或可扣減收入或開支項目，且不包括永毋須課稅或不可扣稅的項目。本集團的即期稅項負債乃按報告期末已實行或大致上已實行的稅率計算。

遞延稅項乃以財務報表中的資產及負債賬面值與計算應課稅溢利相應稅基的差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產乃按可能出現可利用暫時差額扣稅、未動用稅項虧損或未動用稅項回撥的應課稅溢利時確認。倘暫時差額由商譽或由初步確認一項不影響應課稅溢利或會計溢利的交易的其他資產及負債(業務合併除外)所產生，有關資產及負債不予確認。

遞延稅項負債就於附屬公司及聯營公司投資而產生的應課稅暫時差額予以確認，惟本集團可控制暫時差額的撥回，而此暫時差額在可見將來可能不會撥回則另當別論。

遞延稅項資產的賬面值於各報告期末作檢討，並在不再可能有足夠應課稅溢利可用以收回全部或部分資產時作調減。

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3. Material Accounting Policy Information (Continued)

Taxation (Continued)

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, or to realise the asset and settle the liability simultaneously.

3. 重大會計政策資料(續)

稅項(續)

遞延稅項乃按預期於負債清償或資產變現期間應用的稅率計算，以報告期末已實行或大致上已實行的稅率為基礎。遞延稅項於損益內確認，惟倘遞延稅項與在其他全面收入或直接於權益中確認的項目有關，在此情況下遞延稅項亦會於其他全面收入或直接於權益中確認。

遞延稅項資產及負債計量反映本集團於報告期末所預期收回其資產或清償其負債的賬面值方式所產生的稅務結果。

遞延稅項資產及負債僅在有合法執行權利將即期稅項資產及即期稅項負債抵銷，以及其與同一稅務機關徵收的所得稅有關，而本集團擬以淨額基準處理其即期稅項資產及負債，或同時變現資產及處理負債時，方予以抵銷。

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3. Material Accounting Policy Information (Continued)

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.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except deferred income tax asset, investments, inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

3. 重大會計政策資料(續)

分部報告

經營分部及各分部項目於財務報表內呈報的金額，乃根據定期提供予本集團最高行政管理層就資源分配及評估本集團不同行業之業務表現的財務資料識別。

就財務報告而言，除非分部具備相似的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的方法以及監管環境的性質方面相似，否則各個重大經營分部不會合併計算。個別非重大的經營分部如符合上述大部分標準，則可合併計算。

非金融資產減值

於各報告期末，本集團審閱其有形及其他無形資產(遞延所得稅資產、投資、存貨及應收款項除外)的賬面值，以釐定有否任何跡象顯示該等資產出現減值虧損。倘存在任何有關跡象，則會估計資產的可收回金額，以釐定任何減值虧損的程度。倘無法估計個別資產的可收回金額，本集團會估計該資產所屬的現金產生單位的可收回金額。

可收回金額是指公平值減出售成本與使用價值中的較高者。評估使用價值時，估計未來現金流量會採用稅前貼現率貼現至其現值，該稅前貼現率反映對貨幣時間價值的當前市場評估及該資產特有的風險。

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3. Material Accounting Policy Information (Continued)

Impairment of non-financial assets (Continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3. 重大會計政策資料(續)

非金融資產減值(續)

倘估計資產或現金產生單位的可收回金額低於其賬面值，則資產或現金產生單位的賬面值將調低至其可收回金額。減值虧損即時於損益內確認，除非有關資產乃按重估數額列賬，於該情況下，減值虧損會被視為重估減值。

倘減值虧損於其後撥回，資產或現金產生單位的賬面值調高至其經修訂的估計可收回金額，而調高後的賬面值不得超過倘該資產或現金產生單位在過往年度並無確認減值虧損時釐定的賬面值(扣除攤銷或折舊)。減值虧損的撥回即時於損益內確認，除非有關資產乃按重估數額列賬，於該情況下，所撥回的減值虧損會被視為重估增值。

撥備及或然負債

當本集團因已發生的事件須承擔現有法定或推定義務，而履行義務有可能導致付出經濟利益，及有可靠估計的情況下，須對該等不確定時間或金額的負債確認撥備。倘時間價值重大，則撥備乃按預期用於履行有關義務所需的支出的現值列賬。用於釐定現值之貼現率為稅前比率，其反映當時市場對金錢之時間值及該責任之特定風險之評估。因時間推移而增加之撥備確認為利息開支。

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3. Material Accounting Policy Information (Continued)

Provisions and contingent liabilities (Continued)

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.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Critical judgements and key estimates

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3. 重大會計政策資料(續)

撥備及或然負債(續)

倘不大可能需要付出經濟利益，或其數額無法可靠估計，則義務須披露為或然負債，除非付出經濟利益的可能性極低則另作別論。潛在義務，其存在僅能以一個或數個未來事項的發生或不發生來證實，除非其付出的可能性極低，否則有關義務亦披露為或然負債。

報告期後事項

提供有關本集團於報告期末狀況或顯示持續經營假設並不適當的額外資料的報告期後事項均屬於調整事項，並於財務報表內反映。並非屬調整事項的報告期後事項如屬重大，則於財務報表附註中披露。

4. 關鍵判斷及主要估計

應用附註3所述本集團之會計政策時，本公司董事須作出對所確認金額有重大影響之判斷(涉及估計者除外)及作出有關無法即時自其他來源獲得之資產及負債賬面值之估計及假設。估計及有關假設乃基於過往經驗及被視為相關之其他因素。實際結果可能有別於該等估計。

估計及相關假設會持續修訂。倘對會計估計之修訂僅影響修訂有關估計之期間，則於該期間確認；或倘該修訂影響本期間及未來期間，則於修訂期間及未來期間確認。

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4. Critical judgements and key estimates (Continued)

(i) Critical judgements in applying accounting policies

In the process of applying accounting policies, the directors have made the following judgements 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).

(a) Significant increase in credit risk

As explained in note 3, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

4. 關鍵判斷及主要估計(續)

(i) 應用會計政策時的關鍵判斷

在應用會計政策時，董事已作出以下對於綜合財務報表中確認的金額產生最重大影響的判斷(在下文處理涉及估算的判斷除外)。

(a) 信貸風險顯著增加

如附註3中所解釋，預期信貸虧損是作為第1階段資產的12個月預期信貸虧損或第2階段或第3階段資產的全期預期信貸虧損的撥備計量的。當資產的信貸風險自初始確認後顯著增加時，資產進入第2階段。香港財務報告準則第9號並未界定什麼構成信貸風險顯著增加。在評估一項資產的信貸風險是否顯著增加時，本集團考慮了定性和定量的合理且可支持的前瞻性信息。

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4. Critical judgements and key estimates (Continued)

(i) Critical judgements in applying accounting policies (Continued)

(b) Revenue recognition – principal versus agent

Since the year ended 31 December 2022, the Group has engaged in the procurement and sales raw materials and electronic parts business. With the long established relationship with the suppliers in Hong Kong and Mainland China, the Group sources for and sells the raw materials and electronic parts that suits the customers' specific requirement. Certain of these trading transactions are arranged in an indent basis and the Group does not bear inventory risks but the credit risk.

The directors of the Group considered that the Group has not obtained the control of those goods being sold to the customers in the course of these transactions, in addition, the Group is not primarily responsible for fulfilling the obligation to provide the those goods. Based on the above, it was concluded that the Group is acting as an agent in these sale transactions, and therefore, revenue from these sale transactions are accounted as an agency service income and the net proceeds (sales amount less cost of sales) is recognised as revenue. In determining whether the Group is acting as a principal or as an agent, the directors are required to exercise significant judgement and to consider all relevant facts and circumstances of these trading business.

4. 關鍵判斷及主要估計(續)

(i) 應用會計政策時的關鍵判斷(續)

(b) 收入確認 – 委託人與代理人

自截至二零二二年十二月三十一日止年度起，本集團從事採購及銷售原材料及電子零件的業務。由於與香港及中國內地的供應商建立了長期穩定的關係，本集團採購及銷售適合客戶特定要求的原材料及電子零件。這些若干貿易交易均以契約方式安排，除信貸風險外，本集團不承擔庫存風險。

本集團董事認為，在這些交易過程中，本集團並無獲得對出售給客戶的貨品的控制權，此外，本集團並不就履行義務提供該等貨品承擔主要責任。根據上文所述，可以認為本集團在這些銷售交易中作為代理人行事，因此，這些銷售交易的收益作為代理服務收入入賬，所得款項淨額(銷售金額減去銷售成本)確認為收益。在確定本集團是作為委託人還是作為代理人行事時，董事需要作出重大判斷，並考慮這些貿易業務的所有相關事實及情況。

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4. Critical judgements and key estimates (Continued)

(ii) 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) Useful lives of property, plant and equipment, right-of-use assets and intangible assets

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

4. 關鍵判斷及主要估計(續)

(ii) 估計不明朗因素的主要來源

於報告期末有可能使下一個財政年度的資產及負債賬面值須作出重大調整的重大風險而與未來有關的主要假設及估計不明朗因素的其他主要來源於下文討論。

(a) 物業、廠房及設備、使用權資產及無形資產的可使用年期

本集團就本集團的物業、廠房及設備、使用權資產及無形資產釐定估計可使用年期、剩餘價值及相關折舊及攤銷開支。該估計乃根據性質及功能相似的物業、廠房及設備、使用權資產及無形資產的實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團將會修正折舊開支，或撤銷或撇減技術上已過時或已廢棄或已售出的非策略性資產。

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4. Critical judgements and key estimates (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(b) Recoverable amounts of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amounts of these assets have been determined based on the higher of value-in-use calculations and fair value less costs to sell. The valuations require use of judgements and estimates on market data adopted.

As at 31 December 2023, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets were approximately RMB141,596,000, RMB26,138,000 and RMB73,000 respectively (2022: RMB146,887,000, RMB31,248,000 and RMB287,000 respectively).

4. 關鍵判斷及主要估計(續)

(ii) 估計不明朗因素的主要來源(續)

(b) 物業、廠房及設備、使用權資產以及無形資產的可收回金額

當出現事件或情況變動顯示資產賬面值超過其可收回金額，本集團會審閱物業、廠房及設備、使用權資產以及無形資產是否出現減值。該等資產的可收回金額乃按使用價值計算及公平值減銷售成本的較高者釐定。估值需要對所採用的市場數據進行判斷及估計。

於二零二三年十二月三十一日，物業、廠房及設備、使用權資產以及無形資產的賬面值分別為約人民幣141,596,000元、人民幣26,138,000元及人民幣73,000元（二零二二年：分別為人民幣146,887,000元、人民幣31,248,000元及人民幣287,000元）。

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4. Critical judgements and key estimates (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(c) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

During the year ended 31 December 2023, impairment losses on trade and other receivables of approximately RMB40,743,000 (2022: RMB24,018,000) was recognised in the profit or loss.

As at 31 December 2023, the carrying amounts of trade and other receivables were approximately RMB247,366,000 and RMB38,907,000 respectively (2022: RMB327,541,000 and RMB86,459,000 respectively).

4. 關鍵判斷及主要估計(續)

(ii) 估計不明朗因素的主要來源(續)

(c) 呆壞賬減值虧損

本集團根據對貿易及其他應收款項可收回性的評估(包括各債務人的當前信譽及過往付款記錄)作出呆壞賬減值虧損。倘有事件或情況變動顯示餘額可能無法收回時，則會出現減值。識別呆壞賬需利用判斷及估計。倘實際結果有別於原有估計，則有關差額將影響有關估計已變動年度的貿易及其他應收款項的賬面值以及呆賬開支。

截至二零二三年十二月三十一日止年度，貿易及其他應收款項減值虧損約人民幣40,743,000元(二零二二年：人民幣24,018,000元)已於損益中確認。

於二零二三年十二月三十一日，貿易及其他應收款項的賬面值分別約為人民幣247,366,000元及人民幣38,907,000元(二零二二年：分別為人民幣327,541,000元及人民幣86,459,000元)。

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4. Critical judgements and key estimates (Continued)

(ii) Key sources of estimation uncertainty (Continued)

(d) 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.

During the year ended 31 December 2023, impairment losses on inventories of approximately RMB8,569,000 (2022: impairment losses on inventories of approximately RMB6,586,000) was recognised in the profit or loss.

As at 31 December 2023, the carrying amounts of inventories were approximately RMB24,545,000 (2022: RMB10,858,000).

4. 關鍵判斷及主要估計(續)

(ii) 估計不明朗因素的主要來源(續)

(d) 存貨之可變現淨值

存貨之可變現淨值為日常業務過程中之估計售價減估計完成成本及銷售開支。此等估計乃根據現行市況及製造與銷售類似性質產品之過往經驗而定。其可因客戶品味改變及競爭對手採取行動而大幅變動。本集團於各報告期末重新評估該等估計。

截至二零二三年十二月三十一日止年度，存貨減值虧損約人民幣8,569,000元(二零二二年：存貨減值虧損約人民幣6,586,000元)已於損益中確認。

於二零二三年十二月三十一日，存貨的賬面值約為人民幣24,545,000元(二零二二年：人民幣10,858,000元)。

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5. Financial risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

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

Some of the business transactions, assets and liabilities in a Group's entity with functional currency of HK\$, are denominated in currencies such as United States Dollars ("US\$") and EURO ("EUR"). The directors of the Company are of the opinion that the risk of movements in exchange rates between HK\$ and US\$ to be insignificant since HK\$ is pegged against US\$. The foreign currency risk arose with the movements in exchange rates between HK\$ and EUR is also considered insignificant as the amounts denominated in EUR is minimal.

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.

5. 財務風險管理

本集團業務使其面對多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃專注於金融市場無法預測的特性，並尋求盡量減少對本集團財務表現可能造成的不利影響。

(a) 外幣風險

由於本集團大部分業務交易、資產及負債主要以本集團實體的功能貨幣港元及人民幣計值，故其所承受的外幣風險極低。

本集團實體中以港元為功能貨幣的部分業務交易、資產及負債以美元(「美元」)及歐元(「歐元」)等貨幣計值。本公司董事認為，由於港元與美元掛鈎，港元與美元之間的匯率波動風險並不重大。由於以歐元計值的金額極小，因此港元與歐元之間的匯率波動所產生的外幣風險亦被認為並不重大。

本集團目前並無就外幣交易、資產及負債設立外幣對沖政策。本集團將會密切監察其外幣風險並在有需要時考慮對沖重大外幣風險。

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5. Financial risk management (Continued)

(b) Credit risk

The carrying amount of the cash and bank balances, trade receivables and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group has significant concentrations of credit risk as 63% (2022: 67%) of the Group's trade receivables were due from 3 (2022: 3) customers. The directors of the Company are of the opinion that the credit risk exposure in relation to these customers is not significant as these customers had sound financial position for whom there was no recent history of default.

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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 adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

5. 財務風險管理(續)

(b) 信貸風險

計入綜合財務狀況表的現金及銀行結餘、貿易應收款項及其他應收款項的賬面值指本集團就本集團的金融資產所面對的最高信貸風險。

本集團面臨重大信貸集中風險，此乃由於本集團63% (二零二二年：67%) 的貿易應收款項均來自三名客戶(二零二二年：三名)。本公司董事認為，由於該等客戶財務狀況穩健，且近期並無違約紀錄，因而與該等客戶有關的信貸風險敞口並不重大。

本集團已制定政策確保向具有合適信貸記錄的客戶進行銷售。

現金及銀行結餘的信貸風險有限，此乃由於對手方為獲國際信貸評級機構頒予高信貸評級的銀行。

本集團透過比較金融資產於報告日期發生的違約風險與於初始確認日期的違約風險，以評估金融資產的信貸風險有否於各報告期內按持續基準大幅增加。本集團會考慮所得合理及可靠前瞻性資料，尤其使用以下的資料：

- 內部信貸評級；
- 預期導致借款人履行其責任能力出現重大影響的業務、財務或經濟狀況的實際或預期重大不利變動；及
- 借款人的預期表現及行為的重大變動，包括借款人付款狀況的變動。

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5. Financial risk management (Continued)

(b) Credit risk (Continued)

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets 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 receivable for write off when a debtor fails to make contractual payments greater than 360 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) 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:

| | | Total contractual undiscounted cash flow | | | | Total |
|---------------------------------|---------------------|--|----------------------------|-----------------------|-----------------------|---------|
| | | 總合約非貼現現金流量 | | | | |
| | | Carrying amounts | On demand or within 1 year | Between 1 and 2 years | Between 2 and 5 years | |
| | | 賬面值 | 或一年內 | 一至兩年內 | 二至五年內 | 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 |
| 31 December 2023 | 二零二三年十二月三十一日 | | | | | |
| Bank and other borrowings | 銀行及其他借款 | 143,744 | 143,744 | - | - | 143,744 |
| Trade and other payables | 貿易及其他應付款項 | 115,883 | 115,883 | - | - | 115,883 |
| Lease liabilities | 租賃負債 | 565 | 576 | - | - | 576 |
| License fee payable | 應付授權費 | 1,867 | 1,867 | - | - | 1,867 |
| Amount due to a related company | 應付一間關聯公司款項 | 962 | 962 | - | - | 962 |
| | | 263,021 | 263,032 | - | - | 263,032 |

5. 財務風險管理(續)

(b) 信貸風險(續)

倘債務人於作出合約付款時逾期超過30日，則假設信貸風險大幅增加。當對手方無法於合約付款到期時90日內支付款項，則金融資產出現違約。

金融資產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。當債務人於逾期後360日未能履行合約付款，本集團通常會撇銷有關應收款項。倘貸款或應收款項獲撇銷，則本集團(在實際可行及符合經濟效益的情況下)繼續採取強制執行行動試圖收回到期應收款項。

(c) 流動資金風險

本集團的政策為定期監察現時及預期流動資金需求，以確保維持充足現金儲備，滿足其短期及長期流動資金需求。

本集團金融負債的到期日基於非貼現現金流量分析如下：

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5. Financial risk management (Continued)

(c) Liquidity risk (Continued)

| | | Total contractual undiscounted cash flow 總合約非貼現現金流量 | | | | |
|---------------------------------|------------------|--|---|-----------------------------------|-----------------------------------|------------------|
| | | Carrying amounts | On demand or within 1 year 按要求 或一年內 | Between 1 and 2 years 一至兩年內 | Between 2 and 5 years 二至五年內 | Total |
| | | 賬面值 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 |
| 31 December 2022 | 二零二二年 十二月三十一日 | | | | | |
| Bank and other borrowings | 銀行及其他借款 | 139,834 | 139,834 | - | - | 139,834 |
| Trade and other payables | 貿易及其他應付款項 | 146,362 | 146,362 | - | - | 146,362 |
| Lease liabilities | 租賃負債 | 5,008 | 2,848 | 2,588 | - | 5,436 |
| License fee payable | 應付授權費 | 1,867 | 1,908 | - | - | 1,908 |
| Amount due to a related company | 應付一間關聯公司款項 | 962 | 962 | - | - | 962 |
| | | 294,033 | 291,914 | 2,588 | - | 294,502 |

(d) Interest rate risk

The Group's exposure to interest-rate risk arises from its bank deposits and borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

As at 31 December 2023, if the interest rate on cash at banks and borrowings increased/decreased by 0.5% with all other variables held constant, the Group's post-tax losses for the year would have been RMB54,000 higher/lower (31 December 2022: RMB80,000 higher/lower) mainly as a result of increase in interest income from cash at bank and increase in interest expense from borrowings with variable rates.

The Group has not entered into any interest rate swaps to hedge its exposure to interest rate risks.

5. 財務風險管理(續)

(c) 流動資金風險(續)

Total contractual undiscounted cash flow
總合約非貼現現金流量

| | | Carrying amounts | On demand or within 1 year 按要求 或一年內 | Between 1 and 2 years 一至兩年內 | Between 2 and 5 years 二至五年內 | Total |
|---------------------------------|------------------|-------------------------|---|-----------------------------------|-----------------------------------|------------------|
| | | 賬面值 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 |
| 31 December 2022 | 二零二二年 十二月三十一日 | | | | | |
| Bank and other borrowings | 銀行及其他借款 | 139,834 | 139,834 | - | - | 139,834 |
| Trade and other payables | 貿易及其他應付款項 | 146,362 | 146,362 | - | - | 146,362 |
| Lease liabilities | 租賃負債 | 5,008 | 2,848 | 2,588 | - | 5,436 |
| License fee payable | 應付授權費 | 1,867 | 1,908 | - | - | 1,908 |
| Amount due to a related company | 應付一間關聯公司款項 | 962 | 962 | - | - | 962 |
| | | 294,033 | 291,914 | 2,588 | - | 294,502 |

(d) 利率風險

本集團的利率風險來自於其銀行存款及借款。該等存款及借款根據當時現行市場狀況的浮動利率計息。

於二零二三年十二月三十一日，倘銀行現金及借款利率增加/減少0.5%，而所有其他可變因素維持不變，本集團年內除稅後虧損將增加/減少人民幣54,000元(二零二二年十二月三十一日：增加/減少人民幣80,000元)，主要由於銀行現金的利息收入增加及浮動利率借款的利息支出增加所致。

本集團並無訂立任何利率掉期以對沖其利率風險。

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5. Financial risk management (Continued)

(e) Fair values

As at 31 December 2023 and 2022, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) Financial instruments by category

The carrying amounts of each of the category of the Group's financial instruments at the end of the reporting period are as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------------------|-----------------------------------|-----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at amortised cost (including cash and cash equivalents) | 按攤銷成本列賬的金融資產 (包括現金及現金等價物) | 335,172 | 420,223 |
| Financial liabilities | 金融負債 | | |
| Financial liabilities at amortised cost | 按攤銷成本列賬的金融負債 | 262,456 | 288,832 |

5. 財務風險管理(續)

(e) 公平值

於二零二三年及二零二二年十二月三十一日，於綜合財務狀況表所反映的本集團金融資產及金融負債的賬面值與其各自的公平值相若。

(f) 按類別劃分之金融工具

本集團之各類別金融工具於報告期末之賬面值如下：

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6. Revenue

6. 收益

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|---------------------------|-----------------------------------|-----------------------------------|
| Revenue from contracts with customers within the scope of HKFRS 15 | 來自香港財務報告準則第15號範圍內的客戶合約的收益 | | |
| Sales of toy cars | 銷售車模 | 126,340 | 130,254 |
| Sales of raw materials and electronic parts | 銷售原材料及電子零件 | - | 33,155 |
| Procurement and selling of raw-materials and electronic parts | 採購及銷售原材料及電子零件 | 5,069 | 6,022 |
| | | 131,409 | 169,431 |

Disaggregation of revenue from contracts with customers:

來自客戶合約的收益劃分如下：

| Segment | 分部 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------------------------|----------|-----------------------------------|-----------------------------------|
| Geographical markets | 地區市場 | | |
| Mainland China | 中國內地 | - | 42,843 |
| Hong Kong | 香港 | 131,409 | 126,588 |
| Total | 總計 | 131,409 | 169,431 |
| Major products | 主要產品 | | |
| Smart toy vehicles | 智能車模 | 126,340 | 41,308 |
| Traditional toys | 傳統玩具 | - | 88,946 |
| Raw materials and electronic parts | 原材料及電子零件 | 5,069 | 39,177 |
| Total | 總計 | 131,409 | 169,431 |
| Timing of revenue recognition | 確認收益的時間 | | |
| At a point in time | 於某一時間點 | 131,409 | 169,431 |

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7. Other income and other gains/(losses), net

7. 其他收入及其他收益／(虧損)淨額

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Interest income | - | 5 |
| Government grants* | 535 | 864 |
| Exchange (losses)/gains, net | (531) | (1,104) |
| Rental income | - | 721 |
| Gains on sale of scrap materials | - | 1,652 |
| Loss on disposals of property, plant and equipment | (9,566) | (1,094) |
| Gain on early termination of lease | 240 | 7 |
| Loss on disposal of right-of-use assets | - | (340) |
| Others | 4 | 721 |
| | (9,318) | 1,432 |

* Government grants represent subsidies from Government of the Hong Kong Special Administrative Region under the Employment Support Scheme. At the end of the reporting period, there is no unfulfilled conditions nor other contingencies attached to the government grants

* 政府補貼指香港特別行政區政府根據「保就業」計劃提供的補貼。於報告期末，政府補貼並無附加未達成條件或其他或然事件

8. Segment information

The Group is principally engaged in manufacturing and sales of toy cars, raw materials and electronic parts and procurement and selling of raw materials and electronic parts. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regard that there is only one operating segment which is used to make strategic decisions. Revenue and profit before income tax are the measures reported to the executive directors of the Company for the purpose of resources allocation and performance assessment.

The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment non-current assets do not include financial instruments and deferred tax assets.

8. 分部資料

本集團主要從事車模、原材料及電子零件製造及銷售以及採購及銷售原材料及電子零件。管理層審閱業務經營業績時將其視為一個經營分部，而作出資源分配的決定。因此，本公司執行董事認為，僅有一個用以作出策略性決定的經營分部。收益及除所得稅前盈利乃就資源分配及表現評估而呈報予本公司執行董事的計量。

經營分部的會計政策與財務報表附註3所述者相同。分部非流動資產不包括金融工具及遞延稅項資產。

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8. Segment information (Continued)

Geographical information

| | | Revenue 收益 | | Non-current assets 非流動資產 | |
|----------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| Mainland China | 中國內地 | - | 42,843 | 178,611 | 203,078 |
| Hong Kong | 香港 | 131,409 | 126,588 | 3,287 | 5,680 |
| | | 131,409 | 169,431 | 181,898 | 208,758 |

The Group's customer base included five (2022: two) customers with whom transactions have exceeded 10% of its revenue during the year is set out below:

本集團客戶基礎包括五名(二零二二年:兩名)客戶,與其進行的交易超過本集團年內收入10%,載列如下:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 30,082 | N/A 不適用 |
| Customer B | 客戶B | 22,297 | N/A 不適用 |
| Customer C | 客戶C | 20,675 | 21,605 |
| Customer D | 客戶D | 18,657 | N/A 不適用 |
| Customer E | 客戶E | 16,617 | N/A 不適用 |
| Customer F | 客戶F | N/A 不適用 | 60,107 |

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綜合財務報表附註

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

9. Loss for the year

9. 年內虧損

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Allowance for inventories (included in cost of sales) | 存貨撥備 (計入銷售成本) | 8,569 | 6,586 |
| Raw materials and goods used | 已使用原材料及貨物 | 93,221 | 110,492 |
| Staff costs (including directors' emoluments) | 員工成本(包括董事酬金) | | |
| – Salaries, bonus and allowance | – 薪金、花紅及津貼 | 6,537 | 7,524 |
| – Share-based payments expenses | – 以股份支付之開支 | – | 29,403 |
| – Retirement benefits scheme contributions (note) | – 退休福利計劃供款(附註) | 163 | 523 |
| Depreciation of property, plant and equipment, right-of-use assets and amortisation of intangible assets | 物業、廠房及設備及使用權資產折舊及無形資產的攤銷 | 15,060 | 22,417 |
| Royalty expenses | 授權費開支 | 1,453 | 4,478 |
| Subcontracting charges | 分包費用 | 13,966 | 4,135 |
| Freight charge and transportation expenses | 運費及運輸開支 | 14 | 15 |
| Auditor's remuneration | 核數師薪酬 | | |
| – Audit services | – 審核服務 | 1,000 | 1,000 |
| – Non-audit services | – 非審核服務 | 100 | 100 |

Note:

Contributions to the defined contribution retirement schemes by the Group for its employees are fully and immediately vested in the employees once the contributions are made. There are no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution. Hence, there is no such an issue whether forfeited contributions may be used by the Group to reduce the existing level of contributions.

附註：

本集團為其僱員向定額供款退休計劃作出之供款，於作出供款後全數及即時歸屬於僱員。對於在完全歸屬該計劃前退出的僱員，本集團並無沒收任何供款。因此，並不存在本集團可否使用已沒收供款以降低現有供款水平之事宜。

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10. Finance costs

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Interest expenses on bank borrowings | 6,327 | 5,597 |
| Interest expenses on other borrowings | 7,995 | 3,661 |
| Interest expenses on lease liabilities | 199 | 495 |
| Others | 5,100 | 1,038 |
| | 19,621 | 10,791 |

10. 融資成本

11. Income tax expense/(credit)

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Current tax – PRC Enterprise Income Tax | | |
| – Over-provision in prior year | (48) | (1,180) |
| | (48) | (1,180) |
| Deferred tax (note 18) | 6,984 | (4,248) |
| | 6,936 | (5,428) |

11. 所得稅開支／(抵免)

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. Under the current laws of the British Virgin Islands (“BVI”), entities incorporated in BVI are not subject to income tax.

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。根據英屬處女群島（「英屬處女群島」）目前的法律，於英屬處女群島註冊成立的實體無須繳納所得稅。

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11. Income tax expense/(credit) (Continued)

For the year ended 31 December 2023, the Group is eligible to nominate one Hong Kong incorporated entity in the Group, namely Kidztech Toys Manufacturing Limited (“**Kidztech HK**”), to be taxed at the two tiered profits tax rates, whereby profits tax will be chargeable on the first HK\$2,000,000 of assessable profits at 8.25% and assessable profits above this threshold will be subject to a rate of 16.5% (2022: same). Hong Kong profits tax of the other Hong Kong incorporated group entities has been provided for at the rate of 16.5% on the estimated assessable profits. No provision for Hong Kong profits tax was made as the Group’s Hong Kong entities either has no assessable profits or has adequate tax losses to set off its assessable profits.

Pursuant to the PRC Enterprise Income Tax Law (“**EIT Law**”), the EIT rate for domestic enterprises and foreign invested enterprises is 25%. Kidztech (Guangdong) Intelligent Technology Co., Ltd. (“**Kidztech Intelligent**”, formerly known as Kidztech Intelligent Technology Co., Ltd.), the Group’s operating subsidiary in the PRC, was awarded the National High-tech Enterprise Certificate which is effective for three years commencing on 1 January 2020 with applicable income tax rate being 15% for the years from 2020 to 2023. All the other PRC entities of the Group are subject to EIT at a rate of 25%.

11. 所得稅開支／(抵免)(續)

於截至二零二三年十二月三十一日止年度，本集團有資格提名一間本集團於香港註冊成立的實體(即奇士達玩具製造有限公司(「**香港奇士達**」))按兩級利得稅稅率繳納稅款，據此，首2,000,000港元的應課稅溢利將按8.25%的稅率繳納稅款，而超出該上限的應課稅溢利將按16.5%的稅率(二零二二年：相同)繳納稅款。其他於香港註冊成立的集團實體的估計應課稅溢利已按16.5%的稅率計提香港利得稅撥備。由於本集團的香港實體並無任何應課稅溢利，亦無足夠稅項虧損抵銷其應課稅溢利，故並無就香港利得稅作出撥備。

根據中國企業所得稅法(「**企業所得稅法**」)，國內企業及外資企業的所得稅率為25%。本集團於中國營運的附屬公司奇士達(廣東)智能科技有限公司(「**奇士達智能**」，前稱奇士達智能科技股份有限公司)獲授予國家高新科技企業證書，於二零二零年一月一日起計三年有效，於二零二零年至二零二三年期間的適用所得稅率為15%。本集團所有其他中國實體須按25%的稅率繳納企業所得稅。

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11. Income tax expense/(credit) (Continued)

The reconciliation between the income tax and the loss before tax is as follows:

11. 所得稅開支／(抵免)(續)

所得稅與除稅前虧損之對賬如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|--------------------|---|-----------------------------------|
| Loss before tax | 除稅前虧損 | (91,358) | (82,086) |
| Calculated at applicable tax rate | 按適用稅率計算 | (15,074) | (13,544) |
| Tax effect of expenses not deductible for tax purpose | 就稅項目的而言不可扣減開支的稅務影響 | 7,864 | 5,892 |
| Tax effect of income that is not taxable | 毋須課稅收入的稅務影響 | (336) | (1,056) |
| Over-provision in prior year | 過往年度超額撥備 | (48) | (1,180) |
| Effect of different tax rates of subsidiaries | 附屬公司稅率差異之影響 | 4,806 | 333 |
| Tax effect of temporary difference not recognised | 並無確認的暫時差額的稅務影響 | 5,694 | - |
| Tax effect of tax losses not recognised | 並無確認的稅項虧損的稅務影響 | 4,030 | 4,127 |
| Income tax expense/(credit) for the year | 年內所得稅開支／(抵免) | 6,936 | (5,428) |

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綜合財務報表附註

For the year ended 31 December 2023
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12. Directors' and five highest paid individuals' emoluments

The emoluments of each director were as follows:

| | Note | Fee | Salaries, allowances and other benefits | Contribution to pension scheme | Total |
|--|---------------------|------------------------|---|--------------------------------|------------------------|
| | 附註 | 袍金 RMB'000 人民幣千元 | 薪金、津貼及其他福利 RMB'000 人民幣千元 | 退休金計劃供款 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| Executive directors | | | | | |
| Mr. Yu Huang | | - | 1,000 | 16 | 1,016 |
| Mr. Zhu Qiang | | - | 163 | - | 163 |
| Non-executive directors | | | | | |
| Ms. Zheng Jingyun | | - | - | - | - |
| Independent non-executive directors | | | | | |
| Mr. He Weidong | | 109 | - | - | 109 |
| Mr. Gong Lan | | 109 | - | - | 109 |
| Ms. Wang Shiling | | 109 | - | - | 109 |
| Total for the year ended 31 December 2023 | 截至二零二三年十二月三十一日止年度總計 | 327 | 1,163 | 16 | 1,506 |

12. 董事及五名最高薪酬人士酬金

各董事的薪酬如下：

| | Note | Fee | Salaries, allowances and other benefits | Contribution to pension scheme | Total |
|--|---------------------|------------------------|---|--------------------------------|------------------------|
| | 附註 | 袍金 RMB'000 人民幣千元 | 薪金、津貼及其他福利 RMB'000 人民幣千元 | 退休金計劃供款 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| Executive directors | | | | | |
| Mr. Pui Lik Leung Kenny | 1 | - | 180 | - | 180 |
| Mr. Yu Huang | | - | 840 | 18 | 858 |
| Mr. Zhu Qiang | 2 | - | 116 | 8 | 124 |
| Ms. He Minhua | 3 | - | - | - | - |
| Non-executive directors | | | | | |
| Ms. Zheng Jingyun | | - | - | - | - |
| Independent non-executive directors | | | | | |
| Mr. He Weidong | | 103 | - | - | 103 |
| Mr. Gong Lan | 4 | 77 | - | - | 77 |
| Ms. Zhao Weiwei | 5 | 26 | - | - | 26 |
| Ms. Wang Shiling | | 103 | - | - | 103 |
| Total for the year ended 31 December 2022 | 截至二零二二年十二月三十一日止年度總計 | 309 | 1,136 | 26 | 1,471 |

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12. Directors' and five highest paid individuals' emoluments (Continued)

Notes:

- 1 Mr. Pui Lik Leung Kenny resigned as executive director on 23 March 2022.
- 2 Mr. Zhu Qiang was appointed as executive director of the Company on 23 March 2022.
- 3 Ms. He Minhua resigned as executive director of the Company on 31 May 2022.
- 4 Mr. Gong Lan was appointed as independent non-executive director of the Company on 23 March 2022.
- 5 Ms. Zhao Weiwei resigned as an independent director of the Company on 23 March 2022.

The five highest paid individuals in the Group during the year included 1 director who is Mr. Yu Huang (2022: no director) whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 4 employees (2022: 5 employees) individuals are set out below:

12. 董事及五名最高薪酬人士酬金(續)

附註：

- 1 貝烈亮先生於二零二二年三月二十三日辭任執行董事。
- 2 朱強先生於二零二二年三月二十三日獲委任為本公司執行董事。
- 3 何敏華女士於二零二二年五月三十一日辭任本公司執行董事。
- 4 龔瀾先生於二零二二年三月二十三日獲委任為本公司獨立非執行董事。
- 5 趙衛衛女士於二零二二年三月二十三日辭任本公司獨立非執行董事。

年內，本集團五名最高薪酬人士包括一名董事為余煌先生(二零二二年：無董事)，其酬金於上文呈列的分析中反映。餘下四名僱員(二零二二年：五名僱員)的酬金如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|------------|---|-----------------------------------|
| Salaries, allowances and other benefits | 薪金、津貼及其他福利 | 1,937 | 261 |
| Contribution to pension scheme | 退休金計劃供款 | 65 | 12 |
| Share-based payments | 以股份支付之款項 | - | 13,118 |
| | | 2,002 | 13,391 |

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

12. Directors' and five highest paid individuals' emoluments (Continued)

The number of non-directors, highest paid employees whose remuneration fell within the following bands is as follows:

| | | Number of employees 僱員人數 | |
|---------------------------|---------------------------------|-----------------------------|---------------|
| | | 2023 二零二三年 | 2022 二零二二年 |
| Emolument band: | 酬金範圍： | | |
| Nil–RMB1,000,000 | 零至人民幣1,000,000元 | 4 | – |
| RMB2,000,000–RMB2,500,000 | 人民幣2,000,000元至 人民幣2,500,000元 | – | 3 |
| RMB2,500,000–RMB3,000,000 | 人民幣2,500,000元至 人民幣3,000,000元 | – | 2 |

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company or the chief executive of the Company waived or agreed to waived any emolument during the year ended 31 December 2023 and 2022.

No significant transaction, arrangement and contract in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

13. Dividends

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

12. 董事及五名最高薪酬人士酬金(續)

酬金介乎下列範圍內之非董事最高薪酬僱員之人數如下：

| | | Number of employees 僱員人數 | |
|---------------------------|---------------------------------|-----------------------------|---------------|
| | | 2023 二零二三年 | 2022 二零二二年 |
| Emolument band: | 酬金範圍： | | |
| Nil–RMB1,000,000 | 零至人民幣1,000,000元 | 4 | – |
| RMB2,000,000–RMB2,500,000 | 人民幣2,000,000元至 人民幣2,500,000元 | – | 3 |
| RMB2,500,000–RMB3,000,000 | 人民幣2,500,000元至 人民幣3,000,000元 | – | 2 |

截至二零二三年及二零二二年十二月三十一日止年度，本集團並無向董事或最高薪酬人士支付任何酬金，作為加入或加入本集團後的獎勵或作為失去職位的賠償。截至二零二三年及二零二二年十二月三十一日止年度，概無本公司董事或本公司最高行政人員放棄或同意放棄任何酬金。

本公司概無訂立與本集團業務有關，而本公司董事及董事的關連人士於其中擁有重大利益(不論直接或間接)，且於本年度末或本年度任何時間仍然存續的任何重大交易、安排及合約。

13. 股息

董事會並不建議就截至二零二三年十二月三十一日止年度派付末期股息(二零二二年：零)。

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14. Loss per share

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB97,994,000 (2022: approximately RMB76,658,000) and the weighted average number of ordinary shares of 583,661,618 (2022: 520,886,000), in issue during the year.

Diluted loss per share

No diluted loss per share is presented as the effect of the Company's outstanding potential ordinary shares in relation to share options is anti-dilutive for both years ended 31 December 2023 and 2022.

14. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃基於本公司擁有人應佔年內虧損約人民幣97,994,000元(二零二二年:約人民幣76,658,000元)及年內已發行普通股的加權平均數583,661,618股(二零二二年:520,886,000股)計算。

每股攤薄虧損

截至二零二三年及二零二二年十二月三十一日止年度，由於本公司有關購股權之發行在外的潛在普通股具反攤薄影響，故並無呈列每股攤薄虧損。

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15. Property, Plant and Equipment

15. 物業、廠房及設備

| | | Buildings 樓宇 RMB'000 人民幣千元 | Leasehold improvement 租賃裝修 RMB'000 人民幣千元 | Mould and machinery 模具及機械 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Furniture and office equipment 傢俱及辦公設備 RMB'000 人民幣千元 | Construction in progress 在建工程 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---|-------------------------------------|--|---|--|---|---|---------------------------------|
| Cost | 成本 | | | | | | | |
| At 1 January 2022 | 於二零二二年一月一日 | 30,559 | 17,982 | 114,168 | 3,233 | 4,455 | 84,849 | 255,246 |
| Transfer from right-of-use assets | 由使用權資產轉入 | - | - | - | 3,303 | - | - | 3,303 |
| Disposal | 出售 | - | - | (4,355) | (1,485) | - | - | (5,840) |
| Exchange differences | 匯兌差額 | - | 232 | 62 | 351 | 55 | - | 700 |
| At 31 December 2022 and 1 January 2023 | 於二零二二年 十二月三十一日及 二零二三年 一月一日 | 30,559 | 18,214 | 109,875 | 5,402 | 4,510 | 84,849 | 253,409 |
| Additions | 添置 | - | - | 16,245 | - | 55 | - | 16,300 |
| Disposal | 出售 | - | - | (16,172) | (239) | (4) | - | (16,415) |
| Exchange differences | 匯兌差額 | - | 47 | 13 | 89 | 12 | - | 161 |
| At 31 December 2023 | 於二零二三年 十二月三十一日 | 30,559 | 18,261 | 109,961 | 5,252 | 4,573 | 84,849 | 253,455 |
| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | | | |
| At 1 January 2022 | 於二零二二年一月一日 | 5,409 | 13,097 | 68,563 | 2,317 | 4,046 | - | 93,432 |
| Transfer from right-of-use assets | 由使用權資產轉入 | - | - | - | 523 | - | - | 523 |
| Charge for the year | 年內支出 | 910 | 2,384 | 12,859 | 237 | 30 | - | 16,420 |
| Disposal | 出售 | - | - | (2,861) | (1,485) | - | - | (4,346) |
| Exchange differences | 匯兌差額 | - | 204 | 83 | 155 | 51 | - | 493 |
| At 31 December 2022 and 1 January 2023 | 於二零二二年 十二月三十一日及 二零二三年一月一日 | 6,319 | 15,685 | 78,644 | 1,747 | 4,127 | - | 106,522 |
| Charge for the year | 年內支出 | 910 | 1,350 | 9,305 | 485 | 34 | - | 12,084 |
| Disposal | 出售 | - | - | (6,618) | (227) | (4) | - | (6,849) |
| Exchange differences | 匯兌差額 | - | 47 | 12 | 32 | 11 | - | 102 |
| At 31 December 2023 | 於二零二三年 十二月三十一日 | 7,229 | 17,082 | 81,343 | 2,037 | 4,168 | - | 111,859 |
| Carrying amounts | 賬面值 | | | | | | | |
| At 31 December 2023 | 於二零二三年 十二月三十一日 | 23,330 | 1,179 | 28,618 | 3,215 | 405 | 84,849 | 141,596 |
| At 31 December 2022 | 於二零二二年 十二月三十一日 | 24,240 | 2,529 | 31,231 | 3,655 | 383 | 84,849 | 146,887 |

As at 31 December 2023, buildings, mould and machinery and motor vehicles with net book value totalling approximately RMB31,826,000 (2022: approximately RMB33,736,000) was pledged as collateral for the Group's borrowings (Note 26).

於二零二三年十二月三十一日，賬面淨值總計為約人民幣31,826,000元(二零二二年：約人民幣33,736,000元)的樓宇、模具及機械以及汽車被質押作為本集團借款的抵押品(附註26)。

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15. Property, Plant and Equipment (Continued)

The Group suffered operating loss during the year, as a result, the Group assessed the recoverable amount of items of property, plant and equipment and right-of-use assets by market comparable approach. Management selected the market transaction prices of properties and other assets based on the locations, years of usage and other specific features which are similar to the assets held by the Group and made comparison of such market prices to the carrying amounts of the Group's property, plant and equipment and right-of-use assets. As at 31 December 2023, the recoverable amounts of the Group's property, plant and equipment and right-of-use assets is higher than the respective carrying amounts.

16. Right-of-use assets

Disclosure of lease-related items:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------------------------|-----------|--|-----------------------------------|
| At 31 December: | 於十二月三十一日： | | |
| Right-of-use assets | 使用權資產 | | |
| – Land use rights | – 土地使用權 | 25,591 | 26,453 |
| – Buildings | – 樓宇 | 547 | 4,495 |
| – Motor vehicles | – 汽車 | – | 300 |
| | | 26,138 | 31,248 |

15. 物業、廠房及設備(續)

本集團於年內遭受經營虧損，因此本集團採用市場比較法評估物業、廠房及設備以及使用權資產項目的可收回金額。管理層根據與本集團持有的資產類似的地點、使用年限及其他具體特徵，選擇物業及其他資產的市場交易價格，並將該等市場價格與本集團的物業、廠房及設備以及使用權資產的賬面值進行對比。於二零二三年十二月三十一日，本集團的物業、廠房及設備以及使用權資產的可收回金額高於各自的賬面值。

16. 使用權資產

披露租賃相關項目：

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16. Right-of-use assets (Continued)

16. 使用權資產(續)

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Year ended 31 December | 截至十二月三十一日止年度 | | |
| Depreciation charge of right-of-use assets | 使用權資產折舊費用 | | |
| – Land use rights | – 土地使用權 | 862 | 862 |
| – Buildings | – 樓宇 | 1,600 | 3,655 |
| – Motor vehicles | – 汽車 | 300 | 1,241 |
| | | 2,762 | 5,758 |
| Lease interests | 租賃利息 | 199 | 495 |
| Expenses related to short-term leases | 與短期租賃相關的開支 | 183 | 42 |
| Gain on early termination of lease | 提早終止租賃的收益 | 240 | 7 |
| Addition of right-of-use assets | 添置使用權資產 | – | 2,207 |
| Total cash outflow for leases | 租賃的現金流出總額 | 2,237 | 8,127 |

The Group leases various land use rights, building and motor vehicles. Lease agreements are typically made for fixed periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

Lease liabilities of RMB565,000 (2022: RMB5,008,000) are recognised with related right-of-use assets of RMB547,000 (2022: RMB4,795,000) as at 31 December 2023.

As at 31 December 2022, land use rights with net book value totalling approximately RMB25,591,000 (2022: approximately RMB26,753,000) was pledged as collateral for the Group's borrowings (Note 27).

本集團租賃多項土地使用權、樓宇及汽車。租賃協議的固定期限通常為2至50年。租賃條款乃按個別基準進行協商，並包含各種不同條款及條件。租賃協議並無施加任何契諾，而租賃資產不得用作借款用途的抵押品。

於二零二三年十二月三十一日，人民幣565,000元(二零二二年：人民幣5,008,000元)的租賃負債連同人民幣547,000元(二零二二年：人民幣4,795,000元)的相關使用權資產獲確認。

於二零二二年十二月三十一日，賬面淨值總計為約人民幣25,591,000元(二零二二年：約人民幣26,753,000元)的土地使用權被質押作為本集團借款的抵押品(附註27)。

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17. Intangible assets

17. 無形資產

| | | Trademark 商標 RMB'000 人民幣千元 | Software 軟件 RMB'000 人民幣千元 | License rights 特許權 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--|-------------------------------------|------------------------------------|---|---------------------------------|
| Cost | 成本 | | | | |
| At 1 January 2022 | 於二零二二年一月一日 | 1,161 | 471 | 5,901 | 7,533 |
| Written-off | 撇銷 | - | - | (5,901) | (5,901) |
| At 31 December 2022, 1 January 2023 and 31 December 2023 | 於二零二二年十二月三十一日、 二零二三年一月一日及 二零二三年十二月三十一日 | 1,161 | 471 | - | 1,632 |
| Accumulated amortisation and impairment losses | 累計攤銷及減值虧損 | | | | |
| At 1 January 2022 | 於二零二二年一月一日 | 660 | 446 | 3,615 | 4,721 |
| Amortisation for the year | 年內攤銷 | 214 | 25 | - | 239 |
| Written-off | 撇銷 | - | - | (3,615) | (3,615) |
| At 31 December 2022 and 1 January 2023 | 於二零二二年十二月三十一日 及二零二三年一月一日 | 874 | 471 | - | 1,345 |
| Amortisation for the year | 年內攤銷 | 214 | - | - | 214 |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 1,088 | 471 | - | 1,559 |
| Carrying amount | 賬面值 | | | | |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 73 | - | - | 73 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | 287 | - | - | 287 |

During the year ended 31 December 2023, amortisation of approximately RMB214,000 (2022: approximately RMB239,000) was charged and included in administrative expenses.

截至二零二三年十二月三十一日止年度，約人民幣214,000元(二零二二年：約人民幣239,000元)攤銷支出並計入行政開支。

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18. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group.

| | | Impairment on receivables | Deferred revenue | Tax loss | Fair value gains of land 土地的 公平值收益 | Accelerated tax depreciation | Total |
|---|-----------------------------|---------------------------------|--------------------------|--------------------------|---|------------------------------------|------------------------|
| | | 應收款項減值 RMB'000 人民幣千元 | 遞延收益 RMB'000 人民幣千元 | 稅項虧損 RMB'000 人民幣千元 | 土地 公平值收益 RMB'000 人民幣千元 | 加速稅項折舊 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
| At 1 January 2022 | 於二零二二年一月一日 | 3,936 | 154 | 2,324 | (2,440) | (1,320) | 2,654 |
| Credit/(charge) to profit or loss for the year | 年內計入/(扣除自)損益 | 3,601 | (79) | (609) | 48 | 1,287 | 4,248 |
| Exchange difference | 匯兌差額 | 41 | - | 41 | - | - | 82 |
| At 31 December 2022 and 1 January 2023 | 於二零二二年十二月三十一日 及二零二三年一月一日 | 7,578 | 75 | 1,756 | (2,392) | (33) | 6,984 |
| Credit/(charge) to profit or loss for the year | 年內計入/(扣除自)損益 | (7,578) | (75) | (1,756) | 2,392 | 33 | (6,984) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | - | - | - | - | - | - |

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

就綜合財務狀況表作出的遞延稅項結餘分析如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------------|--------|-----------------------------------|-----------------------------------|
| Deferred tax assets | 遞延稅項資產 | - | 9,409 |
| Deferred tax liabilities | 遞延稅項負債 | - | (2,425) |
| | | - | 6,984 |

At the end of the reporting period, the Group has unused tax losses of RMB33,258,000 (2022: RMB37,745,000) available for set off against future profits. Deferred tax has not been recognised in respect of such losses due to unpredictability of future profits streams.

於報告期末，本集團之未動用稅項虧損人民幣33,258,000元(二零二二年：人民幣37,745,000元)，可供抵銷未來利潤。由於未來利潤流無法預測，故未有就該等虧損確認遞延稅項。

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19. Inventories

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-----------------------------------|----------|-----------------------------------|-----------------------------------|
| Raw materials | 原材料 | 5,143 | 6,529 |
| Work in progress | 在製品 | 1,127 | 1,044 |
| Finished goods | 製成品 | 22,928 | 757 |
| Packing materials and consumables | 包裝材料及消耗品 | 1,386 | 9,114 |
| | | 30,584 | 17,444 |
| Less: allowance | 減：撥備 | (6,039) | (6,586) |
| | | 24,545 | 10,858 |

At the end of the reporting period, the Group's inventories were stated at net realisable value.

於報告期末，本集團的存貨乃按可變現淨值列賬。

20. Trade receivables

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--------------------------------|--------|-----------------------------------|-----------------------------------|
| Trade receivables | 貿易應收款項 | 316,546 | 365,806 |
| Less: provision for impairment | 減：減值撥備 | (69,180) | (38,265) |
| | | 247,366 | 327,541 |

At the end of the reporting period, disaggregation of trade receivables from contract with customers are analysed as below:

於報告期末，來自客戶合約的貿易應收款項的劃分分析如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| From sales of toy cars | 來自銷售玩具車 | 102,246 | 129,529 |
| Procurement and selling of raw-material and electronic parts | 採購及銷售原材料及電子零件 | 145,120 | 198,012 |
| | | 247,366 | 327,541 |

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20. Trade receivables (Continued)

The following is an aging analysis of trade receivables, presented based on the invoice date at the end of the years:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------|----------|--|-----------------------------------|
| Less than 30 days | 少於30天 | 35,171 | 217,926 |
| 31 days to 120 days | 31天至120天 | 204,572 | 30,122 |
| 121 days to 1 year | 121天至一年 | 19,333 | 107,566 |
| 1 year to 2 years | 一年至兩年 | 57,470 | 10,099 |
| More than 2 years | 超過兩年 | - | 93 |
| | | 316,546 | 365,806 |

The Group's credit period granted to its major customers is mainly 90–180 days. Overdue balances are reviewed regularly by the directors.

於年末按發票日期呈列的貿易應收款項賬齡分析如下：

授予本集團主要客戶的信貸期主要為90至180日。逾期結餘由董事定期審閱。

Reconciliation of loss allowance for trade receivables:

貿易應收款項虧損撥備的對賬：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|----------|--|-----------------------------------|
| At 1 January | 於一月一日 | 38,265 | 17,099 |
| Increase in loss allowance for the year | 年內虧損撥備增加 | 44,650 | 21,872 |
| Amounts written off | 撇銷金額 | (14,213) | (1,608) |
| Exchange difference | 匯兌差額 | 478 | 902 |
| At 31 December | 於十二月三十一日 | 69,180 | 38,265 |

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20. Trade receivables (Continued)

Trade receivables that are not impaired

The Group applies the simplified approach under HKFRS 9 “Financial Instrument” 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. The expected credit losses also incorporate forward looking information.

| | | Less than 30 days 少於30天 | 31 days to 120 days 31天至 120天 | 121 days to 1 year 121天至 一年 | Over 1 year 超過一年 | Total 總計 |
|-------------------------------------|----------------------|-------------------------------|--|--------------------------------------|------------------------|-------------|
| At 31 December 2023 | 於二零二三年十二月三十一日 | | | | | |
| Weighted average expected loss rate | 加權平均預計虧損率 | 4.72% | 8.59% | 16.85% | 81.25% | |
| Receivable amount (RMB'000) | 可收回金額(人民幣千元) | 35,171 | 204,572 | 19,333 | 57,470 | 316,546 |
| Loss allowance (RMB'000) | 虧損撥備(人民幣千元) | 1,661 | 17,568 | 3,258 | 46,693 | 69,180 |
| At 31 December 2022 | 於二零二二年十二月三十一日 | | | | | |
| Weighted average expected loss rate | 加權平均預計虧損率 | 4.61% | 8.51% | 14.37% | 100.00% | |
| Receivable amount (RMB'000) | 可收回金額(人民幣千元) | 217,926 | 30,122 | 107,566 | 10,192 | 365,806 |
| Loss allowance (RMB'000) | 虧損撥備(人民幣千元) | 10,052 | 2,562 | 15,459 | 10,192 | 38,265 |

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance during 2023:

- increase in trade receivables aged over 1 year resulted in an increase in loss allowance of approximately RMB36,501,000.

At the end of the reporting period, trade receivables of the Group are denominated in the following currencies:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 39,535 | 84,171 |
| US\$ | 美元 | 102,974 | 281,635 |
| HK\$ | 港元 | 174,037 | — |
| | | 316,546 | 365,806 |

20. 貿易應收款項(續)

未減值的貿易應收款項

本集團應用香港財務報告準則第9號「金融工具」的簡化方法就所有貿易應收款項使用全期預期虧損撥備計提預期信貸虧損撥備。為計算預期信貸虧損，貿易應收款項已根據共享信貸風險特徵分類。預期信貸虧損亦包含前瞻性資料。

以下貿易應收款項賬面總值的重大變動導致二零二三年虧損撥備增加：

- 賬齡超過1年的貿易應收款項增加導致虧損撥備增加約人民幣36,501,000元。

於報告期末，本集團的貿易應收款項乃按以下貨幣計值：

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21. Prepayments and other receivables

21. 預付款項及其他應收款項

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Prepayments (note) | 預付款項(附註) | 112,838 | 117,813 |
| Deposits | 按金 | 5,000 | 5,331 |
| Other receivables | 其他應收款項 | 34,289 | 85,424 |
| | | 152,127 | 208,568 |
| Less: non-current portion Prepayments for properties, plant and equipment | 減：非流動部分 物業、廠房及設備的 預付款項 | (14,091) | (30,336) |
| Less: provision for impairment | 減：減值撥備 | 138,036 (382) | 178,232 (4,296) |
| | | 137,654 | 173,936 |

Note:

The prepayment represents prepayments made in relation to the construction of buildings, prepayment for purchases of moulds, packaging and raw materials.

As at 31 December 2023 and 2022, an analysis of ECL for other receivables is as follows:

附註：

預付款項指就樓宇建設、購買模具、包裝及原材料支付的預付款項。

於二零二三年及二零二二年十二月三十一日，其他應收款項的預期信貸虧損分析如下：

| | | Expected loss rate 預期虧損率 RMB'000 人民幣千元 | Gross carrying amount 賬面總值 RMB'000 人民幣千元 | Loss allowance 虧損撥備 RMB'000 人民幣千元 |
|---|----------------------------|--|---|---|
| As at 31 December 2023 於二零二三年十二月三十一日 | | | | |
| Stage 1 – 12 month ECL | 第一階段 – 12個月預期信貸虧損 | 1.11% | 34,289 | 382 |
| Stage 2 – Lifetime ECL (not credit impaired) | 第二階段 – 全期預期信貸虧損 (無信貸減值) | - | - | - |
| Stage 3 – Lifetime ECL (credit impaired) | 第三階段 – 全期預期信貸虧損 (信貸減值) | - | - | - |
| | | | 34,289 | 382 |

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21. Prepayments and other receivables (Continued)

| | | Expected loss rate 預期虧損率 RMB'000 人民幣千元 | Gross carrying amount 賬面總值 RMB'000 人民幣千元 | Loss allowance 虧損撥備 RMB'000 人民幣千元 |
|--|----------------------------|--|---|---|
| As at 31 December 2022 於二零二二年十二月三十一日 | | | | |
| Stage 1 – 12 month ECL | 第一階段 – 12個月預期信貸虧損 | 2.75% | 83,424 | 2,296 |
| Stage 2 – Lifetime ECL (not credit impaired) | 第二階段 – 全期預期信貸虧損 (無信貸減值) | - | - | - |
| Stage 3 – Lifetime ECL (credit impaired) | 第三階段 – 全期預期信貸虧損 (信貸減值) | 100% | 2,000 | 2,000 |
| | | | 85,424 | 4,296 |

At the end of the reporting period, other receivables of the Group are denominated in the following currencies:

於報告期末，本集團的其他應收款項乃按以下貨幣計值：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 34,289 | 85,380 |
| HK\$ | 港元 | - | 44 |
| | | 34,289 | 85,424 |

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22. Cash and cash equivalents

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------|------|-----------------------------------|-----------------------------------|
| Cash at banks | 銀行現金 | 48,783 | 6,109 |
| Cash on hand | 手頭現金 | 116 | 114 |
| | | 48,899 | 6,223 |

At the end of the reporting period, bank balances and cash of the Group are denominated in the following currencies:

於報告期末，本集團的銀行結餘以及現金乃按以下貨幣計值：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 331 | 5,987 |
| HK\$ | 港元 | 48,451 | 203 |
| US\$ | 美元 | 114 | 31 |
| EUR | 歐元 | 3 | 2 |
| | | 48,899 | 6,223 |

23. Trade and other payables

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|--|------------|-----------------------------------|-----------------------------------|
| Trade payables | 貿易應付款項 | 49,946 | 60,974 |
| Accrued other expenses | 已產生其他開支 | 41,196 | 21,159 |
| Payroll payable | 應付工資 | 3,803 | 5,200 |
| Value-added tax and other tax payables | 增值稅及其他應付稅項 | 20,848 | 22,453 |
| Other payables | 其他應付款項 | 171 | 24,979 |
| Amounts due to shareholders (note) | 應付股東款項(附註) | 20,767 | 34,050 |
| | | 136,731 | 168,815 |

Note: The amounts due to shareholders are unsecured, non-interest bearing, and repayable on demand.

附註：應付股東款項為無抵押、免計息及按要求償還。

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23. Trade and other payables (Continued)

An aging analysis of the trade payables at the end of the reporting period, based on invoice dates, is as follows:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------|----------|-----------------------------------|-----------------------------------|
| Less than 30 days | 少於30天 | 879 | 6,399 |
| 31 days to 120 days | 31天至120天 | 11,063 | 21,759 |
| 121 days to 1 year | 121天至一年 | 1,411 | 31,420 |
| 1 year to 2 years | 一年至兩年 | 36,592 | 1,396 |
| | | 49,946 | 60,974 |

At the end of the reporting period, trade payables of the Group are denominated in the following currencies:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 32,710 | 32,066 |
| HK\$ | 港元 | 507 | 172 |
| US\$ | 美元 | 16,485 | 28,507 |
| EUR | 歐元 | 244 | 229 |
| | | 49,946 | 60,974 |

24. Amount due to a related company

The amount due to a related company is unsecured, non-interest bearing, and had no fixed term of repayment.

23. 貿易及其他應付款項(續)

於報告期末按發票日期計算的貿易應付款項賬齡分析如下：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------|-----------------------------------|-----------------------------------|
| Less than 30 days | 879 | 6,399 |
| 31 days to 120 days | 11,063 | 21,759 |
| 121 days to 1 year | 1,411 | 31,420 |
| 1 year to 2 years | 36,592 | 1,396 |
| | 49,946 | 60,974 |

於報告期末，本集團的貿易應付款項乃按以下貨幣計值：

| | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----------------------------------|-----------------------------------|
| RMB | 32,710 | 32,066 |
| HK\$ | 507 | 172 |
| US\$ | 16,485 | 28,507 |
| EUR | 244 | 229 |
| | 49,946 | 60,974 |

24. 應付一間關聯公司款項

應付一間關聯公司款項為無抵押、免計息及無固定還款期限。

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25. Contract liabilities

Contract liabilities relating to sales of toys are balances due to customers under sales contracts. These arise when deposits were received from customers before delivery of the goods ordered according to the contract term.

There were no significant changes in the contract liabilities balances during the reporting period.

Movements in contract liabilities:

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---|----------------------------|-----------------------------------|-----------------------------------|
| Balance at 1 January | 於一月一日之結餘 | 820 | 1,895 |
| Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period | 因年內確認於期初計入合約負債的收益而導致合約負債減少 | (820) | (1,895) |
| Increase in contract liabilities as a result of billing in advance of delivery of goods ordered | 因於交付所訂購的貨物前開具賬單而導致合約負債增加 | 890 | 820 |
| Balance at 31 December | 於十二月三十一日之結餘 | 890 | 820 |

The amount of billings in advance of obligation performed is expected to be recognised as income within one year.

與銷售玩具有關的合約負債為銷售合約項下應付客戶的結餘。該等負債乃根據合約條款交付所訂購的貨物前從客戶收到押金時產生。

於報告期內合約負債結餘未發生重大變動。

合約負債的變動：

於履行義務前開具的賬單金額預計將於一年內確認為收入。

26. License fee payable

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------------------|------------|-----------------------------------|-----------------------------------|
| License fee payable – Current | 應付授權費 – 即期 | 1,867 | 1,867 |

26. 應付授權費

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27. Bank and other borrowings

27. 銀行及其他借款

| | | Notes 附註 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|---------------------|-----------|-------------|-----------------------------------|-----------------------------------|
| Bank loan (secured) | 銀行貸款(有擔保) | (i) | 69,697 | 65,957 |
| Other borrowings | 其他借款 | (ii) | 74,047 | 73,877 |
| | | | 143,744 | 139,834 |

The borrowings are repayable as follows:

借款應按下列期限償還：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------------------------------|----------|-----------------------------------|-----------------------------------|
| On demand or within one year | 按要求或於一年內 | 143,744 | 139,834 |

At the end of the reporting period, bank and other borrowings of the Group are denominated in the following currencies:

於報告期末，本集團的銀行及其他借款以下列貨幣計值：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 131,316 | 120,729 |
| HK\$ | 港元 | 12,428 | 19,105 |
| | | 143,744 | 139,834 |

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27. Bank and other borrowings (Continued)

Notes:

- (i) As at 31 December 2023 and 2022, the bank borrowings were secured by:
- Property, plant and equipment (Note 15) and right-of-use assets (Note 16) with net book value approximately RMB28,387,000 (2022: RMB29,437,000) and approximately RMB25,591,000 (2022: RMB26,753,000) respectively; and
 - Personal guarantees provided by Mr. Yu Huang and Ms. Chen Cheng and certain minority shareholders of the Company.
- (ii) As at 31 December 2023 and 2022, the other borrowings were secured by:
- Property, plant and equipment (Note 15) with net book value approximately RMB3,439,000 (2022: RMB4,299,000);
 - Shares of the Company held by certain shareholders of the Company; and
 - Personal guarantees provided by Mr. Yu Huang and Ms. Chen Cheng and certain minority shareholders of the Company.

The interest rates per annum at the end of the reporting period were as follows:

| | | 2023 二零二三年 | 2022 二零二二年 |
|---------------|------|---------------|---------------|
| Borrowing | 借款 | | |
| variable-rate | 浮動利率 | 2.25%–18.00% | 2.25%–18.00% |

27. 銀行及其他借款(續)

附註：

- (i) 於二零二三年及二零二二年十二月三十一日銀行借款用以下資產抵押：
- 賬面淨值分別約人民幣28,387,000元(二零二二年：人民幣29,437,000元)及約人民幣25,591,000元的(二零二二年：人民幣26,753,000元)物業、廠房及設備(附註15)及使用權資產(附註16)；及
 - 由余煌先生及陳騁女士以及本公司若干少數股東提供的個人擔保。
- (ii) 於二零二三年及二零二二年十二月三十一日，其他借款用以下資產抵押：
- 賬面淨值約為人民幣3,439,000元(二零二二年：人民幣4,299,000元)的物業、廠房及設備(附註15)；
 - 本公司若干股東持有的本公司股份；及
 - 由余煌先生及陳騁女士以及本公司若干少數股東提供的個人擔保。

報告期末的年利率如下：

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28. Lease liabilities

28. 租賃負債

| | | Lease payments 租賃付款 | | Present value of lease payments 租賃付款現值 | |
|---|---------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|
| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
| Within one year | 一年內 | 576 | 2,848 | 565 | 2,512 |
| In the second to fifth years, inclusive | 第二至第五年 (包括首尾兩年) | - | 2,588 | - | 2,496 |
| | | 576 | 5,436 | 565 | 5,008 |
| Less: Future finance charges | 減：未來融資費用 | (11) | (428) | | |
| Present value of lease liabilities | 租賃付款現值 | 565 | 5,008 | | |
| Less: Amount due for settlement within 12 months | 減：十二個月內到期 須償還的款項 | | | 565 | (2,512) |
| Amount due for settlement after 12 months | 十二個月後到期 須償還的款項 | | | - | 2,496 |

The weighted average incremental borrowing rate applied to lease liabilities range from 2.78% to 9.90% (2022: 2.78% to 9.90%).

適用於租賃負債的加權平均增量借款利率範圍為2.78%至9.90% (二零二二年：2.78%至9.90%)。

At the end of the reporting period, lease liabilities of the Group are denominated in the following currencies:

於報告期末，本集團的租賃負債以下列貨幣列示：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | - | 4,302 |
| HK\$ | 港元 | 565 | 706 |
| | | 565 | 5,008 |

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29. Deferred revenue

Deferred revenue represents government grants received by the Group that are related to property, plant and equipment. These government grants are recognised as other income on a straight-line basis over the expected lives of the related assets.

30. Share capital

Authorised:
Ordinary shares of HK\$0.001 each
At 1 January 2021, 31 December 2021,
1 January 2022 and 31 December 2022

法定：
每股0.001港元的普通股
於二零二一年一月一日、
二零二一年十二月三十一日、
二零二二年一月一日及
二零二二年十二月三十一日

Issued and fully paid:
At 1 January 2022, 31 December 2022
and 1 January 2023

Placing of shares under general mandate
(note)

已發行及繳足：
於二零二二年一月一日、
二零二二年十二月三十一日
及二零二三年一月一日
根據一般授權配售股份
(附註)

At 31 December 2023

於二零二三年十二月三十一日

29. 遞延收益

遞延收益是指本集團收到的與物業、廠房及設備相關的政府補助，該等政府補助於相關資產的預期使用壽命內，按直線法確認為其他收入。

30. 股本

| | Number of ordinary shares 普通股數目 | HK\$'000 千港元 | Equivalent to RMB'000 相當於 人民幣千元 |
|--|--|-----------------|--|
| Authorised: Ordinary shares of HK\$0.001 each At 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022 | | | |
| | 5,000,000,000 | 5,000 | 4,470 |
| Issued and fully paid: At 1 January 2022, 31 December 2022 and 1 January 2023 | | | |
| | 520,886,000 | 521 | 467 |
| Placing of shares under general mandate (note) | 103,678,000 | 104 | 95 |
| At 31 December 2023 | 624,564,000 | 625 | 562 |

Note:

On 26 July 2023, the Company and a placing agent entered into a placing agreement under which the placing agent agreed to place up to 104,177,200 placing shares to placees at the placing price of HK\$0.35 per placing share (the "Placing"). The Placing was completed on 23 August 2023 and a total of 103,678,000 placing shares was issued. The net proceeds from the Placing, after deduction of share placing expenses of approximately RMB329,000, are approximately RMB32,838,000. Details of the Placing were disclosed in announcements of the Company dated 26 July 2023 and 23 August 2023.

附註：

於二零二三年七月二十六日，本公司與配售代理訂立配售協議，據此，配售代理同意向承配人以配售價每股配售股份0.35港元配售最多104,177,200股配售股份（「配售事項」）。配售事項於二零二三年八月二十三日完成，合共發行103,678,000股配售股份。配售事項所得款項淨額（經扣除股份配售開支約人民幣329,000元後）為約人民幣32,838,000元。有關配售事項的詳情披露於本公司日期為二零二三年七月二十六日及二零二三年八月二十三日的公告。

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31. Other reserves

(a) The amounts of the Group's reserves and movements therein are presented in the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

(b) Reserves of the Company

| | | Share premium 股份溢價 RMB'000 人民幣千元 | Other reserve 其他儲備 RMB'000 人民幣千元 | Option reserve 購股權儲備 RMB'000 人民幣千元 | Accumulated losses 累計虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|-------------------------|---|---|---|--|---------------------------------|
| At 1 January 2022 | 於二零二二年一月一日 | 101,378 | 316,030 | - | (52,372) | 365,036 |
| Comprehensive income for the year | 年內全面收益 | - | - | - | (36,286) | (36,286) |
| Recognition of share-based payments | 確認以股份支付之款項 | - | - | 29,403 | - | 29,403 |
| At 31 December 2022 and 1 January 2023 | 於二零二二年十二月三十一日及二零二三年一月一日 | 101,378 | 316,030 | 29,403 | (88,658) | 358,153 |
| Comprehensive income for the year | 年內全面收益 | - | - | - | (86,699) | (86,699) |
| Placing of shares under general mandate | 根據一般授權配售股份 | 33,072 | - | - | - | 33,072 |
| Share issue expenses | 股份發行開支 | (329) | - | - | - | (329) |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 134,121 | 316,030 | 29,403 | (175,357) | 304,197 |

31. 其他儲備

(a) 本集團的儲備金額及其變動分別呈列於綜合全面收益表及綜合權益變動表。

(b) 本公司的儲備

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31. Other reserves (Continued)

(c) Nature and purpose of reserves of the Group

(i) Statutory reserve

In accordance with relevant rules and regulations in the PRC and the Company's Articles of Association, companies incorporated in PRC are required to transfer no less than 10% of their profit after taxation calculated under PRC accounting standards and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset previous years' losses or to increase the capital of respective companies.

(ii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3 to the consolidated financial statements.

31. 其他儲備(續)

(c) 本集團儲備的性質及用途

(i) 法定儲備

根據中國相關規則及規定及公司章程組織細則，於中國註冊成立的公司須將根據中國會計準則及規定計算的稅後盈利不少於10%轉撥至法定儲備，直至資金累計總額達到註冊資本的50%。法定儲備資金經相關機關批准後，方可用於彌補過往年度的虧損或增加各自公司的資本。

(ii) 外幣換算儲備

外幣換算儲備包括換算海外業務財務報表時產生的所有外匯差額。儲備乃根據綜合財務報表附註3所載的會計政策處理。

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31. Other reserves (Continued)

(c) Nature and purpose of reserves of the Group (Continued)

(iii) Merger reserve

In preparation for listing of the shares of Kidztech Intelligent on the National Equities Exchange and Quotations (“NEEQ”), a reorganisation was conducted in 2015 among certain group entities. Such reorganisation resulted in combination of Kidztech Intelligent and two other group entities which were majority owned by Mr. Yu and Ms. Chen Cheng (“Ms. Chen”). The difference between the consideration paid for the acquisitions and the share capital of the two group entities were recorded as merger reserve.

(iv) Option reserve

Option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity settled share-based payments in note 3 to the consolidated financial statements.

31. 其他儲備(續)

(c) 本集團儲備的性質及用途(續)

(iii) 合併儲備

籌備奇士達智能的股份在全國中小企業股份轉讓系統(「全國中小企業股份轉讓系統」)上市時，若干集團實體於二零一五年進行了重組。有關重組導致奇士達智能與兩名其他集團實體(主要由余先生及陳騁女士(「陳女士」)擁有)合併。收購所付代價與該兩名其他集團實體股本之間的差額已記入合併儲備。

(iv) 購股權儲備

購股權儲備指授予本集團僱員之未行使購股權數目之實際或估計公平值，根據綜合財務報表附註3以股本結算並以股份支付之款項採納的會計政策確認。

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32. Share-based payments

The Company conditionally adopted an share option scheme on 13 February 2020 (the “**Share Option Scheme**”), so as to grant options to selected participants as incentives or rewards for their contribution to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

The Directors may, at its absolute discretion, grant options to any of the following classes of participants: (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of the subsidiaries or any entity (the “**Invested Entity**”) in which any member of the Group holds an equity interest; (b) any non-executive directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of the business or business development of any member of the Group or any Invested Entity; and (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

32. 以股份支付之款項

本公司於二零二零年二月十三日有條件採納一項購股權計劃(「**購股權計劃**」)，以向經挑選的參與者授出購股權，以推動或獎勵彼等對本集團所作貢獻。由於董事可按個別情況釐定任何須達到的表現目標及購股權可行使前須持有的最短期間，加上購股權的行使價在任何情況下不得低於上市規則規定的價格或董事可能指定的更高價格，故此預期購股權承授人將盡力為本集團的發展作出貢獻，從而使股份市價上升，以透過獲授的購股權而得益。

董事可全權酌情決定向下列任何類別的參與者授出購股權：(a) 本公司、任何附屬公司或本集團任何成員公司持有股權的任何實體(「**所投資實體**」)的任何全職或兼職僱員(包括任何執行董事，但不包括任何非執行董事)；(b) 本公司、任何附屬公司或任何所投資實體的任何非執行董事(包括獨立非執行董事)；(c) 本集團任何成員公司或任何所投資實體的任何貨品或服務供應商；(d) 本集團任何成員公司或任何所投資實體的任何客戶；(e) 任何為本集團的任何成員公司或任何所投資實體提供研究、開發或其他技術支援的人士或實體；(f) 本集團任何成員公司或任何所投資實體的任何股東或本集團任何成員公司或任何所投資實體所發行任何證券的持有人；(g) 本集團的任何成員公司或任何所投資實體在任何業務範疇或業務發展的任何專業或其他諮詢人士或顧問；及(h) 曾經或可能藉合資經營、業務聯盟或其他業務安排而對本集團的發展與增長作出貢獻的任何其他群組或類別的參與者。

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32. Share-based payments (Continued)

The Share Option Scheme will remain in force for a period of ten years from its effective date to 12 February 2030.

Particulars of the Share Option Scheme of the Company are set out in Appendix IV to the Company's prospectus dated 28 February 2020.

Pursuant to a resolution of the board of directors passed on 21 June 2022, it was resolved to grant an aggregate of 52,000,000 share options with an exercise price of HK\$1.17 per share entitling certain employees to subscribe 52,000,000 Shares of the Company. Details of the Company's share options are set out below:

| Name of grantee | Date of grant of the share options | On 1 January 2022 | Granted during the reporting period | On 31 December 2022 | Vesting period | Exercise period | Exercise price per share option |
|-----------------|------------------------------------|-------------------|-------------------------------------|---------------------|----------------|------------------------------|---------------------------------|
| 承授人姓名 | 購股權授出日期 | 於二零二二年一月一日 | 於報告期間授出 | 於二零二二年十二月三十一日 | 歸屬期 | 行使期 | 每份購股權行使價 HK\$ 港元 |
| Employees | 21 June 2022 | - | 52,000,000 | 52,000,000 | N/A | 21 June 2022 to 20 June 2032 | 1.17 |
| 僱員 | 二零二二年六月二十一日 | | | | 不適用 | 二零二二年六月二十一日至二零二二年六月二十日 | |

During the year ended 31 December 2022 and 2023, no share option granted was exercised, lapsed or cancelled.

All outstanding share options are exercisable at the end of the year. As at 31 December 2022 and 2023, the outstanding share options represents approximately 10% and 8.33% of the issued ordinary shares of the Company, respectively.

32. 以股份支付之款項(續)

購股權計劃將於其生效日期起計至二零三零年二月十二日止十年期間維持有效。

本公司購股權計劃的詳情載於本公司日期為二零二零年二月二十八日的招股章程附錄四。

根據於二零二二年六月二十一日通過的董事會決議案，議決授出合共52,000,000份購股權，行使價為每股1.17港元，賦予若干僱員權利認購本公司52,000,000股股份。本公司購股權的詳情載列如下：

截至二零二二年及二零二三年十二月三十一日止年度，概無已獲授的購股權獲行使、失效或註銷。

所有尚未行使購股權均可於年末行使。於二零二二年及二零二三年十二月三十一日，尚未行使購股權分別佔本公司已發行普通股約10%及8.33%。

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32. Share-based payments (Continued)

The above share options at the end of the year have an average remaining contractual life of 9.5 years. The estimated fair value of the share options are determined using the Binomial Option Pricing Model. The estimated fair values and significant inputs of the model were as follows:

| Option pricing model 期權定價模型 | Binomial 二項式 |
|--|--------------------------------|
| Estimated fair value at the measurement date 於計量日期的估計公平值 | HK\$35,141,000 35,141,000港元 |
| No. of options granted 已授出購股權數目 | 52,000,000 52,000,000份 |
| Estimated fair value of each option 每份購股權的估計公平值 | HK\$0.676 0.676港元 |
| Weighted average share price at the measurement date 於計量日期的加權平均股價 | HK\$1.15 1.15港元 |
| Exercise price 行使價 | HK\$1.17 1.17港元 |
| Exercise multiple 行使倍數 | 2.86 2.86 |
| Expected volatility 預期波幅 | 63.81% 63.81% |
| Expected life 預期年期 | 10 years 10年 |
| Risk free rate 無風險利率 | 3.02% 3.02% |
| Expected dividend yield 預期股息率 | Nil 無 |

The expected volatility was determined by using the average of annualised standard deviation of daily return of the Company's historical volatility quoted by Bloomberg.

Ascent Partners Valuation Service Limited, an independent firm of professional valuer, was appointed by the Company to carry out the fair value of the share options granted during the reporting period.

The expenses of share-based payments recognised in profit and loss during 2023 was Nil (equivalent to HK\$35,141,000) (2022: RMB29,403,000, equivalent to HK\$35,141,000).

32. 以股份支付之款項(續)

上述購股權於年末的平均餘下合約年期為9.5年。購股權的估計公平值乃採用二項式期權定價模型釐定。估計公平值及模型的主要輸入數據載列如下：

預期波幅乃使用彭博所報本公司歷史波幅的平均年化每日收益標準差釐定。

本公司已委任獨立專業估值師艾升評值諮詢有限公司對報告期內授出的購股權公平值進行估值。

於二零二三年，於損益確認的以股份支付之款項開支為零(相當於35,141,000港元)(二零二二年：人民幣29,403,000元，相當於35,141,000港元)。

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33. 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:

| | | Borrowings 借款 RMB'000 人民幣千元 | Lease liabilities 租賃負債 RMB'000 人民幣千元 | Amounts due to shareholders 應付股東款項 RMB'000 人民幣千元 |
|---|-------------------------|--------------------------------------|---|---|
| At 1 January 2022 | 於二零二二年一月一日 | 155,278 | 10,285 | 11,721 |
| Net changes in cash flows | 現金流量變動淨額 | (28,134) | (8,085) | 22,329 |
| Non-cash changes | 非現金變動 | | | |
| - Write-off due to early termination | - 撤銷提早終止應付款項 | - | (272) | - |
| - Addition of lease liabilities | - 租賃負債增加 | - | 2,207 | - |
| - Interest expenses | - 利息開支 | 10,296 | 495 | - |
| - Currency realignment | - 匯兌調整 | 2,394 | 378 | - |
| At 31 December 2022 and 1 January 2023 | 於二零二二年十二月三十一日及二零二三年一月一日 | 139,834 | 5,008 | 34,050 |
| Net changes in cash flows | 現金流量變動淨額 | (15,830) | (2,054) | (13,283) |
| Non-cash changes | 非現金變動 | | | |
| - Write-off due to early termination | - 撤銷提早終止應付款項 | - | (2,588) | - |
| - Interest expenses | - 利息開支 | 14,322 | 199 | - |
| - Currency realignment | - 匯兌調整 | 5,418 | - | - |
| At 31 December 2023 | 於二零二三年十二月三十一日 | 143,744 | 565 | 20,767 |

33. 綜合現金流量表附註

融資活動產生的負債變動

下表載列本集團年內融資活動產生的負債變動：

34. Capital commitments

The Group's capital commitments at the end of the reporting period are as follows:

34. 資本承擔

本集團於報告期末的資本承擔如下：

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-----------------------------------|------------|-----------------------------------|-----------------------------------|
| Property, plant and equipment | 物業、廠房及設備 | | |
| - Contracted but not provided for | - 已訂約但未作撥備 | 17,440 | 17,440 |

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綜合財務報表附註

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35. Summarised financial position of the Company

35. 本公司財務狀況概要

| | | 2023 二零二三年 RMB'000 人民幣千元 | 2022 二零二二年 RMB'000 人民幣千元 |
|-------------------------------|--------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | |
| Investments in a subsidiary | 投資一間附屬公司 | 262,604 | 316,417 |
| Current assets | 流動資產 | | |
| Other receivables | 其他應收款項 | 638 | 879 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 34,607 | 80,431 |
| Cash and cash equivalents | 現金及現金等價物 | 48,473 | 6 |
| | | 83,718 | 81,316 |
| Current liabilities | 流動負債 | | |
| Accruals expenses | 應計開支 | 29,373 | 25,670 |
| Other borrowing | 其他借款 | 12,190 | 13,443 |
| | | 41,563 | 42,203 |
| NET ASSET | 資產淨值 | 304,759 | 358,622 |
| Capital and reserves | 股本及儲備 | | |
| Share capital | 股本 | 562 | 467 |
| Reserves | 儲備 | 304,197 | 358,153 |
| TOTAL EQUITY | 權益總額 | 304,759 | 358,620 |

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36. Particulars of principal subsidiaries of the Company

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

The Group's principal subsidiaries at 31 December 2022 and 2023 are set out below.

| Name 名稱 | Note 附註 | Place of incorporation/ registration/operation and nature of legal entity 註冊成立/登記/ 營運地點及法律實體性質 | Issued/ paid-up capital 已發行/ 繳足股本 | Percentage of the Company's indirect ownership interest 佔本公司 間接擁有權 權益的百分比 | | Principal activities 主要活動 |
|---|------------|--|--|--|----------------|--|
| | | | | Direct 直接 | Indirect 間接 | |
| Kidztech (BVI) Limited 奇士達英屬處女群島有限公司 | | BVI, Limited liability company 英屬處女群島，有限責任公司 | USD1 1美元 | 100% | - | Investment holding 投資控股 |
| Kidztech Cultural Technology (BVI) Limited | | BVI, Limited liability company 英屬處女群島，有限責任公司 | USD50,000 50,000美元 | - | 51% | Investment holding 投資控股 |
| Kidztech (China) Intelligent Technology Co., Limited 奇士達(中國)智能科技有限公司 | | Hong Kong, Limited liability company 香港，有限責任公司 | HK\$1 1港元 | - | 100% | Investment holding 投資控股 |
| Shantou Kidztech No. 1 Technology Consulting Co., Ltd. 汕頭市奇士達一號科技諮詢中國有限公司 | a | The PRC, wholly foreign owned enterprise 中國，外商獨資企業 | - | - | 100% | Investment holding 投資控股 |
| Shantou Kidztech No. 2 Technology Consulting Co., Ltd. 汕頭市奇士達二號科技諮詢中國有限公司 | b | The PRC, domestic enterprise 中國，境內企業 | RMB1,103,254 人民幣1,103,254元 | - | 100% | Investment holding 投資控股 |
| Kidztech Intelligent 奇士達智能 | | The PRC, wholly foreign owned enterprise 中國，外商獨資企業 | RMB78,000,000 人民幣78,000,000元 | - | 100% | Manufacturing and sales of toys 玩具製造及銷售 |
| Kidztech HK 香港奇士達 | | Hong Kong, Limited liability company 香港，有限責任公司 | HKD500,000 500,000港元 | - | 100% | Export of toys 玩具出口 |
| Shenzhen Kidztech Internet Technology Co., Ltd. 深圳奇士達互聯網科技有限公司 | | The PRC, Limited liability company 中國，有限責任公司 | RMB5,000,000 人民幣5,000,000元 | - | 100% | Sales of toys through e-commerce channels 通過電子商務渠道銷售玩具 |
| Shenzhen Kidztech Internet of Things Technology Co., Ltd 深圳奇士達物聯網科技有限公司 | | The PRC, Limited liability company 中國，有限責任公司 | RMB5,000,000 人民幣5,000,000元 | - | 100% | Research, development, and sales of smart hardware 智能硬件研發及銷售 |

36. 本公司主要附屬公司詳情

下表載列董事認為對本年度業績有重要影響或組成本集團財務狀況主要部分的本公司附屬公司。董事認為，提供其他附屬公司的詳情會使內容過於冗長。

本集團於二零二二年及二零二三年十二月三十一日的主要附屬公司如下。

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36. Particulars of principal subsidiaries of the Company (Continued)

Notes:

- (a) Shantou Kidztech No. 1 Technology Consulting Co., Ltd. is a wholly foreign owned enterprise established in the PRC with registered capital of RMB1,000,000, which was yet to be paid up as at 31 December 2023 and 2022.
- (b) Shantou Kidztech No. 2 Technology Consulting Co., Ltd. is a domestic enterprise established in the PRC with registered capital of RMB111,428,571. As at 31 December 2023 and 2022, RMB110,325,317 of the registered capital was yet to be paid up.
- (c) Kidztech Infotech is a domestic enterprise established in the PRC with registered capital of RMB96,000,000. As at 31 December 2023 and 2022, RMB12,660,000 of the registered capital was yet to be paid up.

37. Contingent liabilities

During the course of business, the Group has been involved in litigations initiated by various vendors concerned with contract disputes and repayment of debts. Some of the litigations have been concluded by the court and/or settled, while some of the litigations are still pending judgement. Since the Group has already accounted for these payables in the consolidated financial statements, the directors are of the view that these litigations will not have any significant financial impact to the Group.

38. Approval of consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 June 2024.

36. 本公司主要附屬公司詳情 (續)

附註：

- (a) 汕頭市奇士達一號科技諮詢有限公司是一家在中國成立的外商獨資企業，註冊資本為人民幣1,000,000元，截至二零二三年及二零二二年十二月三十一日尚未繳足。
- (b) 汕頭市奇士達二號科技諮詢有限公司是一家在中國成立的境內企業，註冊資本為人民幣111,428,571元。於二零二三年及二零二二年十二月三十一日，人民幣110,325,317元的註冊資本尚未繳足。
- (c) 奇士達信息科技是一家在中國成立的境內企業，註冊資本為人民幣96,000,000元。於二零二三年及二零二二年十二月三十一日，人民幣12,660,000元的註冊資本尚未繳足。

37. 或然負債

本集團於業務過程曾已牽涉多宗由供應商就合約糾紛及債務償還提起之訴訟。部分訴訟已由法院結案及／或和解，而部分訴訟仍有待裁決。由於本集團已將該等應付款項於綜合財務報表中入賬，故董事認為該等訴訟將不會對本集團產生任何重大財務影響。

38. 批准綜合財務報表

綜合財務報表已於二零二四年六月二十六日獲董事會批准及授權刊發。



KIDZTECH HOLDINGS LIMITED
奇士達控股有限公司