



KIN YAT HOLDINGS LIMITED
建溢集團有限公司

website 網址 : <http://www.kinyat.com.hk>

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 638)

ANNUAL REPORT
年度報告

for the year ended 31 March 2023
截至二零二三年三月三十一日

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Chor Kit
(Chairman and Chief Executive Officer)
Mr. Liu Tat Luen
Mr. Cheng Tsz To
Mr. Cheng Tsz Hang
Mr. Lee Kim Wa, Winston*

Non-executive Director

Dr. Fung Wah Cheong, Vincent

Independent non-executive Directors

Mr. Wong Chi Wai
Dr. Sun Kwai Yu, Vivian
Mr. Cheng Kwok Kin, Paul**
Mr. Cheung Wang Ip

* Mr. Lee Kim Wa, Winston resigned as an executive Director on 2 December 2022.

** Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.

COMPANY SECRETARY

Mr. Hung Kam Wing, Timmy

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7/F., Galaxy Factory Building
25-27 Luk Hop Street
San Po Kong, Kowloon
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

董事會

執行董事

鄭楚傑先生
(主席兼行政總裁)
廖達鸞先生
鄭子濤先生
鄭子衡先生
李劍華先生*

非執行董事

馮華昌博士

獨立非執行董事

黃弛維先生
孫季如博士
鄭國乾先生**
張宏業先生

* 李劍華先生於二零二二年十二月二日辭任執行董事。

** 鄭國乾先生於二零二二年九月十二日辭世。

公司秘書

洪錦榮先生

總辦事處及主要營業地點

香港
九龍新蒲崗
六合街25-27號
嘉時工廠大廈7樓

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

CORPORATE INFORMATION

公司資料

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

CORPORATE WEBSITE

www.kinyat.com.hk

百慕達主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

香港股份過戶登記分處

卓佳登捷時有限公司
香港
夏慤道16號
遠東金融中心17樓

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公眾利益實體核數師

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司

公司網站

www.kinyat.com.hk

CHAIRMAN'S STATEMENT

主席報告

Dear valued shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Kin Yat Holdings Limited (the "Company" or "Kin Yat", and, together with its subsidiaries, the "Group"), I am pleased to present to you the results for the year ended 31 March 2023 (the "Year" or 'FY2023').

MARKET OVERVIEW

FY2023 represents a tough year for most of the companies from every industry, with consumer goods and manufacturing businesses particularly hard-hit by the drastic macro changes during the Year. In early 2022, the Russia-Ukraine conflict has created notable supply chain disruptions across the globe, drastically increasing commodity prices and logistic cost. The potential of a sustained war, growing inflation, rising interest rates, along with the lingering COVID-19 impact, have also casted further uncertainties on future economic outlook. Consumers, especially those in Europe and the U.S., reacted by becoming increasingly conservative and price-sensitive over purchases of non-daily goods. As a result, sales of most consumer electronic products subsequently dropped, prohibiting retailers and distributors from ordering replenishment. The Group's branded customers were also being forced to delay or reduce their orders amid the lack of visibility.

On the production-end, China, being the world's largest manufacturer as well as the Group's major production location, also saw unprecedented challenges during the Year. In the hope to avoid mass infections and incur a growing burden on its medical system, the country has pursued a zero-COVID policy that was typified by strict and frequent lockdowns. Raw materials and parts supply became difficult within the country, with labour availability also becoming a growing bottleneck. As a result, the Group's production in Shenzhen and Shaoguan were also unavoidably affected, suffering from significant cost pressure and diseconomies of scale.

致各位股東：

本人謹代表建溢集團有限公司(「本公司」或「建溢」，連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)欣然向股東提呈截至二零二三年三月三十一日止年度(「本年度」或「二零二三財年」)的業績。

市場概覽

二零二三財年對各行各業的大部份公司而言為艱難的一年，其中消費品和製造業在這一年中受到宏觀變化的打擊尤其嚴重。二零二二年初，俄烏衝突在全球範圍內造成顯著的供應鏈中斷，令大宗商品的價格和物流成本大幅增加。戰爭可能持續，通脹不斷升溫，利率持續上升，加上2019新型冠狀病毒病的影響持久不散，亦給未來經濟前景帶來更多不明朗因素。消費者，尤其是歐美的消費者，對購買非日常用品的態度日益變得保守及對價格敏感。大部分電子消費品的銷售因而隨之下降，故零售商和分銷商亦不得已地減少補貨。由於情況不明朗，本集團的品牌客戶亦在無奈下推遲或減少訂單。

在生產端，中國作為全球最大的生產國和本集團的主要生產地，本年度內亦面臨前所未有的挑戰。國家實行了既嚴格且以頻繁封鎖為本的清零政策，希望避免大規模感染而導致其醫療系統的負擔壓力增大。國內原材料及零部件供應變得困難，勞動力供應亦成為日益嚴重的瓶頸。因此，本集團於深圳及韶關的生產亦無從避免地受到重大成本壓力及邊際效益下滑的影響。

CHAIRMAN'S STATEMENT

主席報告

MARKET OVERVIEW *(continued)*

The consumer pessimism also extended to China's real estate market. The weak demand has led to a notable adjustment in real estate prices, and the drop has, in turn, led to even more hesitation from homebuyers or investors, who faced decreasing affordability amidst a bear market sentiment. Particularly, in 2022, sales from the 100 largest property developers in China were RMB7.6 trillion, representing a decrease of 41.3% from last year. The poor sales conversion and dropping prices also created notable impairment from real estate projects across the industry.

Facing such unfavourable environment, the Group's priority for the Year has been resources consolidation, cost re-engineering and improving financial position.

RESULTS OVERVIEW AND KEY ACHIEVEMENTS IN FY2022/23

Amidst the unfavourable economic environment dominated by inflation concerns, rising interest rates and the COVID-19 pandemic and lockdowns, the Group was inevitably affected, resulting in a year-on-year decline in revenue by 47.8% to HK\$1,209,602,000 (FY2022: HK\$2,316,315,000) for the Year. In line with the decrease in revenue, gross profit (before impairment) decreased from HK\$245,532,000 last year to HK\$126,665,000 for the Year, with a gross profit margin to 10.5% (FY2022: 10.6%), mainly attributable to improving revenue mix, with growing contributions from higher margin clients, along with the weakening of the Renminbi ("RMB"). However, affected by the one-off impairment loss from changes in fair value of the Group's real estate development projects in Dushan County, and the manufacturing business segments as a whole amounted to HK\$297,075,000, net loss attributable to equity holders of the Company for the Year was HK\$294,169,000 (FY2022: net profit HK\$56,858,000). If excluding such impairment, the Group would record a net profit attributable to equity holders of the Company of HK\$2,906,000 for the Year (FY2022: HK\$56,858,000).

市場概覽(續)

消費者的悲觀情緒亦蔓延至中國的房地產市場。需求疲弱導致房地產價格顯著回落，而房價下跌又令置業者或投資者更加猶豫，他們在熊市氣氛中對房價的負擔能力有所下降。具體而言，二零二二年中國百強房地產發展商的銷售額為人民幣7.6萬億元，較去年下降41.3%。銷售轉化率不高，加上房價下跌，亦對整個行業的房地產項目造成顯著的損害。

面對如此不利的環境，本集團於本年度的首要工作是整合資源，重新設計成本及改善財務狀況。

業績概覽及於二零二二／二三財年內的主要成就

在通脹憂慮、持續加息及2019新型冠狀病毒病疫情及封鎖所主導的不利經濟環境下，本集團不可避免地受到影響，導致本年度收入按年減少47.8%至1,209,602,000港元（二零二二財年：2,316,315,000港元）。隨著收入減少，減值前毛利由去年的245,532,000港元減少至本年度的126,665,000港元，毛利率為10.5%（二零二二財年：10.6%），主要由於收入組合改善，來自利潤率較高客戶的貢獻增加，以及人民幣（「人民幣」）走軟所致。然而，受本集團位於獨山縣的房地產開發項目及整個製造業務分類公平值變動產生的一次性減值虧損297,075,000港元影響，本年度本公司權益持有人應佔虧損淨額為294,169,000港元（二零二二財年：純利為56,858,000港元）。倘撇除前述減值，本集團應於本年度錄得本公司權益持有人應佔純利為2,906,000港元（二零二二財年：56,858,000港元）。

CHAIRMAN'S STATEMENT

主席報告

RESULTS OVERVIEW AND KEY ACHIEVEMENTS IN FY2022/23 *(continued)*

In order to better prepare for the unexpected future, one of the key focuses during the Year was to realise non-core assets in order to strengthen the Group's financial position. To this end, the Group has entered into the Lands Resumption Agreement with Shixing County Bureau of Natural Resources, pursuant to which the Group would surrender the land use rights of three parcels of land (of which around 45,000 sq.m. out of a total of 66,000 sq.m. is attributable to the Electrical and Electronic Products Business Segment) situated at Huang Hua Yuan Industrial Area, Tai Ping Town, Shixing County, Shaoguan City, Guangdong Province, along with the erection, construction, machinery, and other relevant assets thereon, for a cash compensation of RMB104.6 million (equivalent to HK\$120.2 million) (the "Disposal"). More details of the Disposal were disclosed in the relevant announcements and the circular to shareholders of the Company. The management of the Company believes the Disposal reflects the prevailing market value of the assets, and would greatly enhance the Group's liquidity.

On the other hand, in response to the challenging operating environment, the Group has since long been implementing various measures to consolidate resources and streamline procedures, in order to enhance efficiency and minimise indirect expenses. The Disposal, given that the utilisation rate of the production facilities in the Shixing Production Centre prior to the Disposal was estimated to be below 20%, would allow the Group to consolidate its orders and restructure its supply chain in a more effective manner. The move would also greatly reduce overhead expenses, boosting production line utilisation, and in turn, delivering operating efficiency improvement and margin enhancement in the short-term. In summary, notable cost re-engineering was done from top-to-bottom, from management function to production facilities, with the aim of maintaining a lean operating structure.

業績概覽及於二零二二／二三財年內的主要成就 *(續)*

為更好地應付未來的意外情況，本年度的重點之一是變現非核心資產，以增強本集團的財務狀況。因此，本集團已與始興縣自然資源局訂立土地收回協議，據此，本集團將交回位於廣東省韶關市始興縣太平鎮黃花園工業區的三幅土地的土地使用權（其中合共66,000平方米中約45,000平方米屬於電器及電子產品業務分類），連同其上的構築物、建築物、機械及其他相關資產，現金補償為人民幣104,600,000元（相當於120,200,000港元）（「出售事項」）。有關出售事項的更多詳情已於相關公告及致本公司股東的通函內披露。本公司管理層相信，出售事項反映資產的現行市值，將大幅提升本集團的流動資金狀況。

另一方面，為應對充滿挑戰的經營環境，本集團長期以來一直採取各種措施整合資源及精簡程序，以提高效率，盡量減少間接開支。鑒於出售事項前始興生產中心生產設施的使用率估計低於20%，出售事項將讓本集團更有效地整合其訂單及重組其供應鏈。此舉亦會大大減少經常開支，提高生產線使用率，進而在短期內提升營運效率及利潤。總括而言，本集團大刀闊斧地進行了自上而下的成本重組，涉及管理職能至生產設施，以維持精益營運架構。

CHAIRMAN'S STATEMENT

主席報告

RESULTS OVERVIEW AND KEY ACHIEVEMENTS IN FY2022/23 *(continued)*

Other than cost re-engineering, the Group also strived to expand its technology applications and product enhancement, while improving its product quality in order to better serve the different niche markets. Specifically, supported by the Group's growing reputation and technical expertise, its Electrical and Electronic Products Business Segment saw increasing sales from its healthcare sector. There was also growing enquiries and pipeline for products such as the Electronic Parking Brake under the Motors Business Segment, where the Group remains in keen discussion with potential partners to co-develop new products that require strong technological know-how, eventually boosting the Group's margin profile. All these should provide signs of optimism for the Group's short-term performance.

FUTURE DEVELOPMENT STRATEGIES

According to the latest data from the U.S. Commerce Department, retail sales from April 2023 in the U.S. has reported an increase of 0.4% month-on-month for the first time in three months. Despite the European market remained stagnated, with February 2023 reporting a modest sales volume drop of 0.8% month-on-month, according to Eurostat, it highlights the fact that consumers still have the means to spend. In expectation of a gradual market recovery in 2023, the Group will closely follow up with its new product pipeline, such as product co-development opportunities from its Motors Business Segment, in order to bring new business and revenue streams. In addition, the Group will also resume client acquisition and retention, so as to drive sales growth and capacity utilisation. To enhance the Group's financial position, the Group would also further refine its existing cost structure, and explore other resources consolidation opportunities to reduce overhead expenses and improve financial liquidity.

業績概覽及於二零二二／二三財年內的主要成就 *(續)*

除成本重組外，本集團亦致力擴大其技術應用及改進產品，同時提升其產品品質，以更好地服務各利基市場。具體而言，得益於本集團不斷提升的名聲和技術專長，電器及電子產品業務分類旗下的保健業務銷售不斷增長。此外，電機業務分類下的電子駐車制動器等產品的詢問和渠道亦日益增多，而本集團仍在與潛在合作夥伴積極討論，以共同開發需要強大技術知識的新產品，進而最終提升本集團的利潤狀況。所有該等因素應顯示本集團的短期業績較為樂觀。

未來發展策略

根據美國商務部的最新數據，自二零二三年四月以來，美國的零售銷售三個月來首次按月增長0.4%。雖然歐洲市場仍然不景氣，根據歐盟統計局的數據，二零二三年二月的銷量按月稍為下降0.8%，但這顯示消費者仍具有消費能力的事實。預期二零二三年市場將逐步復甦，本集團將密切跟進其新產品渠道（如電機業務分類的產品合作開發機會），以帶來新的業務及收入來源。此外，本集團亦將恢復吸納及挽留客戶，推動銷售增長及提升產能使用率。為提升本集團的財務狀況，本集團亦將進一步優化其現有成本結構，發掘其他資源整合機會，以減少經常開支及改善財務流動性。

CHAIRMAN'S STATEMENT

主席報告

FUTURE DEVELOPMENT STRATEGIES

(continued)

In the medium-to-long term, the Group remains cautiously optimistic over the consumer markets in Europe and the U.S. To better meet its customer demand, the Group will explore the possibility of further expanding its production base outside of China and potentially in Southeast Asia, providing customers with more flexible and automated manufacturing solutions that can in turn, raise customer stickiness and drive order volume. The Group will also explore the possibility of introducing its own original brand manufacturing business, that can complement existing customers' portfolios to enhance brand awareness and profit margin.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to send our heartfelt gratitude to the Board members, our seasoned management team and our dedicated employees who devoted themselves to the Group during the Year. Their contributions are instrumental to the development of the Group. I would also want to take this opportunity to extend our gratitude to our customers, suppliers, business partners and shareholders, for their dedicated support and confidence in the Group. We remain confident in our capability, and we will work diligently to offer better products, more insights, and more fruitful returns in the near future.

CHENG Chor Kit

Chairman and Chief Executive Officer

Hong Kong, 29 June 2023

未來發展策略 (續)

就中長期而言，本集團對歐美消費市場保持審慎樂觀。為更好地滿足客戶需求，本集團將探索進一步把生產基地擴展至中國以外的東南亞等地的可能性，為客戶提供更靈活及自動化的製造解決方案，從而提高客戶粘附性，增加訂單量。本集團亦將探索引入自有品牌製造業務的可能性，以補充現有客戶組合，來提高品牌知名度及利潤率。

致謝

本人謹代表董事會向董事會同仁、經驗豐富的管理團隊及於本年度為本集團默默耕耘的員工致以由衷感謝。彼等的貢獻助力本集團發展。本人亦藉此機會感謝客戶、供應商、業務夥伴及股東對本集團的鼎力支持及信任。我們始終相信自己的能力，並將勤勉努力，務求在不久的將來提供更優質產品、更富遠見及更豐碩的回報。

鄭楚傑

主席兼行政總裁

香港，二零二三年六月二十九日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Kin Yat is one of the leading industrial enterprises engaged in the development and production of niche, advanced and quality electrical and electronic products, as well as electric motor drives and related products under its own house brand. In recent years, the Company also embarked on the development of two real estate projects in Dushan County (“Dushan”), Guizhou Province, China.

FINANCIAL REVIEW

For the year ended 31 March 2023 (the “Year” or “FY2023”), it represents yet another challenging year to the Group as a result of the harsh operating environment. Since COVID-19 first broke out in early 2020, it continued to bring lingering impact to both demand and supply side. In the case of China, where the Group’s manufacturing facilities are situated, it has implemented a set of rather comprehensive anti-epidemic measures during the Year. The sustained lockdowns have in turn created notable pressure on the Group’s operation, affecting labour availability, raw material supply, production efficiency, and export logistics. Meanwhile, the Russia-Ukraine conflict has triggered a reshuffle in the global supply chain and a surge in commodity prices. The uncertainties, compounded by the rising interest rates and inflation, have together made global consumers be more conservative, prioritising savings and necessities instead of purchases. As a result, brand owners in the United States of America (“U.S.”) and Europe also became more prudent in placing orders and new product development, leading to a decrease in sales volume, especially for the Group’s Electrical and Electronic Products Business Segment. The Group’s overall turnover during the Year decreased by 47.8% year-over-year (“YoY”), from approximately HK\$2,316,315,000 to approximately HK\$1,209,602,000. The Group’s total external turnover by segment is analysed as follows:

- Electrical and Electronic Products Business Segment (“E&E Segment”): HK\$459,846,000, representing 38.0% of the Group’s consolidated turnover for the Year (for the year ended 31 March 2022 (“FY2022”): HK\$1,267,957,000, 54.7%).

建溢是領先工業企業之一，致力於開發及生產獨特、先進及優質電器及電子產品，以及以自家品牌供應電機驅動器及相關產品。近年，本公司亦著手發展位於中國貴州省獨山縣（「獨山」）的兩項房地產項目。

財務回顧

截至二零二三年三月三十一日止年度（「本年度」或「二零二三財年」），由於經營環境嚴峻，對本集團而言亦為充滿挑戰的一年。自2019新型冠狀病毒病於二零二零年初首次爆發以來，但其繼續對供求帶來揮之不去的影響。就本集團生產設施所在地中國而言，本年度已實施一套相當全面的防疫措施。持續的封城措施對本集團的營運造成顯著的壓力，並影響勞動力供應、原材料供應、生產效率及出口物流。與此同時，俄烏衝突引發了全球供應鏈的重新洗牌及大宗商品價格飆升。該等不確定性，加上不斷上升的利率及通脹，令全球消費者變得更加保守，優先考慮儲蓄和必需品，而非消費。因此，美利堅合眾國（「美國」）及歐洲品牌擁有人在下訂及開發新產品時亦變得更加謹慎，導致銷量下降，尤其是本集團電器及電子產品業務分類。本集團於本年度的整體營業額按年（「按年」）減少47.8%，由約2,316,315,000港元減少至約1,209,602,000港元。本集團營業總額按業務分類分析如下：

- 電器及電子產品業務分類（「電子產品分類」）：459,846,000港元，佔本集團於本年度之綜合營業額的38.0%（截至二零二二年三月三十一日止年度（「二零二二財年」）：1,267,957,000港元，54.7%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (continued)

- Motors Business Segment (“Motors Segment”): HK\$745,516,000, contributing 61.6% of the Group’s consolidated turnover for the Year (FY2022: HK\$1,044,052,000, 45.1%).
- Real Estate Development Business Segment: HK\$4,240,000, representing 0.4% of the Group’s consolidated turnover for the Year (FY2022: HK\$4,306,000, 0.2%).

To counter the impact of a decreasing order book in its manufacturing business segments in general, the Group swiftly streamlines its operations in order to maintain operation efficiency and margins. Overall gross profit (before impairment) decreased 48.4% YoY to HK\$126,665,000 for the Year, yet gross profit margin hovered at 10.5% (FY2022: 10.6%) despite a decreased turnover. This highlights the combination of improving cost control, the absence of a previous significant client which has a low margin profile, as well as the depreciation of Renminbi (“RMB”) against the U.S. dollars (“US\$”) during the Year. After the inclusion of the non-recurring and non-cash impairment losses incurred by the Real Estate Development Business Segment and the manufacturing business segments as a whole of HK\$240,078,000 and HK\$50,790,000, respectively, the Group reported a gross loss (after impairment) of HK\$164,203,000 (FY2022: Gross profit HK\$245,532,000) for the Year.

In face of the uncertainties, the Group also strived to control its indirect expenses. The Group further consolidated its production bases to reduce overheads; at the same time, it also monetised some idle, non-core assets in order to boost cash level. Nonetheless, the results of the Group for the Year was impacted by the non-recurring and non-cash impairment losses incurred by the Real Estate Development Business Segment and the manufacturing business segments as a whole amounted to HK\$297,075,000, due to the long-suffering China’s property market and the tough manufacturing market landscape. After the said impairment losses, the Company have a loss for the Year of HK\$294,169,000 as compared to a profit for the year of HK\$56,858,000 for FY2022. Basic loss per share for the Year was HK67.01 cents (FY2022: Basic earnings per share HK12.95 cents).

財務回顧(續)

- 電機業務分類(「電機分類」): 745,516,000港元, 佔本集團於本年度之綜合營業額的61.6%(二零二二財年: 1,044,052,000港元, 45.1%)。
- 房地產發展業務分類: 4,240,000港元, 佔本集團於本年度之綜合營業額的0.4%(二零二二財年: 4,306,000港元, 0.2%)。

為應對整體製造業務分類訂單減少的影響, 本集團迅速精簡其營運以保持營運效率及利潤率。於本年度, 減值前整體毛利按年減少48.4%至126,665,000港元, 儘管營業額減少, 毛利率仍徘徊於10.5%(二零二二財年: 10.6%)。此乃由於本年度成本控制的改善、失去以往一位重要但利潤較低的客戶, 以及人民幣(「人民幣」)兌美元(「美元」)貶值因素結合所致。在計入房地產發展業務分類及整個製造業務分類產生的非經常性及非現金減值虧損分別為240,078,000港元及50,790,000港元後, 本集團於本年度錄得減值後毛損164,203,000港元(二零二二財年: 毛利245,532,000港元)。

面對不確定因素, 本集團亦努力控制間接開支。本集團進一步整合生產基地以減少開銷, 同時亦變現部分閒置非核心資產, 以提升現金水平。然而, 由於中國的房地產市場長期低迷以及製造業市場格局嚴峻, 本集團業績於本年度因房地產發展業務分類及整個製造業務分類產生的非經常性及非現金減值虧損297,075,000港元而受影響。扣除上述減值虧損後, 本公司於本年度錄得虧損294,169,000港元, 相比之下, 二零二二財年則錄得年度溢利56,858,000港元。本年度每股基本虧損為67.01港仙(二零二二財年: 每股基本盈利12.95港仙)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW

Manufacturing Businesses

The Group operates two manufacturing business segments on three major production centres in China. Two of which are based in Guangdong Province, situated in Songgang, Baoan District, Shenzhen City (“Shenzhen”) and Shixing County, Shaoguan City (“Shixing”), respectively, with the third located in Dushan, Guizhou Province. The Group’s production bases are also supplemented by two production facilities in Malaysia for the Motors Segment and the E&E Segment, respectively.

Electrical and Electronic Products Business Segment

The E&E Segment provides development, design, and manufacturing services for four main product categories: (i) robotics, (ii) juvenile products and baby care products, (iii) smart products and (iv) healthcare products.

FY2023 continued to present the business with unparalleled difficulties. Within a span of merely twelve months, the global community encountered sporadic outbreaks of COVID-19, manufacturing bottleneck from China’s nationwide lockdowns, slowdown of economies, weakened customer sentiment, growing inflation and interest risks, as well as supply chain disruptions. The turbulent FY2023 has also led to a prevailing conservatism among brand owners, particularly those based in Europe and the U.S., where inventory backlog issues have become increasingly pressing. Brand owners understandably reduced their order volume in face of the shrinking demand, and chose to wait for a more welcoming economy before placing orders and developing new products.

業務回顧

製造業務

本集團在中國三個主要生產中心經營兩大製造業務分類。當中兩個生產中心分別位於廣東省深圳市寶安區松崗(「深圳」)及韶關市始興縣(「始興」)，第三個生產中心則位於貴州省獨山。本集團的生產基地亦包括電機分類及電子產品分類，兩個分類分別設於馬來西亞的生產設施。

電器及電子產品業務分類

電子產品分類提供開發、設計及製造四種主要產品的服務：(i) 機械人；(ii) 少兒產品及嬰兒護理產品；(iii) 智能產品；及(iv) 保健產品。

二零二三財年繼續為該業務帶來前所未有的困難。在短短十二個月內，全球社會遇到零星爆發的2019新型冠狀病毒病疫情、中國於全國實施封城措施導致製造瓶頸、經濟放緩、客戶情緒疲弱、通脹及利率風險上升，以及供應鏈中斷。二零二三財年動盪亦導致品牌擁有人的取態普遍保守，尤其是歐美等地之品牌擁有人，其庫存積壓的問題愈趨嚴重。面對不斷萎縮的需求，品牌擁有人自然減少訂單量，並選擇等待經濟復甦後再下達訂單及開發新產品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Electrical and Electronic Products Business Segment *(continued)*

Despite such challenges, FY2023 is the first year of the Segment, in the absence of a previous significant client, for its transition from high single-client contributions with low margins, to a set of diversified clients from various applications that can offer margins at normal market norms. Although this strategic move has led to a temporary decrease in sales volume and revenue from the robotics sector, the Company expects it would lay a solid foundation for future sustainable growth, by freeing up the necessary production capacity and resources for new applications and new clients.

As a result of the aforementioned factors, external turnover of the E&E Segment decreased by 63.7% to approximately HK\$459,846,000 for the Year (FY2022: HK\$1,267,957,000), accounting for 38.0% (FY2022: 54.7%) of the Group's overall revenue (for illustration purpose only, such external turnover in FY2023 as compared to the adjusted external turnover of HK\$645,937,000 in FY2022 before the turnover contributions from the aforesaid significant client, representing a drop of approximately 28.8%). Overall segment results were turned from a profit of HK\$37,648,000 in FY2022 to a loss of HK\$15,211,000 during the Year, reflecting the untypical cost structure of the operations during this transitional period.

With regard to sectors, the recently built healthcare products sector exhibited promising growth potential, despite being in its early stage of development. It has successfully secured several new projects with various clients, including a niche medical product that would further diversify the Group's product offerings. The Group views the sector as a potential diversification and growth driver in the long-term, and intends to leverage its expertise and experience in the Internet of Things ("IoT") to develop innovative and smart healthcare products.

業務回顧 *(續)*

製造業務 *(續)*

電器及電子產品業務分類 *(續)*

儘管面對該等挑戰，二零二三財年為本業務分類首年在缺少一名以往重大客戶的情況下，從低利潤貢獻的單一客戶，過渡至來自不同應用的多元化客戶，可在正常市場常態下提供更高利潤。雖然此策略導致機械人行業分類的銷售量及收入暫時減少，但本公司預期，該策略將通過為新應用及新客戶釋放必要的生產能力及資源，為未來的可持續發展奠定堅實的基礎。

由於上文所述因素，電子產品業務分類於本年度的對外營業額減少63.7%至約459,846,000港元（二零二二財年：1,267,957,000港元），佔本集團整體收益的38.0%（二零二二財年：54.7%）（僅供說明：二零二三財年的有關對外營業額與二零二二財年在撇除上述重大客戶的營業額貢獻後的經調整對外營業額645,937,000港元相比，下降約28.8%）。本年度整體業績由二零二二財年溢利37,648,000港元轉為本年度虧損15,211,000港元，這正反映了在過渡時期非典型的營運成本結構。

就行業分類而言，雖然近期建立的保健產品行業分類於本業務分類仍處於早期發展階段，惟已展示出良好的增長潛力。其已成功與不同的客戶取得多個新項目，包括一個將進一步使本集團提供的產品多樣化的利基醫療產品。本集團視本行業分類可成為潛在多元化及長期的增長動力，並有意利用其物聯網（「物聯網」）專業知識及經驗，開發創新及智能保健產品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Manufacturing Businesses (continued)

Electrical and Electronic Products Business Segment (continued)

For Future View

Looking ahead, while the overall consumer market continue to show hesitation and uncertainties due to the global economic slowdown, the Segment is committed to, taking this opportunity, laying foundations by building up its portfolio of diversified client base, strengthening its management team, and consolidating its production facilities as well as prudently implementing its “China Plus One” strategy so that it is well poised to gain from the ensuing economic recovery and improved consumer market sentiment.

To cater the growing demand for a “China Plus One” manufacturing solution, the Segment first consolidated its production facilities in China during the Year, and at the same time, expanding its capacity in Malaysia, in order to make good use of the comparative advantages of each country, as well as providing customers with a more flexible and cost-competitive solution. Given the synchronised infrastructure already in place, it is expected that once the utilisation ramps up, the dual-production across China and Malaysia should yield notable operational efficiency and margin enhancement. In the long run, the Segment will also continue to explore other possible destinations across Southeast Asia that would allow quick regional market penetration and cost-effective production.

On that front, the Segment leverages on its existing credentials to enhance its position particularly in juvenile products and baby care products sector in various markets. It is endeavour to specifically target growing sectors, and allocate more resources to the newly-developed healthcare business to increase scale and market share with focus on research and development (“R&D”) capability enhancement.

業務回顧 (續)

製造業務 (續)

電器及電子產品業務分類 (續)

展望未來

展望未來，雖然整體消費市場因全球經濟放緩而繼續呈現猶豫及不確定性，但本業務分類致力把握此機會，透過建立多元化客戶群組合、加強其管理團隊及整合其生產設施打穩基礎，加上審慎落實「中國加一」策略，為隨後的經濟復甦和消費市場情緒改善創造有利條件。

為應付對「中國加一」製造解決方案日益增長的需求，本業務分類於本年度首先整合其在中國的生產設施，同時擴大在馬來西亞的產能，以善用各國的比較優勢，並為客戶提供更靈活及具有成本競爭力的解決方案。鑑於同步基礎設施已就緒，預計一旦使用率提高，中國及馬來西亞的雙生產基地將顯著提高營運效率及利潤率。長遠而言，本業務分類亦將繼續探索東南亞其他可能目標，以實現快速的地區市場滲透及具有成本效益的生產。

在此方面，本業務分類善用現有資源來提升其水平，特別是來自不同市場的少兒產品及嬰兒護理產品行業分類。其將在增長中的行業分類全力推進，並將更多資源分配至新開發的保健業務，並集中在提升研究及開發（「研發」）能力，以提高規模及市場份額。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Motors Business Segment

The Motors Segment focuses on the development, design, manufacturing and sales of electric motor drives and related products, ranging from direct-current (“DC”) motors to encoders and related products. Recently, its product offering was extended to larger-sized motor drives, brushless DC motors and gearbox, which is under the category “Motor Plus”, as a means to capture the latest technological trends and market demand and to drive up the average unit price of its products sold. Supported by its major production facilities located in Shixing county, which is supplemented by the production facility in Malaysia, the Segment has essentially established a production and R&D platform, able to provide customers with innovative, flexible, closer-to-market, yet cost-competitive manufacturing solutions. The Segment has been categorised into four sectors of application, namely automobiles, office automation equipment, toys, and household appliances.

Since the outbreak of COVID-19, various governments have imposed relevant restrictions which brought notable changes to people’s everyday lives. Work-from-home became a trend, and the increasing exposure at home setting also boost the demand of household appliances. Yet, there was a notable change in consumer behaviour in 2022 as restrictions were lifted in most countries, with people embracing a blended working style that generally requires fewer appliances support at home. Compounded by the surging commodities’ prices and growing cost of living, demand for such appliances, especially in Europe and the U.S., suffered a drop in sales volume during the Year.

業務回顧 *(續)*

製造業務 *(續)*

電機業務分類

電機業務專注於開發、設計、生產及銷售電機驅動器及相關產品，包括直流電（「直流電」）電機以至編碼器及相關產品。最近，本業務分類提供的產品擴充至更大型的電機驅動器、無刷直流電機及「電機+」旗下的齒輪箱，作為緊貼最新技術趨勢及市場需求的舉措，以推高售出產品的平均單價。本業務分類主要的生產設施位於始興縣的基地，並以馬來西亞生產設施為輔助，本業務分類已築成的生產及研發平台，能夠為客戶提供嶄新、靈活、緊貼市場，還具有成本競爭力的製造解決方案。本業務分類分為四個不同應用分類，分別為汽車、辦公室自動化設備、玩具及家居電器。

2019新型冠狀病毒病爆發以來，多國政府施行相關限制措施，使人們的日常生活出現明顯變化。因在家工作日趨普及，令家居環境的曝光率上升，從而推動了家庭電器的需求。不過，隨著多國撤銷限制，消費者行為在二零二二年出現明顯變化，人們追求調和式的工作方式，令家居電器的需求有所下降。受礙於商品價格及生活開支上升，對有關電器的需求（尤其是歐美國家）在本年度出現銷售額下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Motors Business Segment *(continued)*

In addition, affected by the long-tail effects of the supply chain crisis from COVID-19 and the Russia-Ukraine conflict, inflation soared during the Year, which notably affected consumer sentiment around the world. Given the contraction in downstream demand, most of the Segment's clients have also decided to adjust their orders to avoid over-investment and excess inventory. Thus, external turnover for the Segment for the Year was HK\$745,516,000 (FY2022: HK\$1,044,052,000), representing a decrease of 28.6% YoY.

Facing the challenging operating environment, the Segment took swift action to adjust its production schedule, while closely monitoring its inventory level and hedging key raw materials prices and RMB exposure to maintain operation efficiency and margins. The Segment also has been consolidating the resources of its two major production facilities in Shixing and Dushan, in an effort to increase the overall utilisation rate of the production facilities in China and thereby further enhance production efficiency.

After taking into account the significant non-recurring impairments on property, plant and equipment of HK\$36,714,000 related to the consolidation of production facilities and optimisation of product mix, which shall path way for reduced depreciation in the coming financial years, the segment results for the Year was HK\$322,000 (FY2022: HK\$71,350,000).

業務回顧 *(續)*

製造業務 *(續)*

電機業務分類 *(續)*

此外，受2019新型冠狀病毒病疫情引起的供應鏈危機及俄烏衝突的長尾效應影響，本年度通漲升溫，導致全球消費者情緒受到明顯影響。鑑於下游需求萎縮，本業務分類的大多數客戶亦決定調整了其訂單，以避免過度投資及庫存過多。因此，本業務分類於本年度的對外營業額為745,516,000港元(二零二二財年：1,044,052,000港元)，按年減少28.6%。

面對充滿挑戰的經營環境，本業務分類迅速調整生產計劃，同時密切監測庫存水平並對沖關鍵原材料價格及人民幣風險，以保持營運效率及利潤空間。本業務分類亦整合其位於始興及獨山的兩個主要生產設施的資源，以努力提高中國生產設施的整體使用率，從而進一步提升生產效益。

經計及與整合生產設施及優化產品組合相關的重大非經常性物業、廠房及設備減值36,714,000港元(此舉乃為降低往後財政年度減值金額鋪排)，本年度錄得本業務分類業績322,000港元(二零二二財年：71,350,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW *(continued)*

Manufacturing Businesses *(continued)*

Motors Business Segment *(continued)*

Looking ahead

Looking into 2024, bloated retail inventories and the battle against inflation are likely to continue. To stay competitive in this difficult environment, the Segment will streamline and consolidate its production capacity in China with an effort to enhance the production utilisation rate so as to in turn optimise the operation efficiency, and will maintain constant communication with its clients in order to raise order book visibility. It will also continue its stringent cost control measures, and retain a health cash level in case of any uncertainties. The “China Plus One” long-term expansion plan will also be prudently evaluated and implemented given its long-term benefits yet heavy investment, while the Segment will also continue to increase overall automation level to enhance its competitiveness.

In terms of sales acquisition, benefited from early sales planning, the Segment was able to obtain certain new pipelines and further diversify its product portfolio. Unlike bare motors which are standardised products, most of them are potential Motor Plus projects, that represent tailor-made solutions with higher price point.

The Segment will also continue its R&D investment to support with its product diversification strategy to continue to build up its presence in sectors and applications including water pump and automotive door handle presenter with higher price point and margins and stable business volume. During the Year, its Electric Parking Brake (“EPB”) motors received recognition from the market for its good quality on current and noise control. Due to safety reasons, EPB has higher requirements for its components, and that also translates to higher motor price point and margins. As China reopening its economy, consumer sentiment is expected to gradually recover. The Segment will actively promote its products to more potential clients from the automotive sector, aiming to capture more market shares.

業務回顧 *(續)*

製造業務 *(續)*

電機業務分類 *(續)*

展望未來

展望二零二四年，零售存貨及抗通脹議題有可能繼續積壓及延續。為在此艱難的環境中保持競爭力，本業務分類將精簡及整合其在中國的產能，努力提升生產使用率，進而優化其營運效率，並將保持與客戶持續溝通，以提高訂單的可預見性。其亦將繼續採取嚴格的成本控制措施，並在出現任何不確定因素時保持健康的現金水平。鑑於其長遠裨益及巨大投資，「中國加一」長遠擴張計劃亦將予審慎評估及實施，而本業務分類亦將繼續提升其整體自動化水平，以提升其競爭力。

就銷售收入而言，本業務分類受惠於早期銷售計劃，獲得若干新渠道來進一步豐富其產品組合。與純電機等標準化產品不同，新組合大多數均為潛在的電機+項目，屬價位更高的定製解決方案。

本業務分類亦將繼續進行研發投資，以支持其產品多元化策略，持續以更高的價格和利潤以及穩定的業務量，在水泵和車門手柄顯示器等行業和應用領域建立業務。於本年度，其電子駐車制動器（「電子駐車制動器」）電機憑藉其良好的電流及噪音控制質素而獲市場認可。基於安全原因，電子駐車制動器對零部件有更高的要求，並將推高電機價位及利潤率。隨著中國重新開放經濟，客戶情緒有望逐步恢復。本業務分類將積極向更多汽車行業的潛在客戶推廣產品，以搶佔更多市場份額。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Non-manufacturing Business

Real Estate Development Business Segment

During the Year, the Segment continued to hold two residential property development projects in Dushan Economic Development Zone, namely *The Royale Cambridge Residences* and *The Jardin Montsouris*.

In 2022, China's property market remained sluggish. Despite the rollout of a flurry of policies to assist homebuyers and property developers, the market lacks confidence and momentum to recover. According to the National Bureau of Statistics of China ("NBS"), China's nationwide property sector fell 5.1% YoY in 2022. The property market in Dushan, being an underprivileged county in China, was even more adversely affected. As disclosed in our MD&A of the Group's FY2023 interim report, the management of the Group made a strategic decision to shelve the further development of Phases 1B, 1C, and 1D of *The Jardin Montsouris* (the "Shelved Phases"), after taking into account the evaluation of the Segment's valuation and prospect. On account of such decision, the whole finance, development, and construction costs attributable to the Shelved Phases in the amount of HK\$120,373,000 were fully written off in FY2023. Given the sluggish property market sentiment in Dushan, an aggregate impairment loss of HK\$119,705,000 of both the unsold inventory of the completed properties for sale and the properties under development with respect to both residential units and commercial properties of the two projects due to diminution in value was incurred and recognised in the Year. As a result, after the non-cash and non-recurring impairment provisions mentioned above of HK\$240,078,000 in total, the Segment recorded a loss of HK\$257,521,000 during the Year (FY2022: HK\$13,503,000).

業務回顧 (續)

非製造業務

房地產發展業務分類

於本年度，本業務分類繼續持有獨山經濟開發區兩項住宅物業發展項目，即*劍橋皇家*及*蒙蘇里花園*。

於二零二二年，中國房地產市場仍然持續疲弱。儘管有一系列協助購房者及房地產開發商的政策出台，但市場缺乏復甦信心及動力。根據中國國家統計局數據（「國家統計局」），二零二二年中國全國房地產行業按年下降了5.1%。獨山為中國貧困縣，當地地產市場情況更受到不利影響。誠如在本集團二零二三財年的中期報告內管理層討論及分析中所披露，本集團管理層經考慮就本業務分類估值及前景的評估後作出策略性決定，擱置進一步發展*蒙蘇里花園*項目第1B、1C及1D期（「擱置期數」）。就有關決定入賬時，擱置期數所產生的全部財務、發展及建築成本總額120,373,000港元已於二零二三財年全數撇銷。鑑於獨山地產市場情緒低迷，因此，由於價值下跌，故於本年度已就該兩個項目的住宅單位及商業物業中竣工待售物業之未出售庫存以及發展中物業產生及確認合共119,705,000港元之減值虧損。因此，在計入上述非現金及非經常性減值撥備合共240,078,000港元後，本業務分類於本年度錄得虧損257,521,000港元（二零二二財年：13,503,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Non-manufacturing Business (continued)

Real Estate Development Business Segment

(continued)

The Royale Cambridge Residences

With a total site area of approximately 83,166 sq.m., the project is divided into two phases. As of 31 March 2023, completed gross floor area (“GFA”) of the residential properties of the first phase for sale was 35,338 sq.m., comprising 116 units of villa, while the Segment kept on putting on hold the development of the second phase in the Year. During the Year, 4 units were sold, bringing the total number of sold villas to 48 as of 31 March 2023. Out of the 4, 3 units sold were for the settlement and offsetting a part of the outstanding construction and development costs of *The Jardin Montsouris*. Due to the sluggish property market sentiment in Dushan, the prevailing relevant comparable property prices were below the carrying amounts of properties under development and completed properties for sale with respect to both residential units and commercial properties, an impairment loss of HK\$48,774,000 (FY2022: Nil) for this project was therefore incurred during the Year.

The Jardin Montsouris

With a total site area of approximately 66,666 sq.m., the Segment is currently on course to complete its Phase 1A development, which comprises a total of 460 units of apartment with a total GFA of 64,427 sq.m. for sale upon completion. The Segment proactively managed to negotiate and agree with construction contractors to partly settle the outstanding construction and development costs by selling 34 residential units to the contractors, bringing the aggregate number of residential units contracted for sale to 280, with a total consideration of approximately RMB120,186,000. As of 31 March 2023, approximately 61% of 460 units of Phase 1A were contracted for sale. However, contracted sales were not able to be recognised as revenue, as the final acceptance certificates for such project have not been issued during the Year.

業務回顧 (續)

非製造業務 (續)

房地產發展業務分類 (續)

劍橋皇家

該項目的總地盤面積約為83,166平方米，分為兩期。截至二零二三年三月三十一日，第一期的竣工待售住宅物業的總建築面積（「總建築面積」）為35,338平方米，包含116個別墅單位，而本業務分類於本年度仍暫停第二期的發展。於本年度，已售出4個單位，使截至二零二三年三月三十一日之已售出別墅總數為48個。該4個單位當中，有3個已售單位乃用作結付及抵銷蒙蘇里花園部分的建築及工程費用。由於獨山房地產市場情緒低迷，就住宅單位及商業物業而言，其現行相關可比較物業價格均低於發展中物業及竣工物業的賬面值，故本項目於本年度產生減值虧損48,774,000港元（二零二二財年：無）。

蒙蘇里花園

該項目的總地盤面積約為66,666平方米，本業務分類現時正完成其第1A期發展，當中包含合共460個公寓，總建築面積為64,427平方米，於竣工後可供出售。本業務分類已積極設法與建築承包商達成協議，透過向承包商出售34個住宅單位，結付部分尚未結付的建築及工程費用，令已訂約出售住宅單位達至總數為280個，總代價約為人民幣120,186,000元。截至二零二三年三月三十一日，第1A期460個單位中有約61%已訂約出售。然而，於本年度，由於該項目的最終合規證書還未發出，故此，已訂約的銷售尚未能確認為收入。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Non-manufacturing Business (continued)

Real Estate Development Business Segment

(continued)

The Jardin Montsouris (continued)

In consideration of the gloomy outlook of the property market in China and particularly in Dushan, along with other reasons as mentioned in our MD&A of the Group's FY2023 interim report, the Segment has decided to discontinue the further development of the Shelved Phases during the Year. The site of the Shelved Phases comprises a land area of 45,869 sq.m., with 275,867 sq.m. of gross floor area of the properties yet to be developed. On account of such a decision, the whole finance, development, and construction costs (except for the related land parcel which value was assessed and appraised in accordance with the relevant valuation conducted by an independent valuer) attributable to the Shelved Phases in the aggregate amount of approximately HK\$120,373,000 was fully written off in the Year (FY2022: Nil). Due to the sluggish property market sentiment in Dushan, an impairment loss of HK\$70,931,000 of properties under development and completed properties for sale with respect to both residential units and commercial properties was incurred during the Year. This, together with the abovementioned written off of HK\$120,373,000, has resulted in a total impairment loss of HK\$191,304,000 for this project during the Year (FY2022: Nil).

業務回顧 (續)

非製造業務 (續)

房地產發展業務分類 (續)

蒙蘇里花園 (續)

考慮到中國(尤其是獨山)房地產市場前景黯淡,以及在本集團二零二三財年中期報告管理層討論及分析所述的其他原因,本業務分類於本年度決定不再繼續擱置期數的進一步發展。擱置期數地盤包括一幅面積為45,869平方米之土地,而將予開發物業之總建築面積為275,867平方米。就有關決定入賬時,擱置期數所產生的全部財務、發展及建築成本(不包括相關土地,其價值乃按照由獨立估值師所進行相關估值予以評估及評值)總額120,373,000港元已於本年度全數撇銷(二零二二財年:無)。由於獨山地產市場情緒低迷,故於本年度已就住宅單位及商業物業中的發展中物業及竣工待售物業錄得70,931,000港元之減值虧損。連同上述撇銷120,373,000港元,本項目於本年度產生減值虧損191,304,000港元(二零二二財年:無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL REVIEW (continued)

Non-manufacturing Business (continued)

Real Estate Development Business Segment

(continued)

For Future View

According to the latest statistics from NBS, new-home prices in 70 cities, excluding state-subsidised housing, dropped from 0.44% in March to 0.32% in April 2023. Despite sales and prices enjoyed a short-lived rebound following a historical slump of about 18 months, signs of weakness remain obvious in the residential property market. The latest Reuter survey also reported that China's deeply troubled property sector is set to see home sales fall by a median of 8% for the second straight year in 2023, despite a slow down in drop when compared to the slump of approximately 25% in 2022. As a result, the Group remains cautious over the outlook of the Segment. Looking into the next financial year, the Segment expects to complete the remaining minor construction work and auxiliary works of Phase 1A of *The Jardin Montsouris*, bringing it to practical completion. It is estimated that the relevant final acceptance certificates will be issued in the third quarter of 2023, and the Segment will continue its efforts to sell the remaining already and soon-to-completed property units. In light of the prevailing depressed residential market condition in Dushan, the sales of the property units of two real estate property development projects are a very challenging task although we cautiously expect there might be a boost in the sales growth when the Guiyang-Nanning high-speed train station near the sites of the projects is operational soon this year. The Segment has been exploring the possibility for realising the projects as a whole for a reasonable consideration while the Segment is endeavour to sell property units to individual end-users.

業務回顧 (續)

非製造業務 (續)

房地產發展業務分類 (續)

展望未來

根據國家統計局最新統計，70個城市的新房價格(不包括國家補貼房屋)由二零二三年三月的0.44%下降至四月的0.32%。縱使在歷史性連跌約18個月之後，銷售額及價格均曾出現短暫反彈，但住宅物業市場疲弱的跡象仍然顯而易見。路透社最近期的調查亦顯示中國地產市場極度疲弱，在二零二三年仍會錄得住房銷售連續第二年下降，降幅中位數為8%，儘管對比二零二二年下跌約25%有所放緩。因此，本集團對本業務分類的前景仍然審慎。展望下一個財政年度，促使蒙蘇里花園第1A期能達至竣工，本業務分類預期將能夠完成其餘下的小規模建築工程及配套設施，使其實際竣工。根據估算，相關的最終竣工證書將於二零二三年第三季度發出，而本業務分類將繼續努力於不久將來出售餘下已竣工或即將竣工的物業單位。鑑於獨山目前住宅市場狀況低迷，兩項房地產物業發展項目之物業單位的銷售將為一項極具挑戰性的任務。但我們審慎預期當鄰近項目現址的貴陽-南寧高鐵站於今年即將啓用，或可刺激銷售增長。本業務分類一直探索以合理代價變現整個項目的可能性，而本業務分類亦致力將物業單位售予個別最終用戶。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

The International Monetary Fund has recently published the “World Economic Outlook April 2023” report, outlining a forecast of 2.8% growth in 2023 compared with 3.4% in 2022. Global inflation is also set to fall from 8.7% in 2022 to 7.0% in 2023, on the back of lower commodity prices. It further raises 2023 economic outlook for Asia in May, seeing China and India making up half of the global growth, with the reopening of China and growth of its economy likely generating positive spill-overs.

In light of China’s reopening, the Group will actively extend its customer reach in China, in order to seize the opportunities from subsequent economic recovery. As consumer sentiment recovers, the Group believes that the automotive and household appliance sectors will also enjoy bottom out, providing the Group with more opportunities particularly for its business relating to EPB motors.

Meanwhile, the Group will cautiously manage its working capital, and continue to adopt stringent cost control measures to retain a higher cash level for any upcoming uncertainties. At the same time, the Group will also constantly review its assets, and keep a keen eye on monetisation opportunities for its non-core resources, allowing it to consolidate resources for future R&D investment and market penetration.

DIVIDENDS

The Board has resolved not to declare any final dividend for the Year (2022: Nil).

前景

國際貨幣基金組織近期發佈二零二三年四月《世界經濟展望》報告，預測二零二三年增長2.8%，而二零二二年為3.4%。在大宗商品價格下跌的背景下，全球通脹率亦將從二零二二年的8.7%下降至二零二三年的7.0%。該組織在五月進一步上調二零二三年亞洲經濟展望，預計中國及印度將佔全球增長的一半，而中國重新開放及經濟增長有可能產生積極溢出效應。

鑑於中國重新開放，本集團將積極擴大中國的客戶群，以把握經濟復甦後帶來的機遇。隨著消費者情緒回升，本集團相信汽車及家居電器行業亦將觸底回升，為本集團提供更多機會，尤其是與電子駐車制動器電機有關的業務。

同時，本集團將謹慎管理營運資金，並繼續採取嚴格的成本控制措施，以保持較高的現金水平，以應對面前的不確定因素。同時，本集團亦會不斷檢討其資產，並密切留意非核心資源的變現機會，以便為未來的研發投資及市場滲透整合資源。

股息

董事會議決不宣派本年度之末期股息（二零二二年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL CONDITIONS, LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily used its internally generated cash flows and banking facilities to finance its operations and business development. The Group has always been executing a prudent and conservative strategy in its financial management. As at 31 March 2023, the Group had time deposits of HK\$10,006,000 (31 March 2022: HK\$13,355,000), cash and bank balances of HK\$203,372,000 (31 March 2022: HK\$256,934,000), and net current assets of HK\$257,905,000 (31 March 2022: HK\$525,724,000). As at 31 March 2023, shareholders' equity was HK\$1,104,685,000 (31 March 2022: HK\$1,589,910,000). Total consolidated banking facilities of the Group from all banks as at 31 March 2023 amounted to approximately HK\$548,486,000 (31 March 2022: HK\$661,742,000). As at 31 March 2023, total bank borrowings amounted to HK\$351,265,000 (31 March 2022: HK\$529,147,000).

As at 31 March 2023, the bank borrowings of the Group was repayable within one year amounted to HK\$269,065,000 (31 March 2022: HK\$417,347,000) and the remaining balance of HK\$82,200,000 (31 March 2022: HK\$111,800,000) was repayable within second to fifth years.

As at 31 March 2023, the current ratio of the Group (current assets divided by current liabilities) was maintained at 1.31 times (31 March 2022: 1.46 times) and the gearing ratio of the Group (total bank borrowings divided by total equity) was 31.8% (31 March 2022: 33.3%).

財務狀況、流動資金及財務資源

本集團主要以其內部產生的現金流及銀行融資為其營運及業務發展提供資金。本集團一向在財務管理方面奉行審慎及保守政策。於二零二三年三月三十一日，本集團的定期存款為10,006,000港元（二零二二年三月三十一日：13,355,000港元）、現金及銀行結餘為203,372,000港元（二零二二年三月三十一日：256,934,000港元），而流動資產淨值為257,905,000港元（二零二二年三月三十一日：525,724,000港元）。於二零二三年三月三十一日，股東權益為1,104,685,000港元（二零二二年三月三十一日：1,589,910,000港元）。於二零二三年三月三十一日，本集團從各銀行獲取的綜合銀行融資總額約為548,486,000港元（二零二二年三月三十一日：661,742,000港元）。於二零二三年三月三十一日，銀行總借貸為351,265,000港元（二零二二年三月三十一日：529,147,000港元）。

於二零二三年三月三十一日，本集團須於一年內償還之銀行借貸為269,065,000港元（二零二二年三月三十一日：417,347,000港元），須於兩年至五年內償還之餘額為82,200,000港元（二零二二年三月三十一日：111,800,000港元）。

於二零二三年三月三十一日，本集團流動比率（流動資產除以流動負債）維持於1.31倍（二零二二年三月三十一日：1.46倍）；而本集團資本負債比率（銀行借貸總額除以權益總額）為31.8%（二零二二年三月三十一日：33.3%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL STRUCTURE

As at 31 March 2023, the total issued share capital of the Company was HK\$43,896,000 (31 March 2022: HK\$43,896,000), comprising 438,960,000 (31 March 2022: 438,960,000) ordinary shares of HK\$0.10 each. There was no change in the share capital of the Company during the Year.

CHARGE ON THE GROUP'S ASSETS

The Group did not have bank deposit (31 March 2022: HK\$12,326,000) and investment property (31 March 2022: HK\$46,789,000) pledged to a bank for banking facilities as at 31 March 2023 (31 March 2022: HK\$61,631,000). Part of the Group's other borrowings amounting to HK\$12,882,000 as at 31 March 2023 were secured by certain properties under development and certain completed properties held for sale in an aggregate amount of HK\$19,651,000 (31 March 2022: Nil).

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars and RMB or U.S. dollars. The Group does not have a foreign currency hedging policy on it. In order to manage and minimise the foreign exchange risk, the management shall from time to time review and monitor the foreign exchange exposure and will consider hedging the significant foreign currency exposure when appropriate and necessary.

INTEREST RATE RISK

The Group's financial facilities are denominated in Hong Kong dollars and RMB and interests on bank borrowings are chargeable based on certain interest margin over the Hong Kong Interbank Offered Rate and the People's Bank of China lending rate which are therefore of floating rate in nature. The Group has not entered into any interest rate risk hedge to mitigate exposure to interest rate risk during the Year.

資本結構

於二零二三年三月三十一日，本公司的已發行股本總額為43,896,000港元（二零二二年三月三十一日：43,896,000港元），包括438,960,000股（二零二二年三月三十一日：438,960,000股）每股面值0.10港元的普通股。本公司之股本於本年度概無變動。

本集團的資產抵押

於二零二三年三月三十一日，本集團並無將銀行存款（二零二二年三月三十一日：12,326,000港元）及投資物業（二零二二年三月三十一日：46,789,000港元）抵押予銀行以取得銀行融資（二零二二年三月三十一日：61,631,000港元）。於二零二三年三月三十一日，本集團之部分其他借款金額為12,882,000港元以總額為19,651,000港元之若干發展中物業及若干持作出售之竣工物業（二零二二年三月三十一日：無）作為抵押。

外匯風險

本集團之貨幣資產、負債及交易主要以港元及人民幣或美元計值。本集團並無就此訂有外幣對沖政策。為了管理及減低外匯風險，管理層會不時對外匯風險作出檢討及監察，並將於適當及需要時考慮對沖重大外幣風險。

利率風險

本集團之財務融資以港元及人民幣計值，而銀行借貸之利息乃按香港銀行同業拆息及中國人民銀行貸款利率加若干息差計算，因此其性質為浮動利率。於本年度，本集團並未進行任何利率風險對沖以減輕利率風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023, the Group employed around 4,600 full-time employees, of which less than 70 of them were stationed in Hong Kong headquarters with the remaining working mainly in the PRC and Malaysia.

The Board's remuneration committee of the Company made recommendation to the Board on the policy and structure of the Company for all remuneration of Directors, reviewed and determined the remuneration package of individual executive Director and senior management of the Company with reference to the Board's corporate goals and objectives, responsibilities and employment conditions elsewhere within the Group and in the market. The Group remunerates its employees largely in accordance with prevailing industry standards. In Hong Kong, the Group's employee benefits include staff retirement scheme, medical scheme and performance bonus. In the PRC and Malaysia, the Group provides its employee's staff welfare and allowances in accordance with the prevailing labour laws.

僱員及薪酬政策

於二零二三年三月三十一日，本集團聘有約4,600名全職僱員，其中駐守香港總部的僱員不到70位，其餘主要於中國及馬來西亞工作。

本公司之董事會轄下薪酬委員會就本公司有關全體董事薪酬的政策及架構向董事會提出建議，及參照董事會所訂之企業方針及目標、職責和本集團及市場內同類職位的實際情況，來審閱及釐定本公司個別執行董事及高級管理人員的薪酬待遇。本集團主要按照現行之行業標準釐定其僱員報酬。於香港，本集團之僱員福利包括員工退休計劃、醫療計劃及績效花紅。於中國及馬來西亞，本集團按照現行勞動法為其僱員提供員工福利及津貼。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 23 August 2023 to Monday, 28 August 2023, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting of the Company to be held on Monday, 28 August 2023, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 August 2023.

Cheng Chor Kit

Chairman and Chief Executive Officer
Hong Kong, 29 June 2023

暫停辦理股份過戶登記

本公司之股東名冊將於二零二三年八月二十三日(星期三)至二零二三年八月二十八日(星期一)(包括首尾兩日)期間內暫停辦理股份過戶登記手續。如欲符合資格出席本公司於二零二三年八月二十八日(星期一)舉行之股東週年大會及於大會上投票，所有股份過戶文件連同相關股票必須於二零二三年八月二十二日(星期二)下午四時三十分前送交至本公司位於香港灣仔夏慤道16號遠東金融中心17樓之香港股份過戶登記處卓佳登捷時有限公司，以辦理股份過戶登記手續。

鄭楚傑

主席兼行政總裁
香港，二零二三年六月二十九日

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTORS

Mr. Cheng Chor Kit, aged 71, is the chairman and the chief executive officer of the Company. He is the founder of the Group and is responsible for the Group's overall operation and strategic planning. He is also a member of the Board's remuneration committee and nomination committee. Mr. Cheng served as a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (the "CPPCC") and a Standard member of the Shaoguan Committee of the CPPCC. Mr. Cheng has over 50 years of experience in the toy industry.

Mr. Liu Tat Luen, aged 58, is an executive Director since December 2009. Mr. Liu holds a Bachelor Degree in Science (Quantity Surveying) from the University of Hong Kong and a Master Degree in Business Administration from the Chinese University of Hong Kong. Prior to joining the Company, Mr. Liu served as a director and a responsible officer in a corporate finance advisory firm (type 6 regulated activities under the Securities and Futures Ordinance (the "SFO")) in Hong Kong and has over 20 years of working experience in the financial industry in Asia as a whole.

Mr. Cheng Tsz To, aged 36, is an executive Director since June 2014. After graduating with a Master's degree of Engineering in Mechatronics with honors from the University of Sheffield, the United Kingdom, Mr. Cheng joined the Group in 2010 and is the chief executive officer of the Electrical & Electronic Business Segment of the Group. He is the son of Mr. Cheng Chor Kit, the executive Director and the controlling shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company and is the younger brother of Mr. Cheng Tsz Hang, the executive Director of the Company.

執行董事

鄭楚傑先生，七十一歲，本公司主席兼行政總裁。彼為本集團創辦人，並負責本集團整體營運及策略規劃。彼亦為董事會轄下薪酬委員會及提名委員會成員。鄭先生曾歷任中國人民政治協商會議（「中國人民政治協商會議」）廣東省委員會委員，及中國人民政治協商會議廣東省韶關市委員會常務委員。鄭先生於玩具業擁有逾五十年經驗。

廖達鸞先生，五十八歲，自二零零九年十二月起出任執行董事。廖先生持有香港大學之工料測量理學士學位，並持有香港中文大學之工商管理碩士學位。於加入本公司前，廖先生於香港一間企業融資諮詢公司（可進行香港證券及期貨條例（「證券及期貨條例」）項下第6類受規管活動業務）出任董事及負責人員職務，且於整個亞洲金融行業擁有逾二十年之工作經驗。

鄭子濤先生，三十六歲，自二零一四年六月起出任執行董事。於英國謝菲爾德大學畢業及取得機械電子學榮譽碩士學位後，鄭先生於二零一零年加入本集團，為本集團電器及電子產品業務分類之行政總裁。彼為本公司執行董事兼控股股東（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））鄭楚傑先生之兒子及本公司執行董事鄭子衡先生之胞弟。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTORS *(continued)*

Mr. Cheng Tsz Hang, aged 39, is an executive Director since March 2016. After studied Physics and Mathematics in the Loughborough University, the United Kingdom, Mr. Cheng joined the Group in 2007. He is the chief executive officer of the Motors Business Segment of the Group since July 2013. Mr. Cheng is the son of Mr. Cheng Chor Kit, the executive Director and the controlling shareholder (as defined under the Listing Rules) of the Company and is the elder brother of Mr. Cheng Tsz To, the executive Director of the Company.

NON-EXECUTIVE DIRECTOR

Dr. Fung Wah Cheong, Vincent, aged 67, was appointed as an executive Director in August 2005 and a director of certain subsidiaries of the Company. On 1 April 2021, Dr. Fung resigned as the executive Director and all the directorship of the subsidiaries of the Company, and was simultaneously re-designated as a non-executive Director of the Company. Dr. Fung has been, and shall remain as, the member of the Board's remuneration committee and nomination committee prior to and upon his re-designation. Dr. Fung holds a Master of Science Degree in Engineering Business Management from the University of Warwick, and a Doctoral Degree in Engineering from the Hong Kong Polytechnic University. Dr. Fung has over 30 years of experience in the toy industry. Prior to joining the Group, he worked as an engineering director in a sizeable toys manufacturing and distribution company.

執行董事 *(續)*

鄭子衡先生，三十九歲，自二零一六年三月起出任執行董事。於英國拉夫堡大學修讀物理及數學後，鄭先生於二零零七年加入本集團。彼自二零一三年七月起為本集團電機業務分類之行政總裁。鄭先生為本公司執行董事兼控股股東（定義見上市規則）鄭楚傑先生之兒子及本公司執行董事鄭子濤先生之胞兄。

非執行董事

馮華昌博士，六十七歲，自二零零五年八月起出任執行董事並擔任本公司若干附屬公司之董事。於二零二一年四月一日，馮博士辭任本公司執行董事及其附屬公司所有董事職務，同時調任為本公司非執行董事。馮博士在其調任前及調任後將繼續出任董事會轄下薪酬委員會及提名委員會的成員。馮博士持有華威大學工程業務管理之理學碩士學位及香港理工大學工程學博士學位。馮博士於玩具業擁有逾三十年經驗。於加入本集團前，彼曾於一間大型玩具製造及分銷公司任職工程總監。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Chi Wai, aged 57, has been an independent non-executive Director since September 2004. He is the chairman of the Board's nomination committee and a member of the Board's audit committee and remuneration committee. Mr. Wong currently serves as an independent non-executive director of C&D International Investment Group Limited (stock code: 1908) and Arts Optical International Holdings Limited (stock code: 1120), all of which are listed on the Main Board of the Stock Exchange. From June 2003 to September 2020, Mr. Wong also served as an independent non-executive director of Bonjour Holdings Limited (stock code: 0653). Mr. Wong obtained a Bachelor's Degree in Social Science and was awarded a post-graduate certificate in laws by the University of Hong Kong in 1988 and 1993, respectively. He is a practising certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales. He has over 30 years of experience in the accountancy profession. Other than his private practice in accounting, Mr. Wong has been admitted as a solicitor at the High Court in March 2019 and currently practices as a consultant in a law firm.

Dr. Sun Kwai Yu, Vivian, aged 61, has been an independent non-executive Director since September 2004. She is the chairperson of the Board's audit committee and a member of the Board's remuneration committee and nomination committee. Currently, Dr. Sun is a fellow member of the CPA Australia.

獨立非執行董事

黃馳維先生，五十七歲，自二零零四年九月起出任獨立非執行董事。彼為董事會轄下提名委員會主席兼董事會轄下審核委員會及薪酬委員會成員。黃先生現時為建發國際投資集團有限公司(股份代號：1908)及雅視光學集團有限公司(股份代號：1120)(上述公司均於聯交所主板上市)之獨立非執行董事。於二零零三年六月至二零二零年九月，黃先生亦出任卓悅控股有限公司(股份代號：0653)之獨立非執行董事。黃先生分別於一九八八年及一九九三年獲香港大學社會科學學士學位及法學研究生證書。彼為香港執業註冊會計師及英格蘭及威爾斯特許會計師公會會員。彼於會計專業積逾三十年經驗。除在會計方面的私人執業外，黃先生於二零一九年三月獲高等法院接納為律師並現於一家律師事務所出任顧問。

孫季如博士，六十一歲，自二零零四年九月起出任獨立非執行董事。彼為董事會轄下審核委員會主席以及董事會轄下薪酬委員會及提名委員會成員。現時，孫博士為澳洲會計師公會資深會員。

BIOGRAPHICAL DETAILS OF THE DIRECTORS

董事履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Cheung Wang Ip, aged 62, has been an independent non-executive Director since July 2014. He is a member of the Board's audit committee, remuneration committee and nomination committee. On 20 September 2022, he was appointed as the chairman of the Board's remuneration committee. Mr. Cheung is a Chartered General Practice Surveyor by profession and has over 30 years of professional work experience in the property industry and related fields, including valuation and feasibility study. Mr. Cheung is a corporate member of both the Royal Institute of Chartered Surveyors and the Hong Kong Institute of Surveyors (General Practice) as well as a member of Associacao da Avaliacao da Propriedade de Macau. He is a member of the China Real Estate Chamber of Commerce Hong Kong Chapter and a member of China Real Estate Appraiser in the PRC. In addition, Mr. Cheung served as a member of the Shanxi Provincial Committee of the CPPCC. Currently, Mr. Cheung is the Operation Head of Hong Kong and Macau and an executive director of Vigers Appraisal and Consulting Limited ("Vigers"), he is also an executive director of Vigers Macao Company Limited (Vigers is an indirectly wholly-owned subsidiary of a listed company whose shares listed on the Singapore Exchange Securities Trading Limited). Prior to joining Vigers in 2006, Mr. Cheung was a senior director of the Valuation and Consultancy Department in Savills Hong Kong Limited, where he held the position of the Head of Hong Kong and Macau valuation team. He had held various positions in companies including the Mass Transit Railway Corporation, Guangzhou Investment Company Limited and Jones Lang Wootton.

獨立非執行董事 *(續)*

張宏業先生，六十二歲，自二零一四年七月起出任獨立非執行董事。彼為董事會轄下審核委員會、薪酬委員會及提名委員會的成員。於二零二二年九月二十日，彼獲委任為董事會轄下薪酬委員會主席。張先生為專業特許產業測量師及於房地產行業及相關領域（包括估值及可行性研究）擁有逾三十年專業工作經驗。張先生為英國皇家特許測量師學會及香港測量師學會（產業測量）之公司會員，並為澳門房地產評估業協會之會員。彼為全國工商聯房地產商會香港分會有限公司成員並為中國房地產估價師學會成員。此外，張先生曾歷任中國人民政治協商會議山西省委員會之委員。現時，張先生為威格斯資產評估顧問有限公司（「威格斯」）之香港及澳門營運總監兼執行董事，彼亦為威格斯澳門有限公司（威格斯為一間股份於新加坡證券交易所有限公司上市之上市公司的間接全資附屬公司）之執行董事。於二零零六年加入威格斯之前，張先生曾為第一太平戴維斯香港有限公司之估值及顧問部高級董事，擔任香港及澳門估值團隊主管。彼曾於包括香港鐵路有限公司、越秀投資有限公司及仲量行等公司擔任不同職位。

REPORT OF THE DIRECTORS

董事會報告

The Directors of the Company present their report and the audited financial statements for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's principal subsidiaries are set out in Note 14 to the financial statements. The principal activities of the subsidiaries consisted of the design, manufacture and sale of electrical and electronic products, motor drives, other manufacturing businesses and real estate development. There were no significant changes in the nature of the Group's principal activities during the Year.

RESULTS AND DIVIDENDS

The Group's loss for the Year and the Group's financial position at that date are set out in the financial statements on pages 93 to 239 of this annual report.

The Board does not recommend the payment of a final dividend to the shareholders for the Year.

DONATIONS

During the Year, the Group made charitable donation of HK\$62,000 (2022: HK\$30,000).

BUSINESS REVIEW

A review of the business and the performance of the Group for the year ended 31 March 2023 is provided in the chapters of "Chairman's Statement" and "Management Discussion and Analysis" set out on pages 4 to 8 and pages 9 to 25, respectively, of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's main operations are carried out both in Hong Kong and Mainland China and are regulated by the local laws and regulations accordingly. During the Year and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have significant impact on Hong Kong and Mainland China.

本公司董事謹此提呈董事會報告及截至二零二三年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本公司主要附屬公司之主要業務詳情載於財務報表附註14。附屬公司之主要業務包括設計、製造及銷售電器及電子產品、電機、其他製造業務及房地產發展。於本年度內，本集團主要業務性質概無任何重大變動。

業績及股息

本集團之本年度虧損以及本集團於該日之財政狀況載於本年報第93至239頁之財務報表。

董事會不建議向股東派發本年度之末期股息。

捐款

於本年度，本集團作出62,000港元（二零二二年：30,000港元）之慈善捐款。

業務回顧

截至二零二三年三月三十一日止年度之本集團業務回顧及業績表現載於本年報第4至8頁的「主席報告」及第9至25頁的「管理層討論及分析」章節。

遵守法律法規

本集團的主要業務於香港及中國內地運營，並受該等地區之法律法規所監管。於本年度及截至本年報日期，本集團一直遵守香港及中國內地具重大影響之相關法律及法規。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces various risks and uncertainties in operations. To cope with the risks, the Group's risk management and internal control systems are in place to ensure the principal risks are continuously identified, monitored and managed on an established basis.

COVID-19 global pandemic

The global economy has been hit hard since the outbreak of the COVID-19 pandemic. The epidemic changed ultimate customers' confidence and their buying habits, resulting in reducing our customers' purchase orders, and ultimately, a drop in overall sales of our products. Meanwhile, the sustained lockdowns on the mainland also affected our labour availability, supply chain and export logistic were also considerable. Under such interlocking circumstances, the risks faced by the Group's businesses at all levels have been exacerbated. Even though the epidemic prevention measures have been gradually relaxed since the beginning of 2023, the years of the epidemic have left us with many unresolved problems, and it will take time for the resumption of normalcy.

Macroeconomic and political environments

The turbulent factors in the world order, such as the Russia-Ukraine conflict, the impact of the epidemic, and the game between great powers have contributed to global inflation. Since 2022, the global economies have adjusted their base interest rates to control the high inflation risks brought about by their quantitative easing policy. Doubtlessly, the action not only slowed down the post-epidemic economic resumption but also significantly increased the Group's cash outflow, eroded its operating performance and increased its financial pressure.

Details of the Group's foreign currency exposure and interest rate risk are provided in the chapter of "Management Discussion and Analysis" set out on pages 9 to 25 of this annual report.

主要風險及不明朗因素

本集團於營運中面對多項風險及不明朗因素。為應對風險，本集團設立風險管理及內部監控制度以確保主要風險可持續地按照既定基準來識別、監察及管理。

全球2019新型冠狀病毒病疫情

自2019新型冠狀病毒病疫情爆發以來，全球經濟遭受重創。疫情改變最終客戶的信心及購買習慣，導致客戶的採購訂單減少，最終令我們產品的整體銷售下降。與此同時，內地持續的封城措施亦對我們的勞動力供應、供應鏈及出口物流造成嚴重影響。在此環環相扣的情況下，本集團各業務層面面臨的風險正在加劇。儘管防疫措施自二零二三年初逐步放寬，惟疫情多年來給我們留下許多尚未解決的問題，復常仍需要時間。

宏觀經濟及政治環境

俄烏衝突、疫情沖擊、大國之間的博弈等世界秩序動盪因素助長全球通脹。自二零二二年起，全球各經濟體紛紛調整基礎利率，以控制量化寬鬆政策帶來的高通脹風險。此舉無疑地不僅拖慢疫情後的經濟復甦，亦大幅增加本集團的現金流出，削弱了其經營業績，並增加了其財務壓力。

本集團外匯及利率風險之詳情載於本年報第9至25頁的「管理層討論及分析」章節內。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

Supply chain risks

As a manufacturing corporation, a stable supply of quality materials is a prerequisite for and pivotal to the production of excellent products. The disruptions in the supply chain and logistics caused by the epidemic have now stabilised but the strong demand for a variety of products collided with persistent supply shortages and drives widespread prices of materials up. Nonetheless, through the long-term business relationships with a number of suppliers, we perceive the risk of the supply chain to still be manageable and are confident that we can secure a stable supply of required materials at reasonable prices to fulfill our operational needs.

People risks

The Group's future development strongly relies on recruiting the right talents. As discussed above, during the epidemic, many employees decided to quit their jobs and return to their hometowns, resulting in a shortage of skilled employees. A shortage or loss of talents with suitable skills or experience may pose a potential risk to the Group's achievement of its strategic objectives. Other than providing competitive salaries and benefits to attract and retain qualified talents, the Group also took this opportunity to improve automation to fill the shortage of manpower.

The abovementioned do not present an exhaustive picture of the risks and uncertainties facing the Group. The Management of the Group would closely monitor these factors and evaluate their impacts on the Group's operation from time to time, and formulate and devise appropriate policies and measures to cope with the threats of the risks posed to the operation.

主要風險及不明朗因素 *(續)*

供應鏈風險

作為製造企業，穩定的優質原材料供應是生產優良產品的前提和關鍵。疫情造成的供應鏈及物流中斷現已緩和，但各種產品的強勁需求加上持續的供應短缺，推動材料價格普遍上漲。儘管如此，透過與多名供應商建立長期業務關係，我們認為供應鏈的風險仍然可控，並有信心以合理價格獲取所需材料的穩定供應，以滿足我們的營運需求。

人才風險

本集團的未來發展將很大程度上取決於能否吸納合適人才。如上文所述，在疫情期間，不少員工決定辭職回鄉，導致熟練員工短缺。具備合適技能或經驗的人才短缺或流失，可能會對本集團實現其策略目標構成潛在風險。除了提供有競爭力的薪酬及福利待遇以吸引及挽留合資格人才外，本集團亦藉此機會提高自動化，以填補人手短缺的情況。

上文所述並未詳盡呈列本集團所面對之風險及不明朗因素。本集團管理層將密切留意該等因素，不時評估其對本集團營運的影響，並訂立及擬定適當的政策及措施，以應對這些風險對業務營運造成的威脅。

REPORT OF THE DIRECTORS

董事會報告

KEY RELATIONSHIPS WITH STAFF, CUSTOMERS, SUPPLIERS AND SHAREHOLDERS

The Group's success depends on the support from key stakeholders which comprise our staff, customers suppliers as well as our shareholders.

The Group values our employees as the most significant and valuable assets to the Group, a comprehensive benefit package is offered to each employee for recognising their efforts. The Group also has a significant mission for providing a healthy and safety workplace to all employees. During the Year, no significant accident occurred due to workplace accident.

The Group commits to provide quality services and products to each customer, any complaints from our customers are handled and investigated in thorough and efficient manner.

The purchase of goods and contracting of services are based solely on need, quality and price of the goods and services. A fair and open competition in procurement with high ethical standards promoted by the Group assure high products quality at all times to gain the confidence of customers.

For details of relationship with the shareholders of the Company can be found in the chapter of "Corporate Governance Report" set out on pages 51 to 78 of this annual report.

FINANCIAL SUMMARY

A summary of the consolidated results, assets and liabilities of the Group for the last five financial years is set out on page 240 of this annual report. The summary does not form part of the audited financial statements.

BORROWINGS

Particulars of the Group's bank borrowings as at 31 March 2023 are set out in Note 28 to the financial statements.

與員工、客戶、供應商及股東之主要關係

本集團的成功乃倚賴我們的員工、客戶、供應商及股東等主要持份者的支持。

本集團視我們的員工為本集團最重要及寶貴的資產，向各員工提供全面的福利待遇以認同彼等之努力。為全體員工提供健康及安全的工作場所亦是本集團的重要使命。本年度內，工作場所中並無發生任何重大意外事故。

本集團致力於向各客戶提供高品質的服務及產品，並以徹底高效的方式處理及調查任何來自客戶的投訴。

貨物採購及服務訂約僅基於貨物及服務之需求、質量及價格。本集團提倡按高道德標準就採購進行公平及公開競爭，確保產品維持一貫的高品質來贏得客戶信任。

有關與本公司股東關係的詳述，可參閱本年報第51至78頁所載之「企業管治報告」章節。

財務概要

本集團過去五個財政年度之綜合業績、資產及負債概要載於本年報第240頁。此概要並不組成經審核財務報表之部份。

借貸

本集團於二零二三年三月三十一日之銀行借貸詳情載於財務報表附註28。

REPORT OF THE DIRECTORS

董事會報告

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and the share options of the Company during the Year, together with the reasons therefor, are set out in Note 30 and Note 31 to the financial statements, respectively.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in Note 32 to the financial statements and in the consolidated statement of changes in equity, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the bye-laws of the Company (the "Bye-Laws") or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

DISTRIBUTABLE RESERVES

As at 31 March 2023, the Company's reserves available for cash distribution and/or distribution in specie, comprising the contributed surplus and the retained profits, amounted to HK\$448,956,000. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$104,750,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$156,015,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers accounted for 52% of the total sales for the Year and sales to the largest customer included therein amounted to 17% of the total sales.

Purchases attributable to the Group's five largest suppliers accounted for 20% of the total purchases of the Group for the Year and purchases from the largest supplier included therein amounted to 5% of the total purchases.

As far as the Directors are aware, neither the Directors, their associates (as defined under Listing Rules), nor those 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 and suppliers.

股本及購股權

本公司於本年度之股本及購股權變動詳情及變動之原因分別載於財務報表附註30及附註31。

儲備

本公司及本集團於本年度之儲備變動詳情分別載於財務報表附註32及綜合權益變動表內。

優先購買權

根據本公司之公司細則(「公司細則」)或百慕達法例概無有關本公司須按比例向現有股東提呈新股份之優先購買權之規定。

可分派儲備

於二零二三年三月三十一日，本公司可作現金分派及／或實物分派之儲備，包括繳入盈餘及保留溢利，為448,956,000港元。根據百慕達一九八一年公司法，於若干情況下本公司可分派為數104,750,000港元之繳入盈餘。此外，本公司之股份溢價賬結餘為156,015,000港元，可以繳足股款紅股之形式分派。

主要客戶及供應商

本年度內，本集團五大客戶之銷售額佔本年度銷售總額52%，其中最大客戶之銷售額佔銷售總額17%。

本集團五大供應商之採購額佔本集團之本年度採購總額20%，其中最大供應商之採購額佔採購總額5%。

就董事所知，各董事、彼等之聯繫人(定義見上市規則)或就董事所知持有本公司已發行股本5%以上之股東，概無擁有本集團五大客戶及供應商之任何實益權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

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

Executive Directors

Mr. Cheng Chor Kit (*Chairman and Chief Executive Officer*)
Mr. Liu Tat Luen
Mr. Cheng Tsz To
Mr. Cheng Tsz Hang
Mr. Lee Kim Wa, Winston*

Non-executive Director

Dr. Fung Wah Cheong, Vincent

Independent non-executive Directors

Mr. Wong Chi Wai
Dr. Sun Kwai Yu, Vivian
Mr. Cheng Kwok Kin, Paul**
Mr. Cheung Wang Ip

* *Mr. Lee Kim Wa, Winston resigned as an executive Director on 2 December 2022.*

** *Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.*

Biographical details in respect of the Directors at the date of this annual report is provided in the chapter of “Biographical Details of the Directors” set out in pages 26 to 29 of this annual report.

In accordance with the Bye-law 87(1), Mr. Cheng Tsz To, Dr. Fung Wah Cheong, Vincent (“Dr. Fung”), Dr. Sun Kwai Yu, Vivian (“Dr. Sun”) and Mr. Cheung Wang Ip, being the Directors who should retire by rotation, will retire at the forthcoming annual general meeting of the Company, and, being eligible, offer themselves, with the exception of Dr. Fung and Dr. Sun, for re-election at the aforesaid annual general meeting.

董事

本年度及截至本年報日期之董事如下：

執行董事

鄭楚傑先生 (*主席兼行政總裁*)
廖達鸞先生
鄭子濤先生
鄭子衡先生
李劍華先生*

非執行董事

馮華昌博士

獨立非執行董事

黃泚維先生
孫季如博士
鄭國乾先生**
張宏業先生

* 李劍華先生於二零二二年十二月二日辭任執行董事。

** 鄭國乾先生於二零二二年九月十二日辭世。

於本年報日期，有關董事之履歷詳情載於本年報第26至29頁之「董事履歷詳情」章節。

根據公司細則第87(1)條，鄭子濤先生、馮華昌博士（「馮博士」）、孫季如博士（「孫博士」）及張宏業先生均為將會輪席退任之董事，彼等將於本公司應屆股東週年大會上退任，並符合資格且願於上述股東週年大會上膺選連任，惟馮博士及孫博士除外。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS *(continued)*

Dr. Fung and Dr. Sun expressed their intention not to seek re-election as the non-executive Director and independent non-executive Director respectively. The Company confirms that Dr. Fung and Dr. Sun have no disagreements with the Board, and nothing needs to be brought to the attention of the shareholders of the Company due to their retirement.

The Directors confirm that the Company has received from each of its independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers the independent non-executive Directors to be independent.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Law 166 of Bye-Laws, subject to the applicable laws, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his/her office. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors.

董事 (續)

馮博士及孫博士已分別表示不打算連任為非執行董事及獨立非執行董事。本公司確認，馮博士及孫博士與董事會之間並無意見分歧，亦無有關彼等退任的事宜須提請本公司股東垂注。

董事確認，本公司已接獲其各獨立非執行董事發出之年度確認函，根據上市規則第3.13條確認彼等各自的獨立身份，本公司亦確認各獨立非執行董事為獨立人士。

獲准許彌償條文

根據公司細則第166條，在適用法律規限下，各董事均有權就其因於履行其職務時作出、同意或不作出或與之有關之任何作為而可能產生或蒙受之所有訴訟、費用、訟費支出、損失、賠償及開支自本公司之資產中獲得彌償，免受損害。本公司已就可能針對董事提出之任何法律訴訟之相關法律責任及費用投購保險。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS

Mr. Cheng Chor Kit, the executive Director and the chairman of the Board, entered into a service contract with the Company commencing from 1 August 2005 without a fixed term but subject to termination by either party giving not less than six months' notice in writing to the other party.

Dr. Fung Wah Cheong, Vincent, the non-executive Director, has renewed his service contract with the Company commencing from 1 April 2023 (for a term of two years), subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. The service contract, unless terminated by either party giving not less than one month's notice in writing to the other party, the termination of which should not be later than the end of the two years.

董事之服務合約

執行董事兼董事會主席鄭楚傑先生已與本公司訂立一份由二零零五年八月一日起生效並無固定任期的服務合約，惟其中一方向另一方發出不少於六個月書面通知予以終止。

非執行董事馮華昌博士已與本公司續訂其服務合約，自二零二三年四月一日開始（為期兩年），彼須根據公司細則於本公司之股東週年大會上輪席告退及重選。除非其中一方向另一方發出不少於一個月的書面通知予以終止，否則服務合約的終止日期不得遲於該兩年期間結束當日。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS

(continued)

Saved as disclosed above, all the Directors entered into a service contract with the Company for a term of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Each of the executive and independent non-executive Directors, unless terminated by either party giving not less than six months' notice and three months' notice, respectively, in writing to the other party, the termination of which should not be later than the end of the three years.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2023, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO which are required (a) 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 he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code of Securities Transactions by directors of Listed Issuers (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

董事之服務合約 (續)

除上文披露者外，所有董事均已與本公司訂立一份服務合約，為期三年，彼等須根據公司細則於本公司之股東週年大會上輪席告退及重選。各執行及獨立非執行董事，除非其中一方向另一方發出分別不少於六個月或三個月的書面通知予以終止，而終止日期不得遲於該三年期間結束當日。

除上文披露者外，於本公司之應屆股東週年大會上獲建議重選連任之董事概無與本公司訂立本公司無需支付賠償(法定賠償除外)而可於一年內終止之服務合約。

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

於二零二三年三月三十一日，本公司董事及最高行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有須(a)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益(包括根據證券及期貨條例的有關條文彼被當作或視為擁有之權益或淡倉);或(b)根據證券及期貨條例第352條須記入登記冊內之權益;或(c)根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益如下:

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉(續)

(a) Interests in the shares of the Company and its associated corporations

(a) 於本公司及其相聯法團之股份的權益

	Number of ordinary shares held 所持普通股股份數目				Approximate percentage of shareholding 概約佔股權 的百分比 (Note 1) (附註1)
	Personal interests 個人權益	Spouse interests 配偶權益	Corporate interests 法團權益	Total 總計	
The Company 本公司					
Mr. Cheng Chor Kit 鄭楚傑先生	26,634,000	3,700,000	252,920,000 (Note 2) (附註2)	283,254,000	64.52%
Mr. Liu Tat Luen 廖達鸞先生	2,000,000	-	-	2,000,000	0.45%
Mr. Cheng Tsz To 鄭子濤先生	3,000,000	-	-	3,000,000	0.68%
Mr. Cheng Tsz Hang 鄭子衡先生	3,000,000	-	-	3,000,000	0.68%
Dr. Fung Wah Cheong, Vincent 馮華昌博士	8,152,000	-	-	8,152,000	1.85%
Mr. Wong Chi Wai 黃弛維先生	500,000	-	-	500,000	0.11%
Dr. Sun Kwai Yu, Vivian 孫季如博士	1,000,000	-	-	1,000,000	0.22%
Mr. Cheng Kwok Kin, Paul* (deceased) 鄭國乾先生* (已辭世)	80,000	-	-	80,000	0.02%
Mr. Cheung Wang Ip 張宏業先生	200,000	-	-	200,000	0.04%

* Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.

* 鄭國乾先生於二零二二年九月十二日辭世。

All interests stated above represent long positions.

上述所有權益均為好倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉(續)

(a) Interests in the shares of the Company and its associated corporations (continued)

(a) 於本公司及其相聯法團之股份的權益(續)

	Number of ordinary shares held 所持普通股股份數目			Total 總計	Approximate percentage of shareholding 概約佔股權 的百分比
	Personal interests 個人權益	Spouse interests 配偶權益	Corporate interests 法團權益		
Associated Corporations 相聯法團					
Padora Global Inc ("Padora")					
Mr. Cheng Chor Kit 鄭楚傑先生	520	160	-	680	68.00%
Mr. Cheng Tsz To 鄭子濤先生	160	-	-	160	16.00%
Mr. Cheng Tsz Hang 鄭子衡先生	160	-	-	160	16.00%

Notes:

附註：

- The approximate percentage of shareholding is calculated based on 438,960,000 shares, being the total number of issued ordinary shares of the Company as at 31 March 2023.
- As at 31 March 2023, Padora, through its wholly-owned subsidiary, Resplendent Global Limited ("Resplendent"), indirectly held 252,920,000 shares of the Company. Mr. Cheng Chor Kit is interested directly in 52.0% of Padora, and the remaining shares are held equally by his spouse, and the Directors of the Company, namely, Mr. Cheng Tsz To and Mr. Cheng Tsz Hang.
- Save as disclosed in Note (2) above, all Directors of the Company have confirmed that they had no interests in any of its associated corporations of the Company as at 31 March 2023.

- 股權概約百分比乃根據本公司於二零二三年三月三十一日已發行普通股總數438,960,000股計算。
- 於二零二三年三月三十一日，Padora透過其全資附屬公司Resplendent Global Limited(「Resplendent」)間接持有252,920,000股本公司股份。鄭楚傑先生直接擁有Padora之52.0%權益，其餘下股份由彼之配偶、本公司董事鄭子濤先生及鄭子衡先生平均持有。
- 除上文附註(2)所披露，本公司所有董事確認，彼等於二零二三年三月三十一日並無擁有本公司任何相聯法團之權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉 (續)

(b) Interests in the underlying shares of the Company

(b) 於本公司相關股份之權益

Name of Director 董事姓名	Capacity 身份	Number of underlying shares in respect of share options held and approximate percentage of shareholding 所持購股權之相關股份數目及持股量概約百分比	Date of Grant 授出日期	Vesting period 歸屬期		Exercise period 行使期	Exercise price per share 每股行使價 HK\$港元	Price of Company's shares immediately before the grant date 本公司股份於緊接授出日期前之股價 HK\$港元
				from 由	to 至			
Mr. Wong Chi Wai 黃氊維先生	Beneficial owner 實益擁有人	400,000 (0.09%)	7/7/2017			7/7/2017 - 6/7/2027	2.262	2.220
		100,000 (0.02%)	7/7/2017	7/7/2017	12/9/2017	13/9/2017 - 6/7/2027	2.262	2.220
		100,000 (0.02%)	9/7/2018	9/7/2018	12/9/2018	13/9/2018 - 8/7/2028	2.470	2.470
Dr. Sun Kwai Yu, Vivian 孫季如博士	Beneficial owner 實益擁有人	100,000 (0.02%)	9/7/2018	9/7/2018	12/9/2018	13/9/2018 - 8/7/2028	2.470	2.470
Mr. Cheng Kwok Kin, Paul [#] (deceased) 鄭國乾先生 [#] (已辭世)	Beneficial owner 實益擁有人	100,000 (0.02%)	7/7/2017			7/7/2017 - 6/7/2027	2.262	2.220
		100,000 (0.02%)	9/7/2018	9/7/2018		9/7/2018 - 8/7/2028	2.470	2.470
Mr. Cheung Wang Ip 張宏業先生	Beneficial owner 實益擁有人	100,000 (0.02%)	9/7/2018	9/7/2018	20/7/2018	21/7/2018 - 8/7/2028	2.470	2.470

[#] Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022. Pursuant to the Company's 2012 Share Option Scheme, his legal personal representative shall be entitled within the period of 12 months from the date of his death to exercise the share option.

[#] 鄭國乾先生於二零二二年九月十二日辭世。根據本公司二零一二年購股權計劃，彼之法定遺產代理人將有權於其辭世當日起計之12個月內行使購股權。

All interests stated above represent long positions.

上述所有權益均為好倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

(b) Interests in the underlying shares of the Company *(continued)*

The above options were granted under the 2012 Share Option Scheme.

The Directors' interests in the Company's share options are disclosed in Note 31 to the financial statements.

Save as disclosed above, as at 31 March 2023, none of the Directors nor chief executive of the Company had interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) 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 he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

EQUITY-LINKED AGREEMENT

Other than the share option scheme of the Company as disclosed, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

董事及最高行政人員於股份、相關股份及債權證之權益及淡倉 *(續)*

(b) 於本公司相關股份之權益 *(續)*

上述購股權乃根據二零一二年購股權計劃授出。

董事於本公司購股權之權益於財務報表附註31中披露。

除上文所披露者外，於二零二三年三月三十一日，概無本公司董事及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)之任何證券中擁有須(a) 根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例的有關條文彼被當作或視為擁有之權益或淡倉)；或(b) 根據證券及期貨條例第352條須記入登記冊內之權益或淡倉；或(c) 根據標準守則須知會本公司及聯交所之權益或淡倉。

股票掛鈎協議

除所披露之本公司之購股權計劃外，於本年度內或本年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立將會或可導致本公司發行股份之任何協議。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures” of this chapter and in the share option scheme disclosures in Note 31 to the financial statements, at no time during the Year were there any rights to acquire benefits by means of the acquisition of shares in the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Details of the Company’s share option schemes are disclosed in Note 31 to the financial statements.

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed under the section headed “Connected Transaction” below, none of the Directors nor their respective associates had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries and fellow subsidiaries was a party during the Year.

MANAGEMENT CONTRACTS

No contracts (as defined in Section 543 of the Companies Ordinance (Cap. 622)) relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Year.

董事購買股份之權利

除於本章「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節及財務報表附註31購股權計劃披露所披露者外，於本年度內，概無本公司之任何董事或彼等各自之配偶或未成年子女獲批授可藉購入本公司之股份而獲利之任何權利，或概無由彼等行使任何有關權利；或概無本公司或其任何控股公司、附屬公司及同系附屬公司於本年度參與任何安排，致使董事於任何其他法人團體獲得此等權利。

購股權計劃

有關本公司購股權計劃之詳情，於財務報表附註31中披露。

董事之交易、安排或合約權益

除下文「關連交易」一節所披露者外，於本年度，各董事及其各自聯繫人概無於本公司或其任何控股公司、附屬公司及同系附屬公司所訂立之任何與本集團業務有關之重大交易、安排或合約中直接或間接擁有重大權益。

管理合約

於本年度，概無訂立或存續與本公司的全部或任何重大部分業務的管理及／或行政有關的合約（定義見《公司條例》（第622章）第543條）。

REPORT OF THE DIRECTORS

董事會報告

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

On 20 March 2023, a wholly-owned subsidiary of the Company, Penta Blesses Enterprises Limited (for itself and on behalf of its wholly-owned subsidiaries, Shixing Newway Industries Company Limited and Shaoguan Turbo Electronic Technology Company Limited) (collectively, "Penta Blesses") entered into the Lands Resumption Agreement with Shixing County Bureau of Natural Resources ("SXBNR"), pursuant to which SXBNR agreed to resume, Penta Blesses agreed to surrender, the land use rights of the lands (comprise three parcels of land situated at Huang Hua Yuan Industrial Area, Tai Ping Town, Shixing County, Shaoguan City, Guangdong Province, the PRC (the "Lands") and the erection, construction, machinery, and other relevant assets (the "Relevant Assets") thereon (collectively, the "Target Assets") and entered into the cooperation agreement with a property developer at consideration by way of a cash compensation of approximately RMB107,300,000 (equivalent to approximately HK\$123,395,000) in total comprising the compensation for the Target Assets and other related compensation according to the relevant rules and regulations in the PRC including but not limited to the policy pertaining to the Three-old Renovation, subject to the successful bidding of the land use rights of the Lands as redesignated through the Public Auction (the "Transactions"). Under the Lands Resumption Agreement, the Group would receive the payment of the compensation for the land use rights of the Lands of approximately RMB29,000,000 (equivalent to approximately HK\$33,350,000) from SXBNR whilst the remaining compensation amount of approximately RMB78,300,000 (equivalent to approximately HK\$90,045,000) would be paid by the said property developer should the project company controlled by it be the successful bidder of the land use rights of the Lands as redesignated in the Public Auction.

The Public Auction took place from 12 April 2023 to 24 April 2023, the Lands as redesignated were sold to the highest bidder of the land use rights of the Lands as designated in the Public Auction.

重大收購、出售及重大投資

於二零二三年三月二十日，本公司之全資附屬公司五福企業有限公司（為其本身及代表其全資附屬公司始興縣新法實業有限公司及韶關德寶電子科技有限公司）（統稱「五福」）與始興縣自然資源局（「始興縣自然資源局」）訂立土地收回協議，據此，始興縣自然資源局根據中國相關規則及規例，包括但不限於與中國政府頒佈與「三舊改造」有關之政策，同意收回及五福同意交還包括位於中國廣東省韶關市始興縣太平鎮黃花園工業區之三幅土地（「該等土地」）的土地使用權及其上之構築物、建築物、機械及其他相關資產（「該等相關資產」）（統稱「目標資產」），並與一家地產發展商訂立合作協議，代價為現金補償合共約人民幣107,300,000元（相當於約123,395,000港元），包括目標資產之補償及其他相關補償，惟須受限於重新規劃之該等土地的土地使用權透過公開拍賣獲成功競投（「該等交易」）。根據土地收回協議，本集團將收取始興縣自然資源局就該等土地之土地使用權支付的補償約人民幣29,000,000元（相當於約33,350,000港元），而剩餘補償款項約人民幣78,300,000元（相當於約90,045,000港元）將由上述地產發展商（如果彼所控制的項目公司為透過公開拍賣成功投得重新規劃之該等土地之土地使用權之中標者）支付。

公開拍賣已於二零二三年四月十二日至二零二三年四月二十四日舉行，而重新規劃之該等土地已售予公開拍賣中就該等土地之土地使用權出價最高之競投人。

REPORT OF THE DIRECTORS

董事會報告

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT (continued)

Further details in relation to the Transactions are set out in the announcements of the Company dated 24 March 2023, 29 March 2023, 19 April 2023, and 25 April 2023 and the circular of the Company dated 31 May 2023.

Save as disclosed above, during the Year, the Group was neither involved in any significant investment, nor any material acquisition or disposal of any subsidiary.

CONNECTED TRANSACTION

As reported in our annual reports for the years 2019/2020, 2020/2021 and 2021/2022, on 1 April 2020, a leasing agreement (the “Existing Tenancy Agreement”) was entered into between Unicon Investments Limited (“Unicon” or the “Landlord”) and Kin Yat Industrial Company Limited, an indirect wholly-owned subsidiary of the Company (the “Tenant”), concerning the leaseback of the property located at 7/F., Galaxy Factory Building, 25-27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong (the “Property”), as the Company’s principal place of business in Hong Kong, for a term of three years commencing from 1 April 2020 to 31 March 2023, with a monthly lease rental of HK\$124,800 (inclusive of government rent, rates and management fee). The transactions contemplated under the Existing Tenancy Agreement are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Upon expiry of the Existing Tenancy Agreement, the Tenant, on 31 March 2023, entered into a renewal tenancy agreement (the “Renewal Tenancy Agreement”) with the Landlord, to renew the Existing Tenancy Agreement in respect of the leasing the Property for the ensuing three years for a monthly lease rental of HK\$124,800 (inclusive of government rent, rates and management fee). Details of the transactions were set out in the announcement of the Company dated 31 March 2023.

重大收購、出售及重大投資(續)

該等交易之進一步詳情載於本公司日期為二零二三年三月二十四日、二零二三年三月二十九日、二零二三年四月十九日及二零二三年四月二十五日之公佈，以及本公司日期為二零二三年五月三十一日之通函。

除上文披露者外，於本年度，本集團並無參與任何重大投資或任何附屬公司之重大收購或出售。

關連交易

誠如本公司於二零一九／二零二零年年報、二零二零／二零二一年年報及二零二一／二零二二年年報所呈報，於二零二零年四月一日，裕康投資有限公司（「裕康」或「業主」）與本公司的間接全資附屬公司建溢實業有限公司（「租戶」）訂立租賃協議（「現有租賃協議」），內容有關租回位於香港九龍新蒲崗六合街25-27號嘉時工廠大廈7樓的物業（「該物業」）作為本公司之香港主要營業地點，租期由二零二零年四月一日起至二零二三年三月三十一日止，為期三年，每月租金為124,800港元（連地租、差餉及管理費）。現有租賃協議項下擬進行的交易須遵守申報及公佈規定，惟獲豁免遵守上市規則第14A章項下的通函（包括獨立財務意見）及獨立股東批准規定。

於現有租賃協議屆滿後，租戶於二零二三年三月三十一日與業主訂立重續租賃協議（「重續租賃協議」），以就其後三年租用該物業重續現有租賃協議，每月租金為124,800港元（連地租、差餉及管理費）。交易詳情載於本公司日期為二零二三年三月三十一日之公佈。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTION *(continued)*

As Unicon is wholly owned by Mr. Cheng Chor Kit (“Mr. Cheng”), an executive Director, the chairman and chief executive officer of the Company and the controlling shareholder of the Company (as defined under the Listing Rules). Thus, each of Mr. Cheng and Unicon is a connected person of the Company. Accordingly, the entering into the Renewal Tenancy Agreement and the transactions contemplated thereunder constitute a one-off connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the right-of-use assets to be recognised under the Renewal Tenancy Agreement exceed more than 0.1% but are less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders’ approval requirement under Rule 14A of the Listing Rules.

Apart from described above, under the Listing Rules, the Company did not have any other disclosable non-exempted connected transaction during the Year and up to the date of this annual report.

關連交易 (續)

鑑於裕康由本公司之執行董事、主席兼行政總裁及本公司之控股股東(定義見上市規則)鄭楚傑先生(「鄭先生」)全資擁有，就此而言，鄭先生及裕康均為本公司之關連人士。因此，根據上市規則第14A章，訂立重續租賃協議及據此擬進行之交易構成本公司之一次性關連交易。由於根據重續租賃協議將予確認之使用權資產之適用百分比率超過0.1%但低於5%，故根據上市規則第14A章，據此擬進行之交易須遵守申報及公佈之規定，惟獲豁免遵守通函(包括獨立財務意見)及獨立股東批准之規定。

除上文所述者外，根據上市規則，本公司於本年度及截至本年報日期概無其他須予披露的非豁免關連交易。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2023, so far as is known to any Director or chief executive of the Company, the following persons had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, were as follows:

主要股東及其他人士於股份、相關股份及債權證之權益

於二零二三年三月三十一日，據本公司任何董事或最高行政人員所知，以下人士於本公司的股份、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2及3分部條文向本公司披露，或根據證券及期貨條例第336條記入本公司存置的登記冊的權益或淡倉如下：

Name of substantial shareholder 主要股東名稱/姓名	Nature of interest and capacity 權益性質及身份	Number of ordinary share held 所持普通股股份數目	Approximate percentage of shareholding 概約佔股權的百分比 (Note 1) (附註1)	Number of share option held 所持購股權數目
Resplendent Global Limited	Beneficial owner 實益擁有人	252,920,000 (Note 2) (附註2)	57.62%	—
Padora Global Inc	Interests in controlling corporation 控制公司權益	252,920,000 (Note 2) (附註2)	57.62%	—
Mdm. Tsang Yuk Wan ("Mdm. Tsang") 曾玉雲女士 (「曾女士」)	Interests in controlling corporation (Note 2) 控制公司權益(附註2)	252,920,000	57.62%	—
	Personal interests 個人權益	3,700,000	0.84%	—
	Interests of spouse (Note 3) 配偶權益(附註3)	26,634,000	6.06%	—

All interests stated above represent long positions.

上述所有權益均為好倉。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Notes:

- (1) The approximate percentage of shareholding is calculated based on 438,960,000 shares, being the total number of issued ordinary shares of the Company as at 31 March 2023.
- (2) 252,920,000 shares of the Company are held by Resplendent, a wholly-owned subsidiary of Padora, relating to the same block of shareholding of Mr. Cheng Chor Kit ("Mr. Cheng") disclosed in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above. By virtue of the SFO, Mr. Cheng and his spouse, Mdm. Tsang, are deemed to be interested in all the shares of the Company held by Resplendent.
- (3) 26,634,000 shares of the Company are held by Mr. Cheng in a personal capacity. By virtue of the SFO, Mdm. Tsang is deemed to be interested in all the shares of the Company held by Mr. Cheng.

Save as disclosed above, as at 31 March 2023, the Directors or chief executive of the Company were not aware of any person who had an interest or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

主要股東及其他人士於股份、相關股份及債權證之權益 (續)

附註：

- (1) 股權概約百分比乃根據本公司於二零二三年三月三十一日已發行普通股總數438,960,000股計算。
- (2) Padora之全資附屬公司Resplendent持有252,920,000股本公司股份，該等股份與上文「董事及最高行政人員於股份、相關股份及債權證之權益及淡倉」一節中鄭楚傑先生（「鄭先生」）所披露之股權相同。根據證券及期貨條例，鄭先生及其配偶曾女士被視為於Resplendent持有的所有本公司股份中擁有權益。
- (3) 鄭先生以個人身份持有26,634,000股本公司股份。根據證券及期貨條例，曾女士被視為於鄭先生持有的所有本公司股份中擁有權益。

除上文所披露者外，董事或本公司最高行政人員並不知悉任何人士於二零二三年三月三十一日於本公司股份、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2及3分部條文向本公司披露或根據證券及期貨條例第336條記入本公司存置的登記冊的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the Listing Rules) of the Company that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the Year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information corporate governance practices adopted by the Company is set out in the chapter of "Corporate Governance Report" on pages 51 to 78 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the Year and up to the latest practicable date prior to the issue of this annual report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the section headed "Material Acquisitions, Disposals and Significant Investment", there is no significant event after the reporting period that should be notified to shareholders of the Company.

董事及控股股東於競爭權益之權益

本年度內，董事概不知悉任何董事、本公司控股股東及彼等各自的聯繫人（定義見上市規則）的任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉該等人士會或可能會與本集團出現任何其他利益衝突。

購買、贖回或出售上市證券

本公司及其任何附屬公司於本年度內概無購買、贖回或出售本公司任何上市證券。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規之資料載於本年報第51至78頁之「企業管治報告」章節內。

公眾持股量充足性

根據本公司可公開獲得之資料及就董事所知，本公司於本年度及截至刊發本年報前之最後實際可行日期，已根據上市規則維持所規定之公眾持股量。

報告期後重大事項

除「重大收購、出售及重大投資」一節所披露者外，概無須通知本公司股東之報告期後重大事項。

REPORT OF THE DIRECTORS

董事會報告

AUDITOR

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

On behalf of the Board

Cheng Chor Kit

Chairman and Chief Executive Officer

Hong Kong, 29 June 2023

核數師

羅兵咸永道會計師事務所將任滿告退，因此，本公司將於本公司之應屆股東週年大會上提呈決議案，再度委任其為本公司之核數師。

代表董事會

鄭楚傑

主席兼行政總裁

香港，二零二三年六月二十九日

CORPORATE GOVERNANCE REPORT

企業管治報告

Kin Yat convinces that the long-term business and sustainable growth of the Group are built on the corporate culture. The Board acts as the core of the Company's corporate culture and upholds the values and principles of integrity, accountability, and transparency throughout the Group. This belief of our corporate culture is not only supported and practised by the Board, but also by all our employees of the Group, who commit to upholding the highest standard of integrity and honesty in every aspect of our business. By taking these, we believe that the shareholder value will be maximised in the long-term as well as the accountability to all stakeholders.

CORPORATE GOVERNANCE PRACTICES

The Board regularly reviews the guidelines and reports the latest development in corporate governance to the chairman of the Board. In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the Year except for the deviation described in the section "Chairman and Chief Executive Officer" in this Corporate Governance Report (the "CG Report").

The Board has also reviewed the CG Report and is satisfied that the Company has been in full compliance with all the requirements stipulated in the CG Report in Appendix 14 of the Listing Rules, apart from the above described deviation.

建溢堅信，本集團的長遠業務及可持續增長乃建基於企業文化之上。董事會為本公司企業文化之核心，在整個集團內一直堅持誠信、問責及公開透明之價值及原則。支持及實踐對本公司企業文化之信念的不只董事會，本集團全體員工亦然，彼等致力在業務各方面均持守最高水平之廉正及誠信。藉此，吾等相信，長遠而言，股東價值將獲最大化，並對所有持份者問責。

企業管治常規

董事會定期檢討企業管治指引並向董事會主席匯報其最新發展。董事會認為，除本企業管治報告（「企業管治報告」）內「主席及行政總裁」一節所述之偏離外，本公司於本年度內一直遵守上市規則附錄14所載之企業管治守則（「企管守則」）內之守則條文。

董事會亦已審閱企業管治報告並信納，除上述偏離者外，本公司已全面遵守上市規則附錄14之企業管治報告內訂明之所有規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code on terms no less exacting than the required standard set out in the Model Code regarding securities transactions by the Directors.

Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Year. All relevant employees of the Group who, because of their office in the Group, are likely to be in possession of unpublished price sensitive information have been requested to comply with the provisions of the Model Code.

BOARD OF DIRECTORS

Role and functions of the Board

The Company's overall management is vested in its Board, which accepts that it is ultimately accountable and responsible to shareholders for the decision and performance of the Group. The Board's role is to provide entrepreneurial leadership, led by the chairman of the Board, set the Company's strategic aims and the Company's values and standards, and ensure that its obligations to its stakeholders and others are understood and met.

The Board has established a schedule of matters reserved for its approval, the specific responsibilities reserved for the Board include (1) setting the Group's strategies and dividend policy, (2) approving budgets, reviewing operational and financial performance, (3) approving significant investments and divestments, (4) reviewing risk management and internal control system of the Group, (5) ensuring appropriate management development and succession plans in place, (6) approving appointments of Directors and other senior executives, (7) approving corporate social responsibility policies, (8) ensuring effective communication with shareholders and (9) other significant operational and financial matters.

董事及相關僱員之證券交易

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）為自身守則，其條款不遜於有關董事進行證券交易之標準守則所載之規定標準。

於向董事進行具體查詢後，所有董事均確認彼等於本年度已遵守標準守則所載之規定標準。由於在本集團之職務而可能掌握未公開價格敏感資料之本集團所有相關僱員亦已被要求遵守標準守則之條文。

董事會

董事會之職責及職能

本公司之整體管理歸屬於董事會負責，而董事會須就本集團之決定及表現對股東作出最終問責及負責。董事會的職責是在董事會主席帶領下提供企業領導、制定本公司策略目標及本公司價值觀和標準，並確保此等責任獲持份者及其他人士理解及認同。

董事會已制定一份項目清單並保留其決定權，董事會之指定責任包括：(1) 制定本集團整體策略及股息政策、(2) 批准預算案、檢討營運及財務表現、(3) 批准重大投資及撤資、(4) 檢討本集團之風險管理及內部監控制度、(5) 確保有適當管理發展及繼任計劃、(6) 批准委任董事及其他高級行政人員、(7) 批准企業社會責任政策、(8) 確保與股東進行有效溝通及(9) 其他重大營運及財務事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Composition

As of the date of this annual report, the Board currently consists of a total of eight members, including four Directors with executive functions, four non-executive Directors of whom three are independent.

During the Year and up to the date of this annual report, the Directors were:

Executive Directors

Mr. Cheng Chor Kit
(Chairman and Chief Executive Officer)
Mr. Liu Tat Luen
Mr. Cheng Tsz To
Mr. Cheng Tsz Hang
Mr. Lee Kim Wa, Winston*

Non-executive Director

Dr. Fung Wah Cheong, Vincent

Independent non-executive Directors

Mr. Wong Chi Wai
Dr. Sun Kwai Yu, Vivian
Mr. Cheng Kwok Kin, Paul**
Mr. Cheung Wang Ip

* *Mr. Lee Kim Wa, Winston resigned as an executive Director on 2 December 2022.*

** *Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.*

董事會 *(續)*

董事會之組成

於本年報日期，董事會現時由合共八名成員組成，包括四名具執行職能之董事以及四名非執行董事，其中三名具備獨立身份。

於本年度內並截至本年報日期之董事為：

執行董事

鄭楚傑先生
(主席兼行政總裁)
廖達鸞先生
鄭子濤先生
鄭子衡先生
李劍華先生*

非執行董事

馮華昌博士

獨立非執行董事

黃弛維先生
孫季如博士
鄭國乾先生**
張宏業先生

* *李劍華先生於二零二二年十二月二日辭任執行董事。*

** *鄭國乾先生於二零二二年九月十二日辭世。*

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Composition *(continued)*

Mr. Cheng Tsz Hang and Mr. Cheng Tsz To are the sons of Mr. Cheng Chor Kit, the executive Director and the controlling shareholder (as defined under the Listing Rules) of the Company. Save as disclosed above, none of the Directors has any financial, business, family or other material or relevant relationships among the Directors.

Our non-executive and independent non-executive Directors possess diverse academic and professional qualifications, financial and management expertise and bring a wide range of business and financial experience to the Board, and their views carry the same weight as executive Directors.

All the Directors, since appointed, have disclosed to the Company the nature of offices held in other public companies or organisations and other significant commitments, and promised to notify the Company of any change of such information as soon as practicable. Each Director confirmed that he/she had given sufficient time and attention to the affairs of the Company for the Year.

As at the date of this report, the Board comprises Directors of different genders with diverse backgrounds and expertise in the Group's businesses. The nomination committee of the Board (the "Nomination Committee") reviews the implementation and effectiveness of the Board Diversity Policy annually to ensure it remains compliant with the regulatory requirements as well as effective and appropriate for the Company.

The Board considers the current Board composition has provided the Company with a good balance of skills, experience and diversity of perspectives appropriate to the requirement of its business. With the balanced composition of executive and non-executive Directors with vital independent elements, which can effectively make insightful discussions on critical issues and exercise judgement with an independent mind. The Board will continue to regularly review its composition taking into consideration board diversity for the needs and benefits of the Company's business.

董事會 *(續)*

董事會之組成 *(續)*

鄭子衡先生及鄭子濤先生為本公司執行董事兼控股股東(定義見上市規則)鄭楚傑先生之兒子。除以上所披露者外,各董事之間概無任何財務、業務、家族或其他重大或相關關係。

本公司之非執行董事及獨立非執行董事均具備多元化之學術及專業資格和相關之財務管理專才,並為董事會帶來廣泛之商務及財務經驗,而其意見與執行董事同樣重要。

各董事在被委任前,已向本公司披露彼等於其他公眾公司或組織任職之性質及其他重大承擔,並承諾若該等資料有任何變動會盡快知會本公司。各董事確認,彼於本年度已投入足夠時間及關注於本公司事務上。

於本報告日期,董事會由不同性別的董事組成,彼等對本集團業務而言具備不同背景及專才。董事會屬下之提名委員會(「提名委員會」)每年檢討一次董事會成員多元化政策之實施情況及效果,確保其一直符合監管要求,且對本公司而言屬有效及恰當。

董事會認為,現時董事會之組成已為本公司帶來技能、經驗及多元觀點等方面之良好平衡,並符合其業務之需求。憑藉執行董事及具有重要獨立元素之非執行董事之均衡組合,可有效就關鍵議題進行具洞察力之討論,並以獨立思維作出判斷。為本公司之業務需要及裨益,董事會將繼續定期檢討其組成,從中亦考慮董事會成員多元化。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Composition *(continued)*

The Directors' biographical details are set out in "Biographical details of the Directors" on 26 to 29 of this annual report. All Directors, including non-executive Director and independent non-executive Directors, have been identified in all corporate communications, including this annual report, that disclose the name of each Director. Further, an updated "List of Directors and their Roles and Functions" is maintained and available on the respective websites of the Company and the Stock Exchange.

Board Independence

The independent non-executive Directors do not merely review and scrutinise the Company's financial performance. In addition, based on the experience with various professionals, the non-executive Director and the independent non-executive Directors bring a wide range of skills and business experience in exercising an independent and sound judgment on issues related to strategy, policy, and key appointments to the Company. Furthermore, they play a significant monitoring role in any matter related to the conflict of interests. The Directors believe that the present structure of the Board with the diversity of composition can ensure the independence and objectivity of the Board that maintains good corporate governance practices to safeguard the interests of the shareholders and the Company and enhance the performance of the Group.

After the sudden passed away of Mr. Cheng Kwok Kin, Paul, the independent non-executive Director of the Company, in September 2022, the number of Independent non-executive Directors still complies with Rule 3.10 and Rule 3.10A of the Listing Rules.

董事會 *(續)*

董事會之組成 *(續)*

董事之詳細履歷載於本年報第26至29頁之「董事履歷詳情」內。所有董事(包括非執行董事及獨立非執行董事)均在所有公司通訊(包括本年報)披露每位董事姓名。此外，更新「董事名單及其角色和職責」已在本公司及聯交所之網站內保留並可供查閱。

董事會之獨立性

獨立非執行董事不僅只審閱及監督本公司財務業績。非執行董事及獨立非執行董事擁有廣泛技能及業務經驗，能夠按其在不同專業範疇內的經驗，對有關公司策略、政策及主要任命的事宜行使獨立及合理的判斷。再者，彼等於涉及利益衝突等相關事宜中發揮重要的監督作用。董事相信，目前多元化的董事會架構可確保董事會的獨立性及客觀性，維持良好的企業管治常規，從而保障股東及本公司的利益並提升本集團的表現。

本公司之獨立非執行董事鄭國乾先生於二零二二年九月猝然辭世後，獨立非執行董事人數仍符合上市規則第3.10條及第3.10A條。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Independence *(continued)*

The Board has received from each of the independent non-executive Directors, the written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. Taking into consideration of three independent non-executive Directors' independent scope of work in the past years, the Nomination Committee and the Board considers all of them to continue to demonstrate the attributes of an independent non-executive Director by providing independent views and advice as well as the abilities to exercise independent judgment and provide a balance and objective view in relation to the Group's affairs. With their background, all the independent non-executive Directors are fully aware of the responsibilities and expected amount of time dedicated to the Company. Based on the foregoing, the Board believes that there is no evidence that their tenure has had any impact on their independence. The continuous appointment of the current independent non-executive Directors will bring considerable stability to the Board and the Company has significantly benefited from the presence of all of them.

董事會 *(續)*

董事會之獨立性 *(續)*

根據上市規則第3.13條，董事會已收到每名獨立非執行董事有關其獨立性之確認函。考慮到三名獨立非執行董事於歷年之工作範疇，提名委員會及董事會認為彼等全部都持續體現其獨立非執行董事提供獨立觀點及意見之屬性，以及就本集團事務作出獨立判斷及提供持平客觀意見之能力。憑藉其背景，所有獨立非執行董事完全知悉對本公司之職責及預期須投入本公司之時間。基於上文所述，董事會相信並無憑據表明彼等之任期對其獨立性帶來任何影響。持續委任現任獨立非執行董事將為董事會帶來重大穩定性，本公司亦因彼等全部在任而獲益匪淺。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Directors' Appointment, Re-election and Removal

Each of the Directors has entered into a service contract with the Company for a specific term and is subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the Bye-laws. Whether any director appointed by the Board to fill a causal vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

The Board recognised that it is important that all Directors should be able to dedicate sufficient time to the Company to discharge their responsibilities. As described above, all Directors have confirmed to the Company that they have given sufficient time and attention to the Company's affair during the Year.

As the date of this report, two independent non-executive Directors (Mr. Wong Chi Wai and Dr. Sun Kwai Yu, Vivian ("Dr. Sun")) have served the Board for more than nine years since 2004, while Mr. Cheung Wang Ip ("Mr. Cheung") has appointed as the independent non-executive Director for almost 9 years. Both Dr. Sun and Mr. Cheung will retire by rotation at the forthcoming annual general meeting of the Company (the "2023 AGM"). An independent non-executive director who serves on the Board more than 9 years is long-serving independent non-executive director under the CG Code. Under provision B.2.3 of the CG Code, any further re-appointment of an independent non-executive Director who has served the Board for more than nine years will be subject to a separate resolution to be approved by shareholders. A separate resolution will be proposed for each of the retiring long-serving independent non-executive directors who will stand for re-election at the 2023 AGM.

董事會 (續)

董事之委任、重選及罷免

各董事已與本公司訂立具特定年期之服務合約，並須按公司細則規定，最少每三年輪席告退一次並於股東週年大會上接受重選。任何董事不論是否因填補董事會之臨時空缺而獲委任，彼將留任至彼獲委任後首個股東大會為止，並須於該大會上接受重選。

董事會認同，所有董事均須投入足夠時間履行彼等對本公司之職責。如上文所述，所有董事均向本公司確認，彼等於本年度對本公司之事務投入足夠時間及關注。

於本報告日期，兩名獨立非執行董事(黃馳維先生及孫季如博士(「孫博士」))自二零零四年起已在董事會任職逾九年，而張宏業先生(「張先生」)亦已獲委任為獨立非執行董事將達九年。孫博士及張先生將於本公司應屆股東週年大會(「二零二三年股東週年大會」)上輪席退任。根據企管守則，在董事會任職超過九年的獨立非執行董事被視為長期任職獨立非執行董事。根據企管守則第B.2.3條，任何進一步重新委任已在董事會服務超過九年的獨立非執行董事須以單獨決議案形式獲得股東批准。每位即將退任的長期任職獨立非執行董事將分別提出一項決議案，並在二零二三年股東週年大會上膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Delegation of Authority

The Board has delegated the authorities and day-to-day responsibilities to the management and clearly requires the management to execute the objectives and strategies established by the Board and circumstances in which the management should report back. The Board also exercises a separate and independent assessment of the performance of the management on a periodically basis to ensure the delegation is appropriate to the Company's needs.

The management is responsible for running the Company's businesses and for proposing the development of the Group's strategies and overall commercial objectives in consultation with the Board. The management is also responsible for implementing decisions of the Board and its committees, developing main policies and reviewing the business organisational structure and operational performance. Furthermore, the management is obligated to supply relevant, adequate, clear and timely information and report to the Board and its committees in a consistent format. The Board, where necessary, can make further enquiries to the management on any matters they are concerned.

Board Meeting

For the Board discharges their responsibilities, the Directors are required to meet in person regularly. The schedule of the Board meetings for the coming year is determined and informed to all Directors in the fourth quarter meeting annually. To ensure the discussions attains the consensus of the Board, the chairman of the Board enheartens for Directors to express their opinion during the Board discussion actively.

In practice, prior to each meeting of the Board, as delegated by the chairman of the Board, the company secretary of the Company prepares and despatches the notice of meeting to all Directors for at least 14 days. The management supplies the relevant documents and information to the Board and each committee in a timely manner to ensure that all the participants are given adequate time to review and prepare the matter discussed for making informed decisions in the meeting.

董事會 *(續)*

權力授予

董事會將權力及日常責任授予管理層，並明確要求管理層執行由董事會所訂之目標及策略，以及管理層需匯報之狀況。董事會亦定期就管理層之表現作出個別及獨立評估，確保權力授予切合本公司所需。

管理層負責本公司業務之運作並與董事會商討擬定本集團之策略及整體業務方針。管理層亦負責實施董事會及其委員會之決策、制定主要政策、審閱業務之組織架構及營運表現。此外，管理層有責任以貫徹一致方式向董事會及其委員會提供相關、足夠、清晰和適時的資料及報告。如有必要，董事會可就彼等關注的任何問題向管理層作出進一步查詢。

董事會會議

就履行董事會責任而言，董事需親身出席定期會議。有關來年預定之董事會會議時間表亦會在每年第四季度會議中知會各董事。為確保董事會的討論能夠達成共識，董事會主席鼓勵董事於董事會討論中積極表達自己的意見。

具體而言，每次召開董事會會議前，本公司之公司秘書會根據董事會主席之授權，提前最少十四天準備及向全體董事送呈會議通知。管理層將適時地向董事會及各委員會提供相關之文件和資料，以確保所有與會者均獲給予充裕時間來審閱及準備所討論的事項以作出合適的決定。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Meeting *(continued)*

Where any Director requires more information than provided by management, that Director can make further enquiries during the discussion and/or invite the relevant personnel to provide further explanation, where necessary.

In view of the pandemic continued throughout the whole year during the Year, the Management arranged video conferences for all Board meetings (including the meetings of each Board Committee) to ensure all the meetings could be carried out as scheduled and, by different modes, each Director and attendees could attend all the meetings in person. The Board met six times during the Year and meeting attendance records are set out on page 78 of this annual report.

The minutes of the Board and its committees' meetings are prepared by the company secretary of the Company whom the Board delegates. The draft minutes are circulated to all members of the Board and each Committee for their commentary. The final minutes are open for inspection by all members of the Board at the Company's principal place of business in Hong Kong.

Chairman and Chief Executive Officer

Pursuant to provision C.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separated and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Cheng Chor Kit. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals, with a highly independent element in the Board where the Board members meet regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

董事會 *(續)*

董事會會議 *(續)*

倘若任何董事需要管理層所提供的資料以外的額外資料，有關董事可於討論期間進一步查詢及／或(如有需要)邀請相關人員提供進一步解說。

鑒於疫情於本年度期間一直持續，管理層就所有董事會會議(包括各董事會轄下委員會會議)均安排了視像會議及透過不同方式，以確保所有會議能夠如期進行。於本年度內，董事會曾舉行六次會議，會議出席記錄載於本年報第78頁。

董事會及其轄下之委員會會議記錄由董事會委派之本公司公司秘書編製。會議記錄之初稿會送呈董事會及各委員會全體成員供彼等作出評註。會議記錄終稿可於本公司於香港之主要營業地點以供董事會全體成員查閱。

主席及行政總裁

根據企管守則第C.2.1條，主席及行政總裁之職務應予區分，並不應由同一人同時擔任，且應清楚界定並以書面列明主席與行政總裁之間的職責分工。

本公司之主席及行政總裁之職務並無區分，且由鄭楚傑先生一人兼任。董事會由擁有豐富經驗及才幹、兼具獨立元素之人士所組成，董事會成員定期舉行會議就影響本公司營運之事項進行討論，故董事會之運作可確保權力與職權之平衡。董事會相信，此架構有利於穩健及貫徹領導，令本公司可迅速及有效地作出及執行決策。

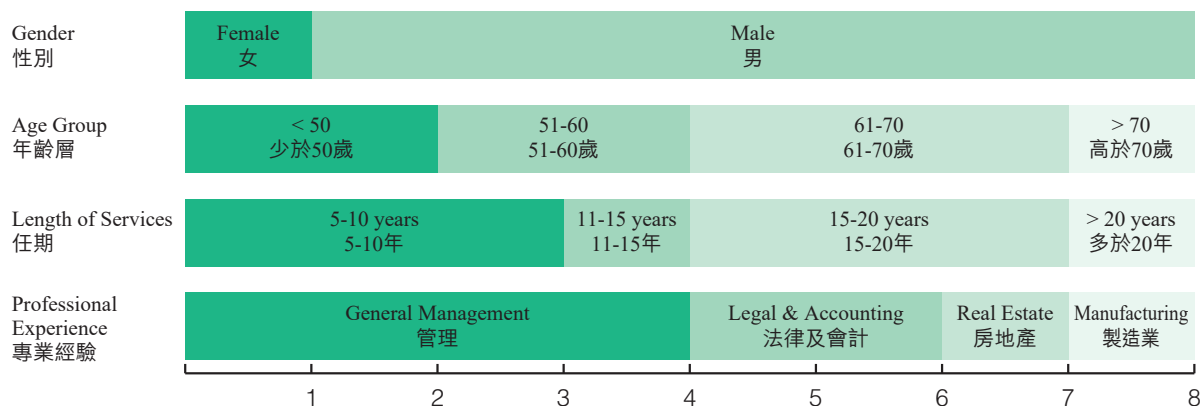
CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Diversity Policy

To enhance the effectiveness and the balanced development of the Board, the Board commits to promoting diversity among the composition of its Board members. The Board Diversity Policy provides a process and guideline which the Company will implement to achieve its diversity and ensures the Board has the appropriate mix of skills, experience and diversity perspectives required for the Company's businesses. The following charts indicate the diversity of the Board members in terms of gender, age, length of services and professional experience.



The Group also values the diverse talents and experiences of its employees across all levels of the Group. The Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates are considered, including but not limited to gender, age, cultural and educational background, qualification, ethnicity, professional experience, skills, knowledge and length of service.

董事會 (續)

董事會成員多元化政策

為提高董事會的效率及均衡發展，董事會致力於促進董事會成員組成的多元化。董事會成員多元化政策提供本公司將實程序 and 指引以實現董事會成員多元化，確保董事會根據本公司業務而具備適當所需技巧、經驗及多樣的觀點。以下圖表明列董事會成員於性別、年齡、任期及專業經驗方面多樣化的情況。

本集團亦重視本集團各級員工的不同才能及經驗。本集團已制定適當之招聘及甄選措施，以考慮多元化的應徵者，包括但不限於性別、年齡、文化及教育背景、資格、種族、專業經驗、技能、知識及服務年期。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Board Diversity Policy *(continued)*

As at 31 March 2023, 12.5% of the Director is female and 73.0% of our total workforce is female. The Board considers sufficiently diversified total workforce exists and views that it is not necessary to set numerical targets and timelines for the gender diversity of the Board and the workforce for the time being. The Nomination Committee has not set any measurable objectives for the implementation of the Diversity Policy in relation to the Board members and the workforce of the Group (including gender diversity). However, we will continue with our endeavour to increase female representation on the Board.

The Nomination Committee reviews the Board Diversity Policy annually to ensure its continued effectiveness and appropriateness for the Company. The Board and the Nomination Committee reviewed the Board Diversity Policy and its implementation and confirmed its continued effectiveness during the Year.

Directors' Training

Every Director should keep himself or herself abreast of the responsibilities as a Director and of the conduct, business activities and development of the Company. Each new incoming Director receives an induction package covering the introduction of the Group's businesses and real-life overview of the Company, induction of their roles and responsibilities, the practical procedure duties and the compliance of laws and regulations.

All Directors are encouraged to pursue an ongoing development and refreshment of their knowledge and skills to ensure that their contribution to the Board remains relevant and productive.

On 29 November 2022, a tailor-made seminar was organised to Directors in related to the recent development of corporate governance. All Directors on that date participated in this seminar.

董事會 *(續)*

董事會成員多元化政策 *(續)*

截至二零二三年三月三十一日，董事中12.5%為女性董事，而員工總數的73.0%為女性員工。董事會認為員工總數已充分多元化，並認為現時無需就董事會及員工的性別多元化設定數字目標及時間表。提名委員會並無就執行與董事會成員及本集團員工有關的多元化政策(包括性別多元化)設定任何可衡量目標。然而，我們將繼續努力增加董事會的女性代表。

提名委員會每年檢討董事會成員多元化政策，以確保其持續有效及適用於本公司。董事會及提名委員會已審閱董事會成員多元化政策及其實施情況，並確認其於本年度持續有效。

董事培訓

每名董事均須了解彼作為董事之職責及清楚本公司之業務及動向。每名新任董事均獲發一套入職資料，內容包括本集團業務及本公司實際狀況簡介、彼等之角色及職責指引、實際流程職責及遵守法律法規。

本公司鼓勵所有董事接受持續發展及更新其知識和技能，以確保彼等對董事會之貢獻保持相關及具有成效。

於二零二二年十一月二十九日，為董事舉辦專為彼等而設的研討會，內容關於近期企業管治發展。當日，全體董事皆出席該研討會。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Directors' Training *(continued)*

The training of each individual Director for the Year is set out below:

董事會 *(續)*

董事培訓 *(續)*

各董事於本年度之培訓載列如下：

Name of Director	董事姓名	Types of training	培訓類型
Executive Directors			
Mr. Cheng Chor Kit	鄭楚傑先生		A/B
Mr. Liu Tat Luen	廖達鸞先生		A/B
Mr. Cheng Tsz To	鄭子濤先生		A/B
Mr. Cheng Tsz Hang	鄭子衡先生		A/B
Mr. Lee Kim Wa, Winston*	李劍華先生*		A/B
Non-executive Director			
Dr. Fung Wah Cheong, Vincent	馮華昌博士		A/B
Independent non-executive Directors			
Mr. Wong Chi Wai	黃弛維先生		A/B
Dr. Sun Kwai Yu, Vivian	孫季如博士		A/B
Mr. Cheng Kwok Kin, Paul**	鄭國乾先生**		N/A 不適用
Mr. Cheung Wang Ip	張宏業先生		A/B

A Attending briefings/seminars/conference/forums

A 出席簡介會／研討會／會議／論壇

B Reading/studying training or other materials

B 閱覽／研究培訓或其他資料

* Mr. Lee Kim Wa, Winston resigned as an executive Director on 2 December 2022.

* 李劍華先生於二零二二年十二月二日辭任執行董事。

** Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.

** 鄭國乾先生於二零二二年九月十二日辭世。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(continued)*

Conflict of interest

If a Director has a material interest in a manner of significant nature to be considered by the Board, a physical meeting or meeting by video conference will be held to discuss such matter instead of seeking Directors' written consent by way of circulation of written resolutions. Pursuant to the Bye-laws, such Director who is considered to be materially interested in the matter shall abstain from voting and not be counted in the quorum.

Directors' and Officers' Liability Insurance

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities in respect of any legal actions taken against the Directors and senior management of the Company arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

BOARD COMMITTEES

The Board has established the following Board committees, all chaired by independent non-executive Directors, with clearly defined terms of reference, which are on no less exacting terms than those set out in the CG Code of the Listing Rules:

- Remuneration Committee (the "Remuneration Committee");
- Nomination Committee; and
- Audit Committee (the "Audit Committee")

The roles and responsibilities of each Board committee are set out by the Board with clearly defined written terms of reference, and this document is available on the websites of the Stock Exchange and the Company. Under the written terms of reference, each Committee reports directly to the Board on its decisions or recommendations after their discussion.

董事會 *(續)*

利益衝突

倘董事於董事會將予審議之重要事項中存有重大利益衝突，本公司將會召開討論該事項之實體會議或視像會議而不會以傳閱書面決議案之方式尋求董事書面認可。根據公司細則，被視為於該事項中存有重大利益之董事須就該事項放棄表決，且不會被計入出席會議之法定人數。

董事及高級職員之責任保險

本公司已就董事及高級職員因公司運作而產生之任何法律訴訟而對董事及本公司高級管理人員之責任作出適當投保安排。所投保險均會每年審閱。

董事委員會

董事會已成立以下由獨立非執行董事出任主席的董事委員會，並具備明確界定職權範圍，其內容不遜於上市規則之企管守則所載之條款：

- 薪酬委員會（「薪酬委員會」）；
- 提名委員會；及
- 審核委員會（「審核委員會」）

董事會轄下各委員會的角色及職責均由董事會以書面明確界定其職權範圍，此文件可於聯交所網站及本公司網站查閱。根據書面職權範圍，各委員會就其決定或推薦意見經討論後直接匯報董事會。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (continued)

Pursuant to the written terms of reference, each Board committee has the authority to engage outside consultants or experts as it considers necessary to discharge the committee's responsibilities. Minutes of all Board committees meetings are circulated to all Board members. To further reinforce independence and effectiveness, all Audit Committee members being appointed are independent non-executive Directors, and the Remuneration Committee and Nomination Committee have been structured with a majority of independent non-executive Directors being the Board committees' members. During the Year and up to the date of this annual report, each Board Committee's members include:

董事委員會 (續)

根據書面職權範圍，為履行委員會之責任，董事會轄下各委員會有權在其認為需要時委聘外部顧問或專家。所有董事會轄下之委員會會議記錄均送呈各董事會成員傳閱。為進一步加強獨立性及有效性，所有獲委任之審核委員會成員均為獨立非執行董事，而薪酬委員會及提名委員會之成員均以獨立非執行董事為主。於本年度內及直至本年報日期，董事會轄下各委員會的成員包括：

		Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會
Mr. Cheng Chor Kit 鄭楚傑先生	Executive Director 執行董事	Member 成員	Member 成員	N/A 不適用
Dr. Fung Wah Cheong, Vincent 馮華昌博士	Non-executive Director 非執行董事	Member 成員	Member 成員	N/A 不適用
Mr. Wong Chi Wai 黃馳維先生	Independent non-executive Director 獨立非執行董事	Member 成員	Chairman 主席	Member 成員
Dr. Sun Kwai Yu, Vivian 孫季如博士	Independent non-executive Director 獨立非執行董事	Member 成員	Member 成員	Chairperson 主席
Mr. Cheng Kwok Kin, Paul* 鄭國乾先生*	Independent non-executive Director 獨立非執行董事	Chairman 主席	Member 成員	Member 成員
Mr. Cheung Wang Ip** 張宏業先生**	Independent non-executive Director 獨立非執行董事	Chairman 主席	Member 成員	Member 成員

* Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022, the chairmanship of the Remuneration Committee has been vacant immediately following the passing away of the late Mr. Cheng Kwok Kin, Paul.

** Mr. Cheung Wang Ip has been appointed as the chairman of the Remuneration Committee on 20 September 2022.

* 鄭國乾先生於二零二二年九月十二日辭世。薪酬委員會主席職位自已故鄭國乾先生辭世後隨即暫時懸空。

** 張宏業先生於二零二二年九月二十日獲委任為薪酬委員會主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Remuneration Committee

The remuneration packages offered by the Company should be able to attract and motivate the Directors and senior management of the Company for their sufficient quality, whilst at the same time taking into account the shareholders' interests as well. The main roles and responsibilities of the Remuneration Committee is aimed to assist the Board to develop and administer fair and transparent procedures for setting policy on the remuneration of Directors and senior management of the Company and to ensure no individual Director or any of his/her associates can determine his/her own remuneration.

The Remuneration Committee reviews and determines, with delegated responsibility, the remuneration packages, including but not limited to basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments, of individual executive Directors and senior management of the Company with reference to the Board's corporate goals and objectives, responsibilities and employment conditions elsewhere within the Group and in the market. The Remuneration Committee also independently reviews and approves the compensation and related arrangements for executive Directors and senior management of the Company in respect of any loss or termination of office or appointment.

The Remuneration Committee held one meeting during the Year to review and approve the Directors' remuneration packages. Meeting attendance records of the Remuneration Committee are set out on page 78 of this annual report.

Information relating to remuneration of each Director for the Year is set out in Note 10 to the financial statements.

董事委員會 *(續)*

薪酬委員會

本公司所提供的薪酬待遇用作吸引及激勵具備足夠質素的董事及本公司高級管理人員，與此同時亦需考慮股東之利益。薪酬委員會之主要角色及職責旨在協助董事會制訂及執行公正且具透明度之程序，以制定董事及本公司高級管理人員之薪酬政策，來確保並無個別董事或其任何聯繫人可自行釐定其本身之薪酬。

薪酬委員會獲授權參照董事會訂立之企業方針與目標、職責及本集團與市場內同類職位的實際情況，審閱並釐定本公司個別執行董事與高級管理人員之薪酬待遇，包括但不限於基本薪金、遞延補償、購股權及任何實物福利、退休金權利、獎金及任何其他補償金。薪酬委員會亦會獨立地審閱及批准執行董事及本公司高級管理人員因喪失或被終止職務或任命而獲得之賠償及相關安排。

於本年度內，薪酬委員會舉行一次會議以審核及批准董事之薪酬待遇。薪酬委員會之會議出席記錄載於本年報第78頁。

於本年度內，每名董事之薪酬詳情載於財務報表附註10。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Nomination Committee

The primary responsibility of the Nomination Committee, follow the Company's Nomination Policy and Diversity Policy, reviews the structure, size and composition of the Board from time to time and advises to the Board on the candidates, conditions, selection standards and procedures of the proposed appointment of Directors and senior management of the Company.

The Nomination Committee is also responsible for recommending the individuals suitably qualified to become board members or senior management to the Board. The Nomination Committee considers the past performance, qualifications and diversity of such candidates in selecting suitable candidates for directorship and management.

The Nomination Committee held one meeting during the Year to review the structure of the Board, discuss the current target for gender diversity on the Board, assess the independence of the independent non-executive Directors and make recommendations to the Board on the re-election of Directors. Meeting attendance records of the Nomination Committee are set out on page 78 of this annual report.

Audit Committee

The Company has not deliberately established a risk committee and a corporate governance committee, the prominent roles and responsibilities of the Audit Committee are to assist the Board in (1) maintaining effective risk management and a system of internal control and compliance with the Company's obligations (including external financial reporting obligations) under the Listing Rules as modified from time to time and applicable laws and regulations is in place; (2) overseeing the integrity of the financial statements of the Company; and (3) on behalf of the Board, (i) selecting the Company's external auditor and approving their remuneration (including non-audit services), (ii) assessing the independence and qualifications of the external auditors, and (iii) overseeing the performance of the Company's internal audit function.

董事委員會 *(續)*

提名委員會

提名委員會之主要職責包括，根據本公司之提名政策及多元化政策，不時檢討董事會之架構、規模及組成及就擬任董事和本公司高級管理人員之人選、條件、遴選標準及程序向董事會提出建議。

提名委員會亦負責向董事會推薦具備適合資格之人士成為董事會成員或高級管理人員。提名委員會選擇董事及高級管理人員的候任人選時會考慮有關人選之過往表現、資格及其多元化狀況。

於本年度內，提名委員會舉行了一次會議以檢討董事會之架構、討論董事會現時之性別多元化目標、評核獨立非執行董事之獨立性及就董事重選事宜向董事會提出推薦建議。提名委員會之會議出席記錄載於本年報第78頁。

審核委員會

本公司並無特意設立風險委員會及企業管治委員會，審核委員會之主要角色及職責為協助董事會(1) 維持風險管理及內部監控系統行之有效，並確保本公司遵守上市規則(經不時修訂)及適用法律及規例所規定之責任(包括對外公佈財務報告之責任)；(2) 監控本公司財務報表之完整性；及(3) 須代表董事會負責(i) 挑選本公司之外聘核數師並釐定其酬金(包括非核數服務)；(ii) 評估外聘核數師之獨立性及資格；及(iii) 監察本公司內部審核職能之表現。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Audit Committee *(continued)*

During the Year, the Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and financial reporting matters, including the review of the audited financial statements for the year ended 31 March 2022 as well as the interim report for the six months ended 30 September 2022. During the Year, the Audit Committee also reviewed the Group's financial controls, risk management and internal control systems, discussed with the internal auditor to ensure the effectiveness of the Company's internal audit function, conducted discussions with the external auditor on financial reporting, compliance, the effectiveness of the audit process, and reported all relevant matters to the Board. In addition, the Audit Committee has met twice with the external auditor of the Company and reviewed the financial results of the Group for the year ended 31 March 2023, including the accounting principles and practices adopted by the Group.

None of the Audit Committee members is a former or existing auditor of the Company within two years immediately prior to their respective appointments.

The Audit Committee held four meetings during the Year (including the two separate meetings with the external auditor). Meeting attendance records of the Audit Committee are set out on page 78 of this annual report.

董事委員會 *(續)*

審核委員會 *(續)*

於本年度內，審核委員會已與管理層審閱本集團採納之會計原則及常規及財務報告事項，包括審閱截至二零二二年三月三十一日止年度之經審核財務報表及截至二零二二年九月三十日止六個月之中期報告。於本年度，審核委員會亦審閱本集團之財務監控、風險管理及內部監控制度，與內部核數師商討以確保本公司內部審計職能的成效，就財務申報、合規、核數程序之有效性而與外聘核數師進行討論，並向董事會匯報所有有關事宜。此外，審核委員會已與本公司之外聘核數師會晤兩次及審閱本集團截至二零二三年三月三十一日止年度之財務業績，包括本集團採納之會計原則及常規。

概無審核委員會成員於緊接彼等各自獲委任前兩年內期間為本公司之前任或現任核數師。

於本年度內，審核委員會舉行四次會議（包括兩次另行與外聘核數師進行之會議）。審核委員會之會議出席記錄載於本年報第78頁內。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(continued)*

Corporate Governance Function

The Board delegated its responsibilities to the Audit Committee with clearly defined written terms of reference, for performing the corporate governance functions:

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

ACCOUNTABILITY AND AUDIT

Directors' and External Auditor's Financial Reporting Responsibility

The management has timely and frequently provided a balanced and understandable assessment of the Company's performance to the Board. The Board is responsible for preparing the financial statements which give a true and fair view of the Group's state of affairs and the results together with the cash flows situation for the Year. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted; appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made.

董事委員會 *(續)*

企業管治職能

董事會將其責任授予審核委員會，並以書面明確界定職權範圍，以執行企業管治職能：

1. 制定及審閱本公司之企業管治之政策和實務，並向董事會提出推薦建議；
2. 審閱及監察董事及本公司高級管理人員之培訓及持續專業發展；
3. 審閱及監察本公司遵守法律和監管之政策和實務；
4. 制定、審閱和監察適用於董事及本集團僱員之操守準則及合規手冊；及
5. 審閱本公司遵守企管守則及企業管治報告之披露要求。

問責及審核

董事及外聘核數師之財務申報責任

管理層適時及經常就本公司之表現向董事會提供公正及易於理解之評估。董事會負責編製財務報表，並真實及公平地反映本集團於本年度之事務狀況及業績和現金流量狀況。於編製財務報表時，香港公認會計準則已予採納；適當之會計政策已予使用並貫徹應用；而合理及審慎之判斷及評估已予作出。

CORPORATE GOVERNANCE REPORT

企業管治報告

ACCOUNTABILITY AND AUDIT (continued)

Directors' and External Auditor's Financial Reporting Responsibility (continued)

Other than the discussion in respect of the financial conditions, liquidity and financial resources in the chapter of "Management Discussion and Analysis", the Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements of the Group.

The Independent Auditor's Report on pages 81 to 92 of this annual report has set out the reporting responsibilities of the external auditor of the Company.

Auditor's Remuneration

The auditor's remuneration and the fee for non-audit services for the Year are as below:

Nature of services	服務性質
Audit services	核數服務
Non-audit services	非核數服務

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing the Group's risk management and internal control systems and financial control and reviewing their effectiveness. The Group is committed to set up and maintain a sound and effective internal control system that is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risks of failure in operational system and achievement of the Group's objectives.

問責及審核(續)

董事及外聘核數師之財務申報責任(續)

除「管理層討論及分析」章節所載有關財務狀況、流動資金及財務資源之討論外，董事會並不知悉任何重大不明朗事件或情況可能會導致對本公司持續經營能力產生重大疑問。因此，董事會在編製本集團之財務報表時繼續採納持續經營基準。

本年報第81至92頁之獨立核數師報告乃載有本公司之外聘核數師之申報責任。

核數師酬金

本年度之核數師酬金及非核數服務費如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
3,500	3,180
1,158	641
4,658	3,821

風險評估及內部監控

董事會負責監管本集團之風險管理機制、內部監控制度及財務監控制度，並審視其有效性。本集團致力於建立及維持完善及有效之內部監控制度，該制度旨在提供合理但並非絕對的保證，以防出現重大誤報或損失，並管理而非消除營運制度失誤之風險，以及達成本集團目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

The Group has adopted a three-tier risk management approach to identify, access and manage different types of risks. As the first line of defence, operational management are responsible for identifying, assessing and monitoring risk associated with each business activities or transaction. The management, as the second line of defence, defines rules sets and models, provides technical support, develops new system and oversees project management. It ensures that risks are within the acceptable range and that the first line of defence is effective. As the final line of defence, an internal control advisor assists the Audit Committee to review the first and second lines of defence.

During 2023, an internal control advisor was appointed by the Company to assist the Group to conduct yearly review on the internal controls system according to the internal audit plan agreed by the management and Audit Committee. The internal control advisor reported the internal audit findings and recommendations to both the management of the Group and Audit Committee. The management of the Group agreed on the internal audit findings and adopted the recommendations accordingly.

Based on the risk management mechanism and internal audit review activities, the management of the Group had provided a confirmation to the Board that the Group had maintained an effective risk management mechanism and internal control systems during the year ended 31 March 2023.

風險評估及內部監控 (續)

本集團採用三層風險管理方法來識別、獲取及管理不同類型的風險。作為第一道防線，營運管理層負責識別、評估及監察與每項業務活動或交易相關的風險。管理層作為第二道防線，為規則集及模型定義、提供技術支援、開發新系統及監管項目管理。第二道防線確保風險在可接受範圍內，確保第一道防線有效。作為最後一道防線，內部監控顧問協助審核委員會審查第一道及第二道防線。

於二零二三年，本公司已委聘一名內部監控顧問，協助本集團按照管理層與審核委員會協定之內部審核計劃對內部監控制度進行年度審核。內部監控顧問向本集團管理層及審核委員會匯報內部審核結果及建議。本集團管理層同意內部審核結果並採納相關建議。

根據風險管理機制及內部審核評估工作，本集團管理層已經向董事會確認，本集團於截至二零二三年三月三十一日止年度一直維持有效之風險管理機制及內部監控制度。

CORPORATE GOVERNANCE REPORT

企業管治報告

INSIDE INFORMATION

Kin Yat, as a listed corporation, must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the inside information to the public, unless the information falls with any of the “Safe Harbours” as provided in SFO. Every Director must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company. In addition, as included in our staff handbook, a strict prohibition to all Directors and relevant employees on the unauthorised disclosure or use of confidential and inside information as well as deal in the securities of the Company when they are in possession of undisclosed inside information.

To fulfil the disclosure obligation, during the Year, the Company has disclosed inside information to the market as a whole by way of the electronic publication system operated by the Stock Exchange and other means in accordance with the Listing Rules so that all participants of the market have equal and simultaneous access to the same information.

COMPANY SECRETARY

The company secretary of the Company is to support the Board that there is good information flow and responsible for advising the Board on governance matters as well as facilitating the induction and professional development of Directors.

Mr. Hung Kam Wing, Timmy (“Mr. Hung”) joined the Group in August 2021 as the Group Financial Controller. Currently, he is a fellow member of the Institute of Chartered Accountants in English and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Hung confirmed that he complied with all the required qualifications, experience and training requirements under the Listing Rules.

內幕消息

作為上市法團，建溢必須在知悉任何內幕消息後，在合理地切實可行的情況下，盡快向公眾披露該等內幕消息，除非該等消息屬於證券及期貨條例所規定的任何「安全港」。每位董事必須不時採取一切合理措施，確保存在適當的保障措施，以防止違反有關本公司的披露規定。再者，正如我們的員工手冊所載，嚴格禁止所有董事及相關員工未經授權披露或使用機密及內幕消息，以及在掌握未披露的內幕消息時買賣本公司的證券。

為履行資訊披露責任，於本年度內，本公司已根據上市規則的規定，通過聯交所電子公告系統及其他方式向整個市場披露內幕消息，使市場所有參與者均可平等地同時獲取相同資訊。

公司秘書

本公司公司秘書為董事會提供支援，確保有良好的訊息流通，並負責就管治事宜向董事會提出意見，以及促成董事之迎新及專業發展。

洪錦榮先生（「洪先生」）於二零二一年八月加入本集團，擔任集團財務總監。彼現為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。

洪先生確認，彼已遵守上市規則項下一切所需的資格、經驗及培訓規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

Shareholders' Rights

- Rights to convene Special General Meeting*

Pursuant to the Bye-Laws, any one or more registered shareholders holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at the general meetings of the Company shall at all times have the right, by a written requisition, to require a special 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 months after the deposit of such requisition.

The written requisition must state the purpose of the meeting, signed by the requisitionist(s) and be delivered to the Board or the company secretary of the Company at the Company's principal place of business at 7/F., Galaxy Factory Building, 25-27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

If within twenty-one days of such deposit, the Board fails to proceed to convene such meeting, the requisitionists themselves or any of them represented more than one half of the total voting rights of all of them, may convene a meeting in accordance with the provisions of Section 74(3) of the Companies Act of Bermuda.

股東權利及投資者關係

股東權利

- 召開股東特別大會之權利*

根據公司細則，任何於遞交呈請日期持有本公司繳足股本(附帶權利可於本公司股東大會上投票)不少於10%之一名或多名登記之股東有權於任何時候透過書面呈請要求董事會召開股東特別大會，以處理有關呈請內所指任何業務，而有關會議須於遞交有關呈請後兩個月內予以舉行。

經呈請人簽署之書面呈請必須註明會議之目的，並遞交至本公司之主要營業地點(地址為香港九龍新蒲崗六合街25-27號嘉時工廠大廈7樓)，本公司董事會或公司秘書收，而呈請可由多份類似格式之文件組成，而各自均須經一名或多名呈請人簽署。

倘於有關遞交後二十一日內，董事會未能召開有關會議，則呈請人或擁有佔彼等全部投票權總額超過一半之其中任何人士可自行根據百慕達公司法第74(3)條之條文召開會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Shareholders' Rights *(continued)*

2. *Procedures for putting forward proposals at shareholders' meetings*

Any one or more registered shareholders, at the date of submission of written requisition, represents either (a) not less than 5% of the total voting rights of all shareholders; or (b) not less than one hundred shareholders, entitled to submit a written requisition for putting forward proposals at the general meeting.

The written requisition duly signed by the registered shareholders, must state the purpose of the written requisition, together with a statement of not more than one thousand words with respect to the matter referred to in the proposed resolution must be deposited at the principal place of business in Hong Kong, not less than six weeks before the general meeting in case of a requisition requiring notice of a resolution; or not less than one week in case of other requisition.

3. *Procedures for directing shareholders' enquiries to the Board*

The Board understands that in-depth communication with shareholders is an important way to understand the thinking of shareholders. Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

7/F., Galaxy Factory Building, 25-27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong

Fax: (852)-2351-1867

Email: webmaster@kinyat.com.hk

股東權利及投資者關係 *(續)*

股東權利 *(續)*

2. 於股東大會上提呈建議之程序

任何一名或多名登記之股東於遞交書面呈請日期，代表相當於(a) 全體股東總投票權不少於5%；或(b) 不少於一百名股東，有權遞交書面呈請以於股東大會上提呈建議。

經登記之股東正式簽署之書面呈請（必須註明書面呈請之目的），連同一份不超過一千字，內容有關建議決議案所指事宜之陳述書須送達香港主要營業地點，倘呈請要求發出決議案通知，則須於股東大會前不少於六週送達；而倘屬任何其他情況，則須於股東大會前不少於一週送達。

3. 股東向董事會提出查詢之程序

董事會深諳，與股東深入對話乃理解股東想法的重要方式。股東可隨時以書面方式透過本公司之公司秘書向董事會提出查詢，公司秘書之聯絡詳情如下：

香港九龍新蒲崗六合街25-27號
嘉時工廠大廈7樓

傳真：(852)-2351-1867

電郵：webmaster@kinyat.com.hk

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations

1. Shareholders' communication

The Board recognises the importance of maintaining clear, timely and effective communications with shareholders. Annual and interim reports are published to provide shareholders with comprehensive information of the Company's operational and financial performances. The Company practices timely dissemination of information and makes sure its website (www.kinyat.com.hk) contains the most current information, including annual reports, interim reports, announcements, monthly returns and press releases, and is updated in a timely manner to ensure transparency.

The Board endeavour to maintain ongoing and transparent communications with all shareholders and, in particular, use the general meeting as a platform for shareholders to state and exchange views with the Board directly and encourage their participation. The Directors are available to answer questions from shareholders throughout an annual general meeting. The external auditor is also available at an annual general meeting to address shareholders' queries in accordance with the requirements of applicable Listing Rules.

The annual general meeting for the year of 2022 of the Company (the "2022 AGM") was held on 19 August 2022 and all the members of the Board and the Chairman/Chairperson of each Board Committee together with the external auditor presented in the 2022 AGM. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders on all resolutions at general meetings must be taken by poll. The poll results in respect of the resolutions proposed at the 2022 AGM were published on the websites of the Stock Exchange and the Company on 19 August 2022.

股東權利及投資者關係 *(續)*

投資者關係

1. 與股東之溝通

董事會深明與股東保持清晰、適時和有效溝通之重要性。本公司會刊發年度及中期報告以向股東提供有關本公司經營及財務表現之全面資料。本公司之慣例為適時發佈資料及確保其網站(www.kinyat.com.hk)載有目前最新之資料，包括年報、中期報告、公佈、月報表及新聞稿，並適時更新以確保其透明度。

董事會致力不斷維持並鼓勵彼等參與全體股東之間具透明度之溝通，特別是透過股東大會此平台與股東溝通以表達及直接與董事會交換意見。董事將於整個股東週年大會期間回答股東之提問。外聘核數師亦會於股東週年大會上根據適用上市規則之規定解答股東疑問。

本公司二零二二年股東週年大會(「二零二二年股東週年大會」)已於二零二二年八月十九日舉行，且董事會全體成員、各董事會委員會之主席，連同外聘核數師均出席二零二二年股東週年大會。根據上市規則第13.39(4)條，於股東大會上所有決議案必須經股東以投票方式進行表決。有關於二零二二年股東週年大會上提呈之決議案之投票結果已於二零二二年八月十九日刊載於聯交所及本公司網站。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations *(continued)*

1. Shareholders' communication *(continued)*

The 2023 AGM will be held on Monday, 28 August 2023, for details of the information on the 2023 AGM, please refer to this annual report and its accompanying Explanatory Statement. The Board continues to maintain regular dialogue with financial analysts and institutional investors as appropriate to keep them informed the Group's strategies, operations, management and plans. In order to strengthen the bi-directional communications between the Company, shareholders and investors, an email contact (webmaster@kinyat.com.hk) responded by senior management of the Company are available to shareholders and investors.

2. Sufficient and timely information

The Board recognises the significance of providing information to shareholders to enable each shareholder to make an informed assessment for the purposes of voting on each of the matters put before shareholders at the general meeting. Copies of the annual report, financial statements and related documents are despatched to shareholders in accordance with the statutory requirements.

3. Significant constitutional documents

There was no change in the Company's constitutional document for the Year.

As announced in the Company's announcement dated 23 March 2023, the Company proposed to amend the Company's current Bye-laws by adopting the amended and restated bye-laws (the "New Bye-laws") in order to update and bring the current Bye-laws in line with the latest legal and regulatory requirements. The New Bye-laws are subject to consideration and approval by the shareholders of the Company by way of a special resolution at the 2023 AGM. A circular containing, among other things, particulars relating to the New Bye-laws will be despatched to the shareholders of the Company in due course.

股東權利及投資者關係 *(續)*

投資者關係 *(續)*

1. 與股東之溝通 *(續)*

二零二三年股東週年大會將於二零二三年八月二十八日(星期一)舉行，有關二零二三年股東週年大會之詳細資料，請參閱本年報及其隨附之說明函件。董事會會繼續維持與金融分析師及機構投資者(如適用)定期進行對話，以使彼等了解本集團之策略、營運、管理及計劃。為加強本公司與股東及投資者之間的雙向溝通，股東及投資者可透過電郵(webmaster@kinyat.com.hk)與我們聯絡，並會由本公司高級管理人員作出回覆。

2. 充裕及適時之信息

董事會認同向股東提供信息之重要性，以令各股東就於股東大會上提出之各項事宜之投票作出知情評估。年報、財務報表及相關文件均按法定規定寄發予股東。

3. 主要憲章文件

於本年度內，本公司憲章文件並無變動。

誠如本公司日期為二零二三年三月二十三日之公佈所宣佈，本公司建議對本公司之現行公司細則進行修訂，方式為採納經修訂及重列之公司細則(「新公司細則」)，以更新公司細則並使公司細則符合最新法律及監管要求。新公司細則須經本公司股東於二零二三年股東週年大會上考慮及以特別決議案方式批准後，才可作實。一份載有(其中包括)有關新公司細則詳情之通函將適時寄發予股東。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations *(continued)*

4. Dividend Policy

Our goal is to share the fruit of our effort and provide a stable and sustainable return to our shareholders. The Company has adopted a Dividend Policy (the "Dividend Policy") which is a guideline on the distribution of dividends to shareholders of the Company.

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital for expanding the Group's business as well as rewarding the shareholders of the Company. The Board shall also take into account, among other things, when considering the declaration and payments of dividends:

- the actual and expected financial performance of the Group;
- the capital and debt level of the Group;
- the general market conditions;
- any working capital and capital expenditure requirement;
- any future development plans of the Group;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the liquidity position of the Group;
- any restrictions on dividend payouts imposed by any of the Group's lenders;
- the statutory and regulatory restrictions which the Group is subject to from time to time; and
- any other relevant factors that the Board may deem appropriate.

股東權利及投資者關係 *(續)*

投資者關係 *(續)*

4. 股息政策

分享我們努力的成果，為股東提供穩定和可持續的回報乃我們的目標。本公司已採納股息政策（「股息政策」）作為分派股息予本公司股東之指引。

考慮派付股息時，應在維持充足資金供本集團拓展業務以及回報本公司股東之間取得平衡。董事會考慮宣派及派付股息時亦須考慮（其中包括）以下事項：

- 本集團之實際及預期財務表現；
- 本集團之資金及債務水平；
- 一般市場狀況；
- 任何營運資金及資本開支需求；
- 本集團之未來發展計劃；
- 本公司以及本集團各成員公司之保留盈利及可分派儲備；
- 本集團之流動資金狀況；
- 本集團貸款人施加之分派股息限制；
- 本集團不時須遵守之法定及監管限制；及
- 董事會可能認為合適之任何其他相關因素。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS *(continued)*

Investor Relations *(continued)*

4. Dividend Policy *(continued)*

Under our Dividend Policy, the recommendation of the payment of any dividend is subject to the absolute discretion of the Board as well as any restrictions under the law's requirements of Bermuda and Hong Kong, the Listing Rules and the Bye-Laws of the Company. The declaration of final dividend will be subject to the approval of the shareholders.

The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend. In addition, any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Bye-laws of the Company.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, there is no changes in information of the Directors subsequent to the date of the 2022/2023 interim report of the Company.

股東權利及投資者關係 *(續)*

投資者關係 *(續)*

4. 股息政策 *(續)*

根據我們的股息政策，董事會擁有絕對酌情權來建議派付任何股息，並須遵守百慕達及香港法例規定、上市規則及本公司之公司細則中任何限制。宣派末期股息須經股東批准。

股息政策概不構成本公司就其未來將派付股息作出具法律約束力之承諾。此外，任何未領取之股息應被沒收及應根據本公司之公司細則歸屬本公司。

根據上市規則第13.51B(1)條披露董事資料

根據上市規則第13.51B(1)條，於本公司二零二二／二零二三年中期報告日期後，董事之資料並無改變。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE ATTENDANCE RECORD OF EACH MEMBER OF THE BOARD IN 2022/2023

The number of Annual General Meeting, Board and its Committees meetings attended by each Director for the Year.

二零二二／二零二三年董事會各成員出席會議記錄

於本年度內，每位董事所出席之股東週年大會、董事會及董事委員會會議次數。

		Annual General Meeting 股東週年大會	Full Board 全體董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會
Executive Directors	執行董事					
Mr. Cheng Chor Kit	鄭楚傑先生	1/1	6/6	1/1	1/1	N/A 不適用
Mr. Liu Tat Luen	廖達鸞先生	1/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Cheng Tsz To	鄭子濤先生	1/1	6/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Cheng Tsz Hang	鄭子衡先生	1/1	5/6	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Lee Kim Wa, Winston*	李劍華先生*	1/1	2/3	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Director	非執行董事					
Dr. Fung Wah Cheong, Vincent	馮華昌博士	1/1	5/6	1/1	1/1	N/A 不適用
Independent non-executive Directors	獨立非執行董事					
Mr. Wong Chi Wai	黃弛維先生	1/1	6/6	1/1	1/1	4/4
Dr. Sun Kwai Yu, Vivian	孫季如博士	1/1	6/6	1/1	1/1	4/4
Mr. Cheng Kwok Kin, Paul**	鄭國乾先生**	1/1	1/1	1/1	1/1	1/1
Mr. Cheung Wang Ip	張宏業先生	1/1	6/6	1/1	1/1	4/4

* Mr. Lee Kim Wa, Winston resigned as an executive Director on 2 December 2022.

* 李劍華先生於二零二二年十二月二日辭任執行董事。

** Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.

** 鄭國乾先生於二零二二年九月十二日辭世。

OTHER CORPORATE INFORMATION

其他公司資料

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

Banking facilities with covenants in relation to the specific performance of the controlling shareholder (as defined under the Listing Rules) of the Company:

In November 2021, the Company as borrower entered into a banking facility agreement with Bank A relating to a term loan in the amount of HK\$70,000,000 (the “Facility 11/2021”). The Facility 11/2021 carrying a term of 36 months was to replace, substitute and refinance the outstanding loan balances drawn under its then-existing bank facility entered into in May 2020.

In September 2021, the Company and its indirect wholly-owned subsidiary (“Subsidiary A”), as borrowers, were each offered a new term loan facility by Bank B. The two new term loan facilities agreements carrying terms of 36 months were executed in October 2021. The new term loan facility in aggregate amounts of up to HK\$175,566,000 offered to the Company encompassed term loans in a tally of HK\$115,566,000 to refinance the outstanding loan balances indebted to Bank B drawn under the then-existing banking facility entered into in February 2020 (the “Facility 02/2020”) and a new term loan of HK\$60,000,000 to refinance the Company’s capital expenditure. The new term loan facility offered to Subsidiary A was in the amount of up to HK\$33,000,000, which was to replace, substitute and refinance the outstanding term loans drawn under the then-existing banking facility entered into in January 2019 (the “Facility 01/2019”).

The foregoing Facility 01/2019 and Facility 02/2020 became lapsed after the acceptance and execution of the two new term loan facility agreements made available to the Company and Subsidiary A, respectively, in October 2021.

根據上市規則第13.21條作出之披露

附帶向本公司控股股東(定義見上市規則)施加須特定履行責任之銀行融資：

於二零二一年十一月，本公司(作為借款人)與銀行甲訂立一項有關一筆70,000,000港元的定期貸款的銀行融資協議(「11/2021融資」)。11/2021融資為期36個月，以取代、替代及再融資根據當時存在於二零二零年五月訂立之銀行融資已提取而未償還貸款餘額。

於二零二一年九月，銀行乙分別向本公司及其間接全資附屬公司(「附屬公司甲」)(作為借款人)提供新定期貸款融資。該兩項新定期貸款融資協議的期限為貸款提取日期起計36個月，於二零二一年十月簽立。向本公司提供的新定期貸款融資的總額最高為175,566,000港元，其中包括115,566,000港元的定期貸款，用於為根據當時存在於二零二零年二月訂立之銀行融資(「02/2020融資」)自銀行乙提取的未償還貸款結欠進行再融資，以及60,000,000港元的新定期貸款，用於為本公司之資本開支進行再融資。向附屬公司甲提供的新定期貸款的金額最高為33,000,000港元，以取代、替代及再融資根據當時存在於二零一九年一月訂立之銀行融資(「01/2019融資」)所提取的未償還定期貸款。

上述01/2019融資及02/2020融資隨着本公司及附屬公司甲分別於二零二一年十月接受並簽立兩項新定期貸款融資協議後已失效。

OTHER CORPORATE INFORMATION

其他公司資料

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES *(continued)*

In May 2023, the Company received a new term loans facility in an aggregate amount of HK\$35,000,000 offered by Bank B to refinance existing and finance new CAPEX expenditure of the Group (the “Facility 05/2023”). The Facility 05/2023 is expected to be executed in June 2023. The new term loans shall be repayable in 24 months in 8 quarterly instalments.

An indirect wholly-owned subsidiary of the Company (“Subsidiary B”) as a borrower, entered into new General Banking Facilities with Bank C in May 2022 (“the Facility 05/2022”), which were to replace and substitute the then-existing General Banking Facilities comprising term loan and trade-line facilities entered into in May 2021. The Facility 05/2022 comprised a new term loan designated for profits tax payment repayable in 24 months from the date of drawdown and the outstanding loan balance drawn under the then-existing banking facility amounting to approximately HK\$33,700,000 in tally and a trade-line facility up to an aggregate maximum limit of HK\$62,000,000.

In addition to general terms and conditions, each of the above facility agreements imposes, inter alia, a condition that Mr. Cheng Chor Kit (“Mr. Cheng”) and his direct family member(s) collectively shall beneficially or directly or indirectly maintain a shareholding of not less than 50% of the issued share capital of the Company. Mr. Cheng shall continue to be Chairman of the Board under the facility agreement entered into with Bank C. These conditions collectively constituted the specific performance of the Company’s controlling shareholder (the “Specific Performance Obligations”). A breach of the Specific Performance Obligations will constitute an event of default under the relevant facility letter. Upon the occurrence of such an event, each of the loans shall become immediately due and repayable on demand.

根據上市規則第13.21條作出之披露 (續)

於二零二三年五月，本公司收到銀行乙提供總額35,000,000港元之新定期貸款融資，用於為本集團之現有資本開支進行再融資及為本集團之新資本開支進行融資（「05/2023融資」）。預期05/2023融資將於二零二三年六月簽立。新定期貸款將於24個月內分八期每季償還一次。

銀行丙於二零二二年五月向本公司之間接全資附屬公司（「附屬公司乙」）（作為借款人）提供新造一般銀行信貸（「05/2022融資」），以取代及替代當時存在於二零二一年五月訂立之一般銀行融資（包括定期貸款及貿易融資）。05/2022融資包括一筆指定用於支付利得稅的新定期貸款（還款期為提款日期起計24個月），以及指定用於償還當時存在銀行融資項下合計約為33,700,000港元之未償還貸款餘額，以及最高限額為62,000,000港元之貿易融資。

除一般條款及條件外，上述融資協議各自施加（其中包括）一項條件，即鄭楚傑先生（「鄭先生」）及彼之直系家庭成員須共同實益或直接或間接維持不少於本公司已發行股本之50%股權。根據與銀行丙訂立的融資協議，鄭先生須繼續擔任董事會主席。該等條件共同構成本公司控股股東須特定履行的責任（「特定履行責任」）。若違反特定履行責任將構成相關融資函件項下之違約事件。於發生有關事件後，貸款各自即時到期並須按要求償還。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the Shareholders of Kin Yat Holdings Limited
(incorporated in Bermuda with limited liability)

致建溢集團有限公司股東
(於百慕達註冊成立之有限公司)

OPINION

What we have audited

The consolidated financial statements of Kin Yat Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 93 to 239, comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Our opinion

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

意見

我們已審計的內容

建溢集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第93至239頁的綜合財務報表，包括：

- 於二零二三年三月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策及其他解釋資料。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零二三年三月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.

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

- Impairment assessments of non-financial assets of the Electrical and Electronic cash generating unit (the “E&E CGU”) and Motors cash generating unit (the “Motors CGU”)
- Assessment of net realisable values of properties under development (“PUD”) and completed properties held for sale (“PHS”)

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 有關電器及電子產品現金產生單位(「電子產品現金產生單位」)以及電機產品現金產生單位(「電機產品現金產生單位」)的非金融資產減值評估
- 發展中物業(「發展中物業」)及持作出售之竣工物業(「持作出售之竣工物業」)可變現淨值的評估

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS *(continued)*

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Impairment assessments of non-financial assets of the Electrical and Electronic cash generating unit (the "E&E CGU") and Motors cash generating unit (the "Motors CGU") 有關電器及電子產品現金產生單位 (「電子產品現金產生單位」) 及電機產品現金產生單位 (「電機產品現金產生單位」) 的非金融資產減值評估</p>	
<p>Refer to notes 4.1(d), 15, 17 and 18 to the consolidated financial statements. 請參閱綜合財務報表附註4.1(d)、15、17及18。</p> <p>As at 31 March 2023, the Group had non-financial assets totalled HK\$783,063,000 in its E&E and Motors CGUs, comprising of property, plant and equipment, right-of-use assets, and goodwill with carrying amounts of approximately HK\$749,316,000, HK\$29,097,000, and HK\$4,650,000, respectively. 於二零二三年三月三十一日，貴集團於電子產品現金產生單位及電機產品現金產生單位之非金融資產總額為783,063,000港元，包括物業、廠房及設備、使用權資產及商譽的賬面值分別約為749,316,000港元、29,097,000港元及4,650,000港元。</p> <p>The Group performed impairment assessment for goodwill allocated to each of the E&E CGU and Motors CGU annually. During the year ended 31 March 2023, as a result of the unfavourable performance of the E&E CGU, management considered that impairment indicator exists for the non-financial assets of the E&E CGU. Impairment assessments of non-financial assets are performed by estimating the recoverable amounts of the CGUs which were determined based on higher of fair value less costs of disposal and value in use. 貴集團每年就分配予電子產品現金產生單位及電機產品現金產生單位的商譽進行減值評估。於截至二零二三年三月三十一日止年度，由於電子產品現金產生單位的表現不佳，管理層認為電子產品現金產生單位的非金融資產存在減值指標。非金融資產的減值評估乃根據現金產生單位的可收回金額作估計，即以公平值減去出售成本及使用價值其中較高者而釐定。</p>	<p>We performed the following procedures to address this key audit matter: 我們對此關鍵審計事項進行以下程序：</p> <ul style="list-style-type: none"> • Obtained an understanding of management's internal control and assessment in identifying the indicators of potential impairment and estimating the recoverable amounts of the E&E and Motors CGUs, and assessed the inherent risk of material misstatements by considering the degree of estimation uncertainty, complexity, subjectivity and other inherent risk factors; 了解管理層識別潛在減值指標及估計電子產品及電機產品現金產生單位可收回金額的內部監控及評估，並考慮估計不確定因素的程度、複雜性、主觀性及其他內在風險因素，以評估重大錯誤陳述的內在風險； • Compared the current year's actual results with the forecast made last year to evaluate the reliability and historical accuracy of management's budgeting process; 將本年度的實際結果與去年的預測結果進行比較，以評價管理層預算編制過程的可靠性及歷史準確性； • Assessed the competence, capabilities and objectivity of the independent external valuer engaged by management; 評估管理層所委聘獨立外部估值師的資歷、能力及客觀性；

INDEPENDENT AUDITOR'S REPORT

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KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>The value in use calculation used cash flow projections based on management approved financial budget covering a five-year period and projected the cash flow beyond the period covered by the budget with a terminal growth rate. Certain key assumptions used by the management in the value in use calculation include revenue growth rate, gross profit margin, discount rate and terminal growth rate. Management also performed sensitivity analysis on the recoverable amount of the CGUs. For the year ended 31 March 2023, impairment loss amounted to HK\$20,283,000 of the E&E CGU was recognised based on management's assessment.</p> <p>使用價值的計算使用了基於管理層核準的五年期間財務預算的現金流預測，並以永久增長率預測所涵蓋期間之後的現金流。管理層在計算使用價值時使用的某些關鍵假設包括收入增長率、毛利率、貼現率及永久增長率。管理層還對該等現金產生單位的可收回金額進行了敏感性分析。截至二零二三年三月三十一日止年度，根據管理層的評估，電子產品現金產生單位確認減值虧損20,283,000港元。</p> <p>In addition, during the year ended 31 March 2023, the Group decided to scale down one of its production plants of the Motors CGU which resulted in a provision for impairment of the relevant non-financial assets totalling HK\$36,714,000.</p> <p>此外，於截至二零二三年三月三十一日止年度，貴集團決定縮減其一間電機產品現金產生單位的生產廠房的規模，導致相關非金融資產減值撥備共36,714,000港元。</p> <p>We considered the impairment assessment of non-financial assets of E&E CGU and Motors CGU is a key audit matter because it involved management's significant judgements and estimates.</p> <p>由於電子產品現金產生單位及電機產品現金產生單位非金融資產的減值評估涉及管理層的重大判斷和估計，我們認為是一關鍵審計事項。</p>	<ul style="list-style-type: none"> • Assessed the appropriateness of the methodology used in determining the recoverable amounts; 評估釐定可收回金額時所採用方法的適當性； • Assessed the reasonableness of the key assumptions used such as revenue growth rate, gross profit margin, terminal growth rate, and discount rate by comparing them to approved budget, historical results, market data or industry research; 透過與已批准預算、過往業績、市場數據或行業研究進行比較，評估所使用的主要假設（如收入增長率、毛利率、最終增長率及貼現率）的合理性； • Compared the higher of fair value less costs of disposal with value in use; 以公平值減去出售成本與使用價值進行比較取其較高者； • Evaluated the sensitivity analysis prepared by management on the key assumptions used in the valuation in use assessment to understand the impact of reasonable changes in key assumptions on the estimated recoverable amounts of the E&E and Motors CGUs; and 已就管理層於使用價值評估中所用關鍵假設編製的敏感性分析作評估，以了解關鍵假設的合理變化對所估計的電子產品及電機產品現金產生單位可回收金額的影響；及

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KEY AUDIT MATTERS *(continued)*

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
	<ul style="list-style-type: none"> For the impairment loss resulting from the scale down of a production plant of the Motor CGU, we also checked to the Motors CGU's board of directors meeting minutes for decision of scaling down of a Motors CGU's production plant. 就縮減一間電機產品現金產生單位的生產廠房的規模而造成的減值虧損，我們亦檢查決定縮減電機產品現金產生單位生產廠房的規模的電機產品現金產生單位董事會會議紀要。 <p>Based on the above, we considered that the management's judgements and assumptions used in the impairment assessment are supported by the evidence obtained from the procedures performed. 根據上文所述，我們認為減值評估所用管理層的判斷及假設得到進程序時取得的憑證所支持。</p>

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KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Assessment of net realisable values of properties under development (“PUD”) and completed properties held for sale (“PHS”) 發展中物業及持作出售之竣工物業可變現淨值的評估</p>	
<p>Refer to notes 4.1(e), 19 and 20 to the consolidated financial statements. 請參閱綜合財務報表附註4.1(e)、19及20。</p> <p>As at 31 March 2023, the PUD and PHS of the Group amounted to HK\$310,620,000 and HK\$79,128,000 respectively. In September 2022, the Group decided to shelve and cease further development of a real estate development project (the “shelved project”). The carrying amounts of PUD and PHS are stated at the lower of cost and net realisable value (“NRV”). During the year ended 31 March 2023, impairment loss of HK\$191,304,000 and HK\$48,774,000 were made in the consolidated income statement to write down the PUD including the construction cost of the shelved project and PHS to their NRV, respectively. 於二零二三年三月三十一日，貴集團的發展中物業及持作出售之竣工物業分別為310,620,000港元及79,128,000港元。於二零二二年九月，貴集團決定擱置及停止一個房地產開發項目（「擱置項目」）的進一步開發。發展中物業及持作出售之竣工物業之賬面金額按成本及可變現淨值（「可變現淨值」）中較低者列報。截至二零二三年三月三十一日止年度，綜合收益表中分別計提191,304,000港元及48,774,000港元的減值虧損，以將發展中物業（包括擱置項目及持作出售之竣工物業之建設成本）撇減至其可變現淨值。</p>	<p>We performed the following procedures to address this key audit matter: 我們對此關鍵審計事項進行以下程序：</p> <ul style="list-style-type: none"> • Obtained an understanding of management's internal control and assessment of net realisable values of PUD and PHS and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity, subjectivity and other inherent risk factors; 了解管理層評估發展中物業及持作出售之竣工物業可變現淨值的內部監控及評估，並考慮估計不確定因素的程度、複雜性、主觀性及其他內在風險因素，以評估重大錯誤陳述的內在風險； • Assessed the competence, capabilities and objectivity of the independent external valuer engaged by management; 評估管理層所委聘的獨立外部估值師的資歷、能力及客觀性； • Assessed the methodologies used in determining the NRV; and 評估釐定可變現價值時所採用的方法；及

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KEY AUDIT MATTERS (continued)

關鍵審計事項 (續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Determination of NRV of PUD and PHS involved critical accounting estimates on the selling price, variable selling expenses and, for PUD, the costs to completion. The judgements and estimations are subject to high degree of uncertainty. The inherent risk in relation to the assessment of NRV of PUD and PHS is considered relatively higher due to uncertainty of significant assumptions used.</p> <p>釐定發展中物業及持作出售之竣工物業的可變現淨值涉及對銷售價格、可變銷售費用以及發展中物業的完工成本的關鍵會計估計。該等判斷及估計具有高度的不確定性。由於所使用的重要假設的不確定性，與發展中物業及持作出售之竣工物業的可變現淨值評估相關的內在風險被認為相對較高。</p> <p>We considered this is a key audit matter because the estimation of NRV involved significant degree of management's judgements and assumptions.</p> <p>由於可變現淨值的評估涉及管理層的重大判斷和假設，我們認為是一關鍵審計事項。</p>	<ul style="list-style-type: none"> • Assessed the reasonableness of the key assumptions used such as selling price, variable selling expenses, and, for PUD, the costs to completion; 評估所使用的主要假設（如售價、可變銷售開支及（就發展中物業而言）竣工成本）的合理性； <p>Regarding the impairment loss resulting from the shelved project, we also performed the following procedures: 對於擱置項目產生的減值虧損，我們亦執行了以下程序：</p> <ul style="list-style-type: none"> • Checked the approval of shelving and cessation of the project to the board of directors' resolution; and 查閱批准董事會關於擱置及停止項目的決議。 • Reviewed legal opinion from external legal counsel to understand their analysis and view on the recoverable amount of the land portion of the shelved project in consideration of the PRC's laws and regulations. 審閱外部法律顧問的法律意見，以了解彼等經考慮中國法律及法規後對擱置項目土地部分的可收回金額的分析及意見。 <p>Based on above, we considered that the management's judgements and assumptions used in the NRV assessment are supported by the evidence obtained from the procedures performed. 根據上文所述，我們認為可變現淨值評估所用管理層的判斷及假設得到進行程序時取得的憑證所支持。</p>

INDEPENDENT AUDITOR'S REPORT

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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon) and the Environmental, Social and Governance Report.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報(但不包括綜合財務報表及我們的核數師報告)以及環境、社會及管治報告內的所有信息。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀上文所述的其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

董事及審核委員會就綜合財務報 表須承擔的責任

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

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

審核委員會須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

核數師就審計綜合財務報表承擔的責任(續)

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Lai Pui Ling, Sandra.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 June 2023

核數師就審計綜合財務報表承擔的責任 (續)

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

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

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是賴佩玲女士。

羅兵咸永道會計師事務所
執業會計師

香港，二零二三年六月二十九日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2023
截至二零二三年三月三十一日止年度

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收益	5	1,209,602	2,316,315
Cost of sales	銷售成本	8	(1,082,937)	(2,070,783)
Gross profit before impairment	減值前之毛利		126,665	245,532
Cost of sales – Impairment loss on property, plant and equipment	銷售成本 – 物業、廠房及設備之減值虧損	8	(50,790)	–
Cost of sales – Impairment of properties under development and completed properties held for sale	銷售成本 – 發展中物業及持作出售之竣工物業減值	8	(240,078)	–
Gross (loss)/profit after impairment	減值後之(毛損)/毛利		(164,203)	245,532
Other income and gains, net	其他收入及收益，淨額	6	36,579	67,030
Selling and distribution expenses	銷售及分銷開支	8	(38,185)	(64,916)
Administrative expenses	行政開支	8	(119,183)	(162,847)
Impairment loss on goodwill	商譽之減值虧損	8	(6,207)	–
Reversal of impairment losses/(impairment losses) on financial assets	金融資產之減值虧損撥回/(減值虧損)		5,139	(1,786)
Operating (loss)/profit	經營(虧損)/溢利		(286,060)	83,013
Finance income	財務收入	7	1,599	1,101
Finance costs	財務費用	7	(13,262)	(9,707)
Finance costs, net	財務費用，淨額	7	(11,663)	(8,606)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利		(297,723)	74,407
Income tax credit/(expense)	所得稅抵免/(開支)	11	3,554	(17,549)
(Loss)/profit for the year attributable to equity holders of the Company	本公司權益持有人應佔年內(虧損)/溢利		(294,169)	56,858

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

上述綜合收益表應連同隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 March 2023
截至二零二三年三月三十一日止年度

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/profit for the year	年內(虧損)/溢利		(294,169)	56,858
Other comprehensive income arisen from continuing operations:	來自持續經營業務之其他全面收益：			
<i>Items that may be reclassified to the income statement:</i>	<i>可重新分類至收益表之項目：</i>			
Exchange translation reserve on translation of foreign operations	換算海外業務產生之匯兌儲備		(156,631)	51,929
			(156,631)	51,929
<i>Other comprehensive (loss)/income not to be reclassified to the income statement in subsequent periods:</i>	<i>於其後期間不會重新分類至收益表之其他全面(虧損)/收益：</i>			
Deficit on revaluation of land and buildings	土地及樓宇重估虧絀	15	(43,527)	(23,859)
Deferred tax credited to asset revaluation reserve	於資產重估儲備計入之遞延稅項	29	9,102	5,486
			(34,425)	(18,373)
Other comprehensive (loss)/income for the year, net of tax	年內其他全面(虧損)/收益，扣除稅項		(191,056)	33,556
Total comprehensive (loss)/income for the year attributable to equity holders of the Company	本公司權益持有人應佔年內全面(虧損)/收益總額		(485,225)	90,414
(Loss)/earnings per share attributable to equity holders of the Company	本公司權益持有人應佔每股(虧損)/盈利			
Basic and diluted	基本及攤薄	13	HK(67.01) cents 港仙	HK12.95 cents港仙

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

上述綜合全面收益表應連同隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2023

於二零二三年三月三十一日

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	781,529	983,239
Investment properties	投資物業	16	54,016	65,280
Right-of-use assets	使用權資產	17	29,484	34,652
Properties under development	發展中物業	19	103,216	42,217
Intangible assets	無形資產	18	4,650	10,857
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	24	–	12,684
Prepayments and deposits	預付款項及按金	23	24,571	85,843
Deferred tax assets	遞延稅項資產	29	4,145	5,745
Total non-current assets	非流動資產總值		1,001,611	1,240,517
Current assets	流動資產			
Properties under development	發展中物業	19	207,404	411,898
Completed properties held for sale	持作出售之竣工物業	20	79,128	143,954
Inventories	存貨	21	195,559	286,886
Accounts receivable	應收賬款	22	210,742	289,319
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	114,333	236,397
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	24	27,408	14,508
Tax recoverable	可收回稅項		4,457	11,339
Pledged deposits	已抵押存款	25	–	12,326
Time deposits	定期存款	25	10,006	13,355
Restricted bank deposits	受限制銀行存款	25	1,093	650
Cash and cash equivalents	現金及現金等同物	25	203,372	256,934
Assets classified as held for sale	分類為持作出售資產	26	1,053,502 41,100	1,677,566 –
Total current assets	流動資產總值		1,094,602	1,677,566
Total assets	總資產		2,096,213	2,918,083

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 March 2023

於二零二三年三月三十一日

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	30	43,896	43,896
Reserves	儲備	32	1,060,789	1,546,014
Total equity	權益總額		1,104,685	1,589,910
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income and other payables	遞延收入及其他應付款項	27	36,767	17,515
Bank borrowings	銀行借貸	28	82,200	111,800
Lease liabilities	租賃負債	17	6,477	6,941
Deferred tax liabilities	遞延稅項負債	29	29,387	40,075
Total non-current liabilities	非流動負債總額		154,831	176,331
Current liabilities	流動負債			
Accounts and bills payable, other payables and provisions	應付賬款及票據、其他應付款項及撥備	27	346,325	478,742
Contract liabilities	合約負債	5(d)	158,958	180,761
Bank borrowings	銀行借貸	28	269,065	417,347
Lease liabilities	租賃負債	17	5,596	5,979
Tax payable	應付稅項		56,753	69,013
Total current liabilities	流動負債總額		836,697	1,151,842
Total liabilities	總負債		991,528	1,328,173
Total equity and liabilities	總權益及負債		2,096,213	2,918,083

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

上述綜合財務狀況表應連同隨附附註一併閱讀。

These consolidated financial statements on pages 93 to 239 have been approved for issue by the Board of Directors on 29 June 2023 and were signed on its behalf.

第93至239頁之該等綜合財務報表已由董事會於二零二三年六月二十九日批准發行並由下列董事代表簽署。

Cheng Chor Kit
鄭楚傑

Director
董事

Liu Tat Luen
廖達鸞

Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 March 2023
截至二零二三年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔										
		Reserves 儲備									Total equity	
	Share capital	Share premium account	Share-based payment reserve	Asset revaluation reserve	Exchange translation reserve	Capital redemption reserve	Contributed surplus	Other reserve	Retained profits	Total reserves	Total equity	
	股本	股份溢價賬	以股份為基礎的付款儲備	資產重估儲備	匯兌儲備	資本贖回儲備	繳入盈餘	其他儲備	保留溢利	儲備總額	權益總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2022	於二零二二年四月一日	43,896	156,015	670	159,481	71,919	14	6,150	(11,230)	1,162,995	1,546,014	1,589,910
Revaluation deficit (Note 15)	重估虧蝕(附註15)	-	-	-	(43,527)	-	-	-	-	(43,527)	(43,527)	
Deferred tax credited to asset revaluation reserve (Note 29)	於資產重估儲備計入之遞延稅項(附註29)	-	-	-	9,102	-	-	-	-	9,102	9,102	
Exchange translation on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	(138,489)	-	-	-	(138,489)	(138,489)	
Release of exchange translation reserve upon deregistration of a subsidiary (Note 6)	取消註冊一間附屬公司時撥回匯兌儲備(附註6)	-	-	-	-	(18,142)	-	-	-	(18,142)	(18,142)	
Loss for the year	年內虧損	-	-	-	-	-	-	-	(294,169)	(294,169)	(294,169)	
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(34,425)	(156,631)	-	-	(294,169)	(485,225)	(485,225)	
At 31 March 2023	於二零二三年三月三十一日	43,896	156,015	670	125,056	(84,712)	14	6,150	(11,230)	868,826	1,060,789	1,104,685

		Attributable to equity holders of the Company 本公司權益持有人應佔										
		Reserves 儲備									Total equity	
	Share capital	Share premium account	Share-based payment reserve	Asset revaluation reserve	Exchange translation reserve	Capital redemption reserve	Contributed surplus	Other reserve	Retained profits	Total reserves	Total equity	
	股本	股份溢價賬	以股份為基礎的付款儲備	資產重估儲備	匯兌儲備	資本贖回儲備	繳入盈餘	其他儲備	保留溢利	儲備總額	權益總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 April 2021	於二零二一年四月一日	43,896	156,015	670	177,854	19,990	14	6,150	(11,230)	1,106,137	1,455,600	1,499,496
Revaluation deficit (Note 15)	重估虧蝕(附註15)	-	-	-	(23,859)	-	-	-	-	(23,859)	(23,859)	
Deferred tax credited to asset revaluation reserve (Note 29)	於資產重估儲備計入之遞延稅項(附註29)	-	-	-	5,486	-	-	-	-	5,486	5,486	
Exchange translation on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	-	51,929	-	-	-	51,929	51,929	
Profit for the year	年內溢利	-	-	-	-	-	-	-	56,858	56,858	56,858	
Total comprehensive income for the year	年內全面收益總額	-	-	-	(18,373)	51,929	-	-	56,858	90,414	90,414	
At 31 March 2022	於二零二二年三月三十一日	43,896	156,015	670	159,481	71,919	14	6,150	(11,230)	1,162,995	1,546,014	1,589,910

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2023

截至二零二三年三月三十一日止年度

	Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Cash flows from operating activities			
(Loss)/profit before tax		(297,723)	74,407
Adjustments for:			
Finance costs	7	13,262	9,707
Finance income	7	(1,599)	(1,101)
Fair value gain on financial assets at fair value through profit or loss, net	6	(274)	(4,155)
Fair value loss on investment properties	6	9,906	2,601
Loss/(gain) on disposal of property, plant and equipment	6	613	(34)
Gain on disposal of a subsidiary	6	-	(605)
Gain on termination of lease	6	(21)	-
Gain on deregistration of a subsidiary	6	(18,142)	-
Depreciation of property, plant and equipment	8	119,452	129,588
Depreciation of right-of-use assets	8	6,726	5,213
Impairment loss on property, plant and equipment	8	50,790	-
Impairment loss on goodwill	8	6,207	-
(Reversal of impairment losses)/impairment losses on financial assets		(5,139)	1,786
Provision for impairment of inventories, net	8	5,801	4,583
Impairment of properties under development	8	191,304	-
Impairment of completed properties held for sale	8	48,774	-
Deferred government subsidies income	27	(9,158)	(39,895)
		120,779	182,095
Decrease in completed properties held for sale		6,226	4,002
Increase in properties under development		(9,894)	(61,257)
Decrease in inventories		61,996	77,674
Decrease in accounts receivable		73,202	82,539
Decrease/(increase) in prepayments, deposits and other receivables		33,953	(275)
Decrease in accounts and bills payable, other payables and provisions		(126,209)	(275,457)
(Decrease)/increase in contract liabilities		(21,803)	54,206
Increase in deferred income		4,767	4,399
Increase in restricted bank deposits		(520)	(95)
Cash generated from operations		142,497	67,831
Interest received		1,599	1,101
Interest paid		(20,356)	(17,644)
Hong Kong profits refunded/(paid)		5,078	(30,296)
Overseas income refunded/(paid)		332	(913)
Net cash inflow from operating activities		129,150	20,079

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 March 2023
截至二零二三年三月三十一日止年度

			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Cash flows from investing activities	投資活動之現金流量			
Purchase of property, plant and equipment	購置物業、廠房及設備		(57,286)	(22,551)
Decrease/(increase) in short-term bank deposits	短期銀行存款減少/(增加)		2,663	(172)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		5,288	90
Acquisition of a subsidiary, net of cash received	收購一間附屬公司，扣除已收現金	34(a)	-	(3,912)
Net cash outflow from investing activities	投資活動之現金流出淨額		(49,335)	(26,545)
Cash flows from financing activities	融資活動之現金流量			
Proceeds from bank borrowings	銀行借貸產生之所得款項		376,133	477,186
Repayment of bank borrowings	償還銀行借款		(537,358)	(613,582)
Proceeds from other financing	其他融資所得款項		28,450	-
Repayment of lease liabilities	償還租賃負債		(6,048)	(4,103)
Decrease in pledged deposits	已抵押存款減少		11,783	6,078
Net cash outflow from financing activities	融資活動之現金流出淨額		(127,040)	(134,421)
Net decrease in cash and cash equivalents	現金及現金等同物之減少淨額		(47,225)	(140,887)
Cash and cash equivalents at the beginning of year	年初之現金及現金等同物		256,934	390,018
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等同物之影響		(6,337)	7,803
Cash and cash equivalents at the end of year	年末之現金及現金等同物	25	203,372	256,934

NOTES TO FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

Kin Yat Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the design, manufacture and sale of electrical and electronic products, motors and real estate development.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is 7/F., Galaxy Factory Building, 25-27 Luk Hop Street, San Po Kong, Kowloon, Hong Kong.

The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is a subsidiary of Resplendent Global Limited, a company incorporated in the British Virgin Islands. The directors of the Company consider Padora Global Inc., a company also incorporated in the British Virgin Islands, to be the ultimate holding company of the Company.

These financial statements are presented in Hong Kong dollars (“HKD”), unless otherwise stated.

1 一般資料

建溢集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事設計、製造及銷售電器及電子產品、電機以及房地產發展。

本公司為一家於百慕達註冊成立之有限公司。其註冊辦事處地址為香港九龍新蒲崗六合街25至27號嘉時工廠大廈7樓。

本公司普通股於香港聯合交易所有限公司主板上市。

本公司為Resplendent Global Limited之附屬公司，該公司於英屬維爾京群島註冊成立。本公司董事認為Padora Global Inc.(亦為於英屬維爾京群島註冊成立之公司)為本公司之最終控股公司。

除另有所指外，該等財務報表以港元(「港元」)呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets, certain classes of property, plant and equipment and investment properties, which are measured at fair value or revalued amount, and
- assets held for sale, which are measured at the lower of carrying amount and fair value less costs to sell.

2 主要會計政策概要

本附註提供編製該等綜合財務報表時所採納的主要會計政策清單。除另有說明外，該等政策於所有呈報年度貫徹一致應用。財務報表為本集團（由本公司及其附屬公司組成）編製。

2.1 編製基準

(a) 遵守香港財務報告準則及香港公司條例

本集團綜合財務報表乃按照香港財務報告準則（「香港財務報告準則」）及香港法例第622章公司條例之披露規定編製。

(b) 歷史成本法

綜合財務報表乃按照歷史成本法編製，惟下列各項除外：

- 若干以公平值或重估值計量之金融資產、若干種類之物業、廠房及設備以及投資物業，及
- 以賬面值與公平值減出售成本之較低者計量之持作出售資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Going concern basis

During the year ended 31 March 2023, the Group reported a loss before income tax of HK\$297,723,000, which was mainly attributable to the decline in revenue by 47.8% to HK\$1,209,602,000 due to the loss of a major customer, the provision of impairment of properties held for sales and under development totaling to HK\$240,078,000, provision of impairment on property, plant and equipment totaling to HK\$50,790,000, and provision of impairment of intangible assets totaling to HK\$6,207,000. As at 31 March 2023, the Group had current and non-current bank borrowings of HK\$269,065,000 and HK\$82,200,000, respectively, while its cash and cash equivalents was HK\$203,372,000.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 持續經營基準

截至二零二三年三月三十一日止年度，本集團錄得除所得稅前虧損297,723,000港元，主要是由於失去一名主要客戶導致收益減少47.8%至1,209,602,000港元、持作出售及發展中物業減值撥備合共240,078,000港元、物業、廠房及設備減值撥備總額為50,790,000港元，以及無形資產減值撥備總額達6,207,000港元。於二零二三年三月三十一日，本集團的流動及非流動銀行借貸分別為269,065,000港元及82,200,000港元，而其現金及現金等同物則為203,372,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

In view of the deteriorating financial performance of the Group, the competitive business environment and the sluggish property market in Mainland China, the directors of the Company have given careful consideration to the future liquidity and performance of the Group, and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- (i) During the year ended 31 March 2023, the Group anticipated it would not comply with certain restrictive financial covenants of its borrowings amounting to HK\$58,683,000, which may cause the corresponding borrowings from these relevant banks to become immediately due and payable. Accordingly, prior to 31 March 2023, the Group successfully obtained waivers for the compliance of restrictive financial covenants from the relevant banks. Management will continue to monitor the Group's compliance with the covenant requirements under its banking facilities. Should the Group anticipate that it would not be able to comply with the relevant covenant requirements, management will discuss and negotiate with the respective banks and will seek to further revise the terms and covenant requirements or obtain a waiver of compliance with the covenant requirements from the banks, if needed;

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 持續經營基準 (續)

鑑於本集團的財務表現轉差、營商環境競爭激烈以及中國內地房地產市場低迷，本公司董事在評估本集團是否將有足夠財務資源持續經營時已審慎考慮本集團之未來流動資金及表現以及其可用資金來源。為減輕流動資金壓力及改善財務狀況，本集團已採取若干計劃及措施，包括但不限於下列各項：

- (i) 截至二零二三年三月三十一日止年度，本集團預期將不會遵守有關其金額為58,683,000港元的借貸之若干限制性財務契約，而該等限制性財務契約可能會導致相關銀行的借貸即時到期應付。因此，於二零二三年三月三十一日之前，本集團成功獲得相關銀行對遵守借貸限制性財務契約的豁免。管理層將繼續監察本集團遵守其銀行融資項下契約要求的情況。倘本集團預期其將無法遵守相關契約要求，管理層將與各銀行討論及協商，並在必要情況下尋求進一步修訂條款及契約要求或獲得該等銀行對遵守契約要求的豁免；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

- (ii) In March 2023, the Group entered into (a) a lands resumption agreement with the local government of the City of Shaoguan, Guangdong Province of Mainland China for surrendering certain land use rights and other relevant assets and (b) a cooperation agreement with a property developer which had expressed interest in developing the lands pursuant to the said land resumption for a total cash compensation of approximately RMB107,300,000 (equivalent to approximately HK\$123,395,000). In June 2023, the Group has received the first payment of RMB15,000,000 (equivalent to approximately HK\$16,929,000) in accordance with the land resumption agreement. With reference to the payment schedule as included in the lands resumption agreement and the cooperation agreement, directors of the Company expect that an additional amount of not less than RMB35,000,000 (equivalent to approximately HK\$39,502,000) will be received within 12 months from 31 March 2023;

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 持續經營基準 (續)

- (ii) 於二零二三年三月，本集團(a)與中國內地廣東省韶關市地方政府訂立土地收回協議，以交還若干土地使用權及其他相關資產，及(b)與一家表示有興趣開發上述收回土地的地產發展商訂立合作協議，總現金補償約為人民幣107,300,000元(相當於約123,395,000港元)。於二零二三年六月，本集團根據土地收回協議收取首筆付款人民幣15,000,000元(相當於約為16,929,000港元)。參考土地收回協議及合作協議所載的付款期，本公司董事預期將於二零二三年三月三十一日起計12個月內收取不少於人民幣35,000,000元(相當於約39,502,000港元)的額外款項；

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

- (iii) The Group maintains continuous communications with all the banks and the directors believe that the Group's existing banking facilities, including the unutilised amount of approximately HK\$197,221,000 in aggregate as at 31 March 2023, will be successfully renewed when their current terms expire and will continue to be available to the Group given the long standing relationships with the relevant banks. Therefore, the directors believe that the Group will be able to draw down from these facilities to finance its operations, if needed. In addition, in May 2023, the Group has successfully obtained a new banking facility amounting to HK\$35,000,000;
- (iv) Subsequent to the year end, some banks have completed their annual review of the Group's existing banking facilities amounted to HK\$143,880,000 and have provided the Group with the confirmation to continue to extend the facilities;
- (v) During the year ended 31 March 2023, the Group generated operating cash inflow. The directors of the Company are of the opinion that continuous operating cash flow of the Group will be generated in the next twelve months resulting from the economy rebound after the end of the COVID-19 pandemic; and

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 持續經營基準 (續)

- (iii) 本集團與所有銀行保持持續溝通，且董事認為，鑒於本集團與相關銀行的長期關係，於二零二三年三月三十一日本集團現有銀行融資，包括合共約197,221,000港元的未使用金額，在當前合約到期後將成功續期並繼續可供本集團使用。因此，董事認為，本集團如有需要時將能夠提取該等融資額以撥付其營運。此外，本集團成功於二零二三年五月獲得新銀行融資額度35,000,000港元；
- (iv) 於年末後，若干銀行完成對本集團為數143,880,000港元的現有銀行融資作出年度審閱，並已向本集團提供確認函延長該等融資；
- (v) 截至二零二三年三月三十一日止年度，本集團產生經營現金流入。本公司董事認為，由於2019新型冠狀病毒病疫情結束後經濟復甦，本集團未來十二個月將產生持續經營現金流；及

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

- (vi) The Group will continue to seek for other alternative financing (including but not limited to disposal of non-core assets) to finance the settlement of its existing financial obligations and future operating and capital expenditure, if needed.

The directors of the Company have reviewed the Group's cash flow projections prepared by management which cover a period of not less than twelve months from 31 March 2023. The directors of the Company are of the opinion that considering the anticipated cash flows generated from the Group's operations taking into account of reasonably possible changes in operation performances and the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 March 2023. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(c) 持續經營基準 (續)

- (vi) 本集團將在有需要時繼續尋求其他替代融資（包括但不限於出售非核心資產），為償還其現有財務債務及應付未來營運和資本支出提供資金。

本公司董事已審閱由管理層所編製之本集團現金流量預測，該現金流量預測涵蓋二零二三年三月三十一日起計不少於十二個月期間。本公司董事認為，考慮到本集團經營活動產生的預期現金流量並計及經營業績可能發生的變化以及上述計劃及措施，本集團將有充足營運資金於二零二三年三月三十一日起計十二個月內撥付經營所需及履行到期之財務責任。因此，董事信納按持續經營基準編製綜合財務報表屬適當。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(d) Amendments to existing standards, annual improvements and accounting guideline adopted by the Group

The Group has applied the following amendments to existing standards, annual improvements and accounting guideline for the first time for their annual reporting period commencing 1 April 2022:

Amendments to Annual Improvements Project	Annual Improvements to HKFRSs 2018-2020
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Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope Amendments
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Amendments to Accounting Guideline 5	Merger Accounting for Common Control Combination
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The amendments to existing standards, annual improvements and accounting guideline listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(d) 本集團採納對現有準則、年度改進及會計指引之修訂本

本集團已於二零二二年四月一日開始的年度報告期間首次應用下列對現有準則、年度改進及會計指引之修訂本：

年度改進項目 (修訂本)	香港財務報告準則二零一八年至二零二零年之年度改進
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香港財務報告準則第3號、香港會計準則第16號及香港會計準則第37號 (修訂本)	狹義修訂
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會計指引第5號 (修訂本)	共同控制下合併之合併會計處理
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上文所列對現有準則、年度改進及會計指引之修訂本對過往期間確認之金額並無影響及預期對現時或往後期間並無重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(e) New standard and amendments to existing standards and interpretation not yet adopted

The following new and amended standards and interpretation have been published but are not effective for the financial year beginning on or after 1 April 2022 reporting periods and have not been early adopted by the Group.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(e) 尚未採納之新訂準則及現有準則及詮釋修訂本

下列新訂及經修訂準則及詮釋已頒佈，但尚未於二零二二年四月一日或之後開始的財政年度生效，且本集團並無提早採納。

		Effective for annual reporting periods beginning on or after 於以下日期或之後 開始之會計期間生效
HKFRS 17 香港財務報告準則第17號	Insurance Contracts and the related Amendments 保險合約及相關修改	1 April 2023 二零二三年四月一日
Amendments to HKAS 1 and HKFRS Practice Statement 2 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)	Disclosure of Accounting Policies 披露會計政策	1 April 2023 二零二三年四月一日
Amendments to HKAS 8 香港會計準則第8號(修訂本)	Definition of Accounting Estimates 會計估計之定義	1 April 2023 二零二三年四月一日
Amendments to HKAS 12 香港會計準則第12號(修訂本)	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction 與單一交易產生的資產及負債有關之遞延稅項	1 April 2023 二零二三年四月一日
Amendments to HKAS 1 香港會計準則第1號(修訂本)	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants 將負債分類為流動或非流動及附帶契諾的 非流動負債	1 April 2024 二零二四年四月一日
Hong Kong Interpretation 5 (Revised) 香港詮釋第5號(經修訂)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 財務報表的呈列 – 借款人對載有按要求償還條文的 定期貸款的分類	1 April 2024 二零二四年四月一日
Amendments to HKFRS 16 香港財務報告準則第16號(修訂本)	Lease Liability in a Sale and Leaseback 售後租回的租賃負債	1 April 2024 二零二四年四月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司及合營企業之間的 資產出售或出資	To be determined 待定

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(e) New standard and amendments to existing standards and interpretation not yet adopted (continued)

The Amendments to HKAS 12 require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

As a result, deferred taxes arising from certain right-of-use assets and lease liabilities in the Group are expected to be recognised. The Group is assessing and quantifying the impact at the moment.

Mandatory for financial years commencing on or after 1 April 2023, at this stage, the Group does not intend to adopt the standard before its effective date.

Other than the aforementioned amendments, the new accounting standard and other amendments to existing standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(e) 尚未採納之新訂準則及現有準則及詮釋修訂本 (續)

香港會計準則第12號(修訂本)要求公司就於初始確認時產生等額應課稅及可扣稅暫時差異的交易確認遞延稅項。該等修改一般適用於承租人租賃及除役義務等交易，並要求確認額外遞延稅項資產及負債。

因此，本集團預期將會確認若干使用權資產及租賃負債所產生的遞延稅項。本集團現正評估及量化有關影響。

就於二零二三年四月一日或之後開始的年度期間強制生效者而言，本集團於現階段無意於其生效日期前採納準則。

除上述修訂本外，該新訂會計準則及其他現有準則的修訂本及詮釋預期不會對本集團當前或未來報告期以及可見將來的交易造成重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The excess of the consideration transferred and amount of any non-controlling interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

2 主要會計政策概要 (續)

2.2 綜合原則及權益會計處理

(a) 附屬公司

附屬公司指本集團對其具有控制權之所有實體(包括結構性實體)。當本集團因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，並有能力透過其主導該實體業務之權力影響此等回報時，本集團即控制該實體。附屬公司乃於控制權轉移至本集團當日起悉數綜合入賬，並於控制權終止當日起不再綜合入賬。

本集團使用收購會計法對業務合併進行會計處理。所轉讓代價與被收購實體的任何非控制性權益的金額超出所收購可識別資產淨值的公平值部分確認為商譽。

集團內公司間交易、結餘及集團內公司間交易未變現收益均會抵銷。未變現虧損亦會抵銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已在有需要時作出調整，以確保與本集團所採納有關政策一致。

附屬公司業績及權益中的非控股權益分別於綜合收益表、綜合全面收益表、綜合權益變動表及綜合財務狀況表中單獨呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in “Other reserves” within equity attributable to owners of the Company.

When the Group ceases to consolidate an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable HKFRSs.

2 主要會計政策概要 (續)

2.2 綜合原則及權益會計處理 (續)

(b) 擁有權變動

本集團將與非控制性權益進行且不導致失去控制權的交易視為與本集團權益持有人的交易。擁有權變動將導致控制性權益與非控制性權益的賬面值之間作出調整，以反映於附屬公司的相對權益。非控制性權益之調整金額與任何已付或已收的代價之間的任何差額，於本公司權益持有人應佔權益中的「其他儲備」中確認。

當本集團因失去控制權而不再綜合入賬一項投資時，於該實體中任何保留權益將重新計量為其公平值，並於損益確認賬面值的變動。此公平值將成為初始賬面值，以便其後將保留權益入賬列作聯營公司、合營企業或金融資產。此外，過往於其他全面收益中確認並與該實體有關之任何金額，將於入賬時視作本集團已直接出售相關資產或負債。此意味過往於其他全面收益中確認的金額將重新分類到損益，或被轉撥至適用香港財務報告準則所規定或允許的另一個權益類別。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"), comprising the Board of Directors of the Company.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HKD, which is the Company's functional and presentation currency.

2 主要會計政策概要 (續)

2.3 獨立財務報表

於附屬公司的投資按成本值扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收股息及應收款項基準入賬。

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值(包括商譽)的賬面值，則須於自該投資收取股息時，對該等附屬公司的投資進行減值測試。

2.4 分部報告

經營分部按照向由本公司董事局成員組成的首席經營決策者(「首席經營決策者」)提供的內部報告貫徹一致的方式報告。

2.5 外幣換算

(a) 功能及列報貨幣

本集團內各實體之財務報表中之項目均按有關實體營運所在之主要經濟區之貨幣(「功能貨幣」)計算。綜合財務報表乃以港元列值，港元為本公司之功能及呈報貨幣。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within “Finance costs, net”. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within “Other income and gains, net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

2 主要會計政策概要 (續)

2.5 外幣換算 (續)

(b) 交易及結餘

外幣交易均按交易或估值(倘若項目經重新計量)當日的匯率換算為功能貨幣。結算有關交易及因按年末匯率換算以外幣列值的貨幣資產及負債所產生的外匯收益及虧損通常於損益內確認。

有關借貸之外匯收益及虧損於綜合收益表內「財務費用，淨額」呈列。所有其他外匯收益及虧損於綜合收益表內「其他收入及收益，淨額」以淨額基準呈列。

按公平值計量並以外幣計值之非貨幣項目使用釐定公平值當日之匯率換算。按公平值列賬之資產及負債的匯兌差額呈報為公平值損益之一部分。例如，非貨幣資產及負債(例如所持有透過損益按公平值列賬之股權)之匯兌差額於損益中確認為公平值收益或虧損之一部份。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- 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 for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2 主要會計政策概要 (續)

2.5 外幣換算 (續)

(c) 集團旗下公司

功能貨幣與呈報貨幣不同之海外業務(均非超高通脹地區之貨幣)之業績及財務狀況按以下方式換算為呈報貨幣：

- 各綜合財務狀況表所呈列之資產及負債按其結算日之收市匯率換算；
- 各收益表及全面收益表之收入及支出按平均匯率換算(除非此數值並非該等交易日期適用匯率累計影響之合理約數，否則收入及支出將於交易日期換算)；及
- 所有匯兌差額於其他全面收益內確認。

於編製綜合賬目時，換算海外實體任何投資淨額及指定為該等投資之對沖項目之借貸及其他金融工具產生的匯兌差額均於其他全面收益確認。當出售海外業務或償還構成該投資淨額部分的任何貸款，相關的匯兌差額於損益重新歸類為出售的部分收益或虧損。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(c) Group companies (continued)

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

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 主要會計政策概要 (續)

2.5 外幣換算 (續)

(c) 集團旗下公司 (續)

因收購海外實體而產生之商譽及公平值調整，均視作為該海外實體之資產及負債處理，並於結算日的匯率折算。

(d) 出售海外業務及部分出售

在出售海外業務（即出售本集團於海外業務之全部權益或出售涉及失去包含海外業務的附屬公司之控制權或出售涉及失去包含海外業務的一家聯營公司之重大影響力）時，所有於本公司擁有人應佔該業務於權益內累計的匯兌差額重新分類至損益。

倘此乃部分出售並不導致本集團喪失對包含海外業務的附屬公司的控制權，該累計匯兌差額之應佔比例乃重新歸屬於非控股權益及不會於損益確認。就所有其他之部分出售（即本集團於聯營公司擁有權減少，但不會導致本集團喪失重大影響或共同控制權），該累計匯兌差額之應佔比例則須重新分類至損益。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment

Freehold land and buildings are recognised at fair value based on annual valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation deficit/surplus is debited/credited to asset revaluation reserves in shareholders' equity.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Changes in the carrying amounts arising on revaluation of buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

2 主要會計政策概要 (續)

2.6 物業、廠房及設備

永久業權土地及樓宇根據外部獨立估值師進行的年度估值按公平值減樓宇其後的折舊予以確認。重估虧拙／盈餘於股東權益內的資產重估儲備扣除／計入。

所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該些項目直接應佔之開支。

後續成本計入某資產之賬面金額或確認為單獨資產(倘適合)，該等項目有關之未來經濟利益很大可能流入本集團時，項目之成本才可被計量。任何部份的賬面值按單獨資產進行會計處理將於被取代時終止確認。所有其他維修及維護成本於產生之報告期間在損益表中扣除。

重估樓宇產生之賬面值變動經扣除稅項後於其他全面收益確認，並於股東權益之儲備中累計。倘增加部分導致回撥先前於損益確認的減少數額，則該增加部分首先於損益確認。倘減少數額導致回撥同一資產先前的增加部分，則首先於其他全面收益中確認，惟以該資產應佔的剩餘盈餘為限；所有其他減少數額自損益扣除。按計入損益的資產重估賬面值計算的折舊與按資產原始成本計算的折舊之間的差額(經扣除稅項)，每年會由物業、廠房及設備重估盈餘重新分類至保留盈利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Freehold land	Not depreciated
Buildings in Hong Kong	Over the shorter of lease terms and 4%
Buildings outside Hong Kong	Over the shorter of lease term and 3.3%
Moulds, tools, and plant and machinery	10% – 20%
Furniture, equipment and motor vehicles	10% – 25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less impairment losses, if any. No provision for depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use. On completion, the relevant assets are transferred to property, plant and equipment at fair value or cost less accumulated impairment losses.

2 主要會計政策概要 (續)

2.6 物業、廠房及設備 (續)

折舊乃採用直線法計算以分配成本或重估金額，扣除預計使用年期之剩餘價值，如下：

永久業權土地	不予折舊
於香港以內地區之樓宇	按租約年期及4%之較短者
於香港以外地區之樓宇	按租約年期及3.3%之較短者
模具、工具以及廠房及機器	10%至20%
傢俬、設備及汽車	10%至25%

資產之剩餘價值及使用年期於各報告期末均作審閱及調整 (倘適合)。

倘資產之賬面金額比其預期可收回金額大時，資產之賬面金額即時撇銷至其可收回金額。

出售之收益及虧損乃透過比較所得款項與賬面值釐定，並計入損益內。倘重估資產被出售，本集團政策為就該等資產將計入其他儲備之任何款項轉撥至保留盈利。

在建工程指正在建設或有待安裝之物業、廠房及設備，並按成本減減值虧損 (如有) 列賬。建設中之資產不計提折舊撥備，直至有關資產完工並可供擬定用途之時。完工時，有關資產按公平值或成本減累計減值虧損轉入物業、廠房及設備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair values. Changes in fair values are presented in profit or loss as part of other gains.

2.8 Properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and anticipated cost to completion, or by management estimates based on prevailing market conditions.

Development cost of property comprises mainly construction costs, cost of land use rights, borrowing costs, and professional fees incurred during the development period.

Properties under development and completed properties held for sale are classified as current assets unless those will not be realised in one normal operating cycle.

2 主要會計政策概要 (續)

2.7 投資物業

投資物業(主要包括租賃土地及樓宇)乃持作賺取長期租金或資本升值或兩者皆是,而非由本集團佔用。投資物業亦包括正在建造或發展供日後用作投資物業之物業。投資物業初步按成本計量,包括相關交易成本及借貸成本(倘適用)。於首次確認後,投資物業按公平值結轉。公平值變動於損益內呈列為其他收益的一部分。

2.8 發展中物業及持作出售之竣工物業

發展中物業按成本與可變現淨值之較低者列賬。可變現淨值於考慮最終預計可變現價格,減去適用可變銷售開支及預期竣工成本後釐定,或由管理層根據當前市況作出估計。

物業發展成本主要包括建築成本、土地使用權成本、借貸成本及發展期內產生之專業費用。

發展中物業及持作出售之竣工物業分類為流動資產,惟不會於一個正常營運週期內變現者則不在此限。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Intangible assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (“CGU”) for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 主要會計政策概要 (續)

2.9 無形資產

收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時進行更頻密減值測試，並按成本減去累計減值虧損列示。出售一間實體的收益及虧損包括有關所售實體商譽的賬面金額。

商譽會被分配至現金產生單位（「現金產生單位」）以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次（即經營分部（附註5））確認。

2.10 非金融資產減值

商譽及未有確定使用年限的無形資產毋需攤銷，並每年進行減值測試，或倘若事件或情況有變反映可能已出現減值，則更頻繁地進行測試。其他資產則於事件或變動使賬面金額可能未能收回時進行減值測試。減值虧損按資產之賬面值超出可收回金額之差額確認為減值虧損。可收回金額以資產的公平值扣除出售成本及使用價值兩者之較高者為準。為評估減值，資產將按獨立可識辨現金流入（其大部份獨立於來自其他資產或資產組合的現金流入）的最低層次組合（現金產生單位）。於每個報告期末，對發生減值的非金融資產（除商譽以外）進行審查，以確定減值是否可能撥回。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investment and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVPL”); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產

(a) 分類

本集團將其金融資產分類為下列計量類別：

- 其後透過損益按公平值列賬（「透過損益按公平值列賬」）計量；及
- 將按攤銷成本計量。

分類視乎實體管理金融資產的業務模式及現金流量的合約條款而定。

就以公平值計量的資產而言，其收益及虧損於損益列賬。對於並非持作買賣的權益工具投資，則取決於本集團是否於初始確認時不可撤銷地選擇將股權投資透過其他全面收益按公平值列賬（「透過其他全面收益按公平值列賬」）計量。

僅當管理該等資產的業務模式有變，本集團方會重新分類債務投資。

(b) 確認及終止確認

所有常規買賣的金融資產均於交易日（即本集團承諾購買或出售該資產當日）確認。當收取金融資產現金流量的權利屆滿或金融資產已轉讓，而本集團已將金融資產擁有權的絕大部分風險及回報轉出時，即終止確認金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investment and other financial assets (continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other income and gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量

本集團按金融資產的公平值作初步確認，倘若並非透過損益按公平值列賬之金融資產，則加上於購入該金融資產時直接歸屬產生的交易成本。透過損益按公平值列賬之金融資產的交易成本於損益內支銷。

釐定現金流量是否純粹為支付本金及利息時，對附帶嵌入式衍生工具的金融資產進行整體考慮。

債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產現金流量的特徵。本集團將債務工具分類為：

- 攤銷成本：就持作收取合約現金流量的資產而言，倘若該等現金流量純粹為支付本金及利息，則按攤銷成本計量。來自該等金融資產的利息收入使用實際利率法計入融資收入。取消確認所產生的任何收益或虧損直接於損益內連同匯兌收益及虧損在「其他收入及收益，淨額」呈列。減值虧損於綜合收益表內作為單獨項目呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investment and other financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income and gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and gains and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income and gains in the period in which it arises.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量 (續)

債務工具 (續)

- 透過其他全面收益按公平值列賬：對於持作收取合約現金流量及出售金融資產的資產，倘該等資產現金流量僅為支付本金及利息，則透過其他全面收益按公平值列賬計量。賬面值的變動乃計入其他全面收益，惟於損益確認的減值收益或虧損、利息收入及匯兌收益及虧損除外。在金融資產終止確認時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益並於其他收入及收益確認。該等金融資產的利息收入乃按實際利率法計入財務收入。匯兌收益及虧損於其他收入及收益呈列，且減值開支於損益表中作為單獨項目呈列。
- 透過損益按公平值列賬：不符合攤銷成本或透過其他全面收益按公平值列賬標準的資產乃透過損益按公平值列賬計量。其後透過損益按公平值列賬之債務投資之收益或虧損在產生期間於損益中確認及於其他收入及收益呈列淨額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investment and other financial assets (continued)

(c) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other income and gains in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1 for further details.

2 主要會計政策概要 (續)

2.11 投資及其他金融資產 (續)

(c) 計量 (續)

權益工具

本集團其後按公平值計量所有股權投資。倘若本集團管理層選擇於其他全面收益呈列股權投資的公平值收益及虧損，則公平值收益及虧損不會於有關投資終止確認後重新分類至損益。當本集團確立收款權利時，該等投資的股息將繼續於損益內確認。

透過損益按公平值列賬之金融資產的公平值變動於綜合收益表內在其他收入及收益確認(如適用)。透過其他全面收益按公平值列賬計量之股權投資的減值虧損(及減值虧損撥回)不會獨立於其他公平值變動列報。

(d) 減值

本集團按持續經營基準評估按攤銷成本及透過其他全面收益按公平值列賬之債務工具相關的預期信貸虧損。所應用的減值方法取決於信貸風險有否顯著增加。

就應收賬款而言，本集團應用香港財務報告準則第9號允許的簡化方式，其規定自首次確認應收款項起確認預期全期虧損，進一步詳情見附註3.1。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future event and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are determined using the weighted-average cost method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 主要會計政策概要 (續)

2.12 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並在綜合財務狀況表內報告其淨額。該有法定可執行權力不可以取決於未來事情及必須於日常業務及於本公司或交易對手無力償債或破產時執行。

2.13 存貨

原材料、在製品及製成品以成本及可變現淨值之較低者列值。成本包括直接材料、直接勞工及適當比例之可變及固定開銷支出，而後者按一般營運能力基準分配。成本乃按加權平均成本法釐定。購買存貨成本於扣除回扣及折扣後釐定。可變現淨值按一般業務過程中估計售價減估計完成成本及尚需銷售的估計成本計算。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivable are generally due for settlement within 60-90 days and therefore are all classified as current.

Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.16 Share capital

Ordinary shares are classified as equity (Note 30).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 主要會計政策概要 (續)

2.14 應收賬款

應收賬款指就於一般業務過程中出售商品或提供服務而應收客戶之款項。應收賬款通常須於60至90天內結清，故均分類為流動。

應收賬款初步按無條件代價金額確認，除非其包含重大融資部份，此情況下則按公平值確認。本集團持有應收賬款的目的是收取合約現金流量，因此其後使用實際利率法按攤銷成本計量。有關本集團減值政策之詳情，請參閱附註3.1。

2.15 現金及現金等同物

就呈列綜合現金流量表而言，現金及現金等同物包括手頭現金、金融機構的活期存款、可隨時轉換為已知數額現金且價值變動風險較少之其他短期高流通性且原到期日為3個月或以內的投資以及銀行透支。銀行透支與綜合財務狀況表內流動負債中列為借貸。

2.16 股本

普通股分類為權益(附註30)。

發行新股或購股權直接相關之新增成本，於權益中列作所得款項之扣減(扣除稅項)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Accounts and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2 主要會計政策概要 (續)

2.17 應付賬款及其他應付款項

該等金額指於財政年度結束前提供予本集團之商品及服務之未償還負債。該等金額為無抵押及通常在確認60日內支付。應付賬款及其他應付款項列示為流動負債，除非付款並非於報告日期起計12個月內到期。有關款項以初始公平值確認，其後採用實際利息法按攤銷成本計量。

2.18 借貸

借貸初步按公平值扣除所產生交易成本後確認。借貸其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額的差額於借貸期間以實際利率法在損益中確認。設立貸款融資支付的費用，於可能提取若干或所有融資時確認為貸款的交易成本。於此情況下，該費用會遞延至提取融資為止。倘若並無證據顯示可能提取若干或所有融資，則該費用會撥充資本，列作流動資金服務的預付款項，並於其融資相關期間攤銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Borrowings (continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2 主要會計政策概要 (續)

2.18 借貸 (續)

當合約中規定的責任解除、取消或屆滿時，借貸自綜合財務狀況表中剔除。已消除或轉讓予另一方的金融負債的賬面值與已付代價（包括已轉讓的非現金資產或所承擔的負債）之間的差額，在損益中確認為其他收入或財務費用。

借貸歸類為流動負債，惟本集團擁有無條件權利將償還負債的日期遞延至報告期間後最少12個月者則除外。

2.19 借貸成本

收購、建設或生產合資格資產直接應佔的一般及特定借貸成本，於完成建設及將資產達致擬定用途所需時間期限內撥充資本。合資格資產為需要較長時間達到擬定用途或銷售狀況之資產。

就有待用於合資格資產開支的特定借貸作出暫時投資賺取的投資收入，自合資格撥充資本的借貸成本中扣除。

其他借貸成本在其產生期間支銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要 (續)

2.20 即期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項，而有關所得稅率經暫時差異及未使用稅務虧損所致的遞延稅項資產及負債變動調整。

即期及遞延稅項於損益內確認，惟其與於其他全面收益或直接於權益確認的項目相關除外。於此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

(a) 即期所得稅

即期所得稅支出根據本公司的子公司及聯營公司營運及產生應課稅收入的國家於各報告期末已頒佈或實質上頒佈的稅務法例計算。管理層就適用稅務法例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax (continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 主要會計政策概要 (續)

2.20 即期及遞延所得稅 (續)

(b) 遞延所得稅

遞延所得稅採用負債法就資產及負債之稅基與其於綜合財務報表之賬面值兩者間之暫時性差異全額撥備。然而，倘遞延稅項負債產自於初始確認商譽，則不予確認。倘遞延所得稅乃源自業務合併以外之交易中初步確認資產或負債，而在交易時並不影響會計或應課稅損益，則不作入賬。遞延所得稅按於報告期末已頒佈或實質頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債償還時應用之稅率（及稅法）釐定。

遞延稅項資產僅於未來有應課稅金額可供動用以抵銷暫時性差異及虧損時確認。

倘本公司有能力控制回撥暫時差額之時間及該等差額很可能不會於可見將來回撥，則不會就外匯營運投資之賬面值及稅基之間之暫時差額確認遞延稅項負債及資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 主要會計政策概要 (續)

2.20 即期及遞延所得稅 (續)

(c) 抵銷

當有法定可執行權利可將即期稅項資產與即期稅項負債互相抵銷，而遞延所得稅資產與負債與某一應課稅實體或不同應課稅實體由同一徵稅機關所徵收之所得稅有關，且有意按淨額基準結算餘額時，即可將遞延所得稅資產與負債互相抵銷。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits

(a) Pension obligations

Employees of the Group in Hong Kong are required to participate in a defined contribution scheme as defined in mandatory provident fund scheme ("MPF Scheme"). The assets of the MPF Scheme are held separately from those of the Group under independently administered funds. Contributions to the schemes by the employers and employees are calculated as a percentage of employees' basic salaries. Under the MPF Scheme, each of the company (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 employer and the employees are subject to a cap of HK\$1,500 and thereafter contributions are voluntary. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

Employees of the Group in the PRC are required to participate in defined contribution retirement schemes administered and operated by municipal governments. The Group's subsidiaries in the PRC contribute funds to the retirement scheme to fund the retirement benefits of the employees which are calculated on certain percentage of the average employee salary as agreed by the municipal government. Such retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

2 主要會計政策概要 (續)

2.21 僱員福利

(a) 退休金責任

本集團於香港的僱員須參與強制性公積金計劃(「強積金計劃」)所界定的定額供款計劃。強積金計劃的資產乃根據獨立管理的基金與本集團的資產分開持有。僱主及僱員對該計劃作出的供款乃按僱員基本薪金的百分比作出。根據強積金計劃，本公司(僱主)及其僱員每月按強制性公積金法規所界定的僱員收益的5%向該計劃作出供款。各僱主及僱員的每月供款上限為1,500港元，而其後的供款屬自願性質。本集團對供款以外的退休後福利實際款項並無進一步責任。

本集團於中國的僱員須參與由市政府管理及營運的定額供款退休計劃。本集團的中國附屬公司向退休計劃供款，以撥支僱員的退休福利，其乃按市政府同意的平均僱員薪金的若干百分比計算。該等退休計劃負責整個應付予退休僱員的退休後福利責任。本集團對供款以外的退休後福利實際款項並無進一步責任。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits (continued)

(b) Employee leaves entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of statement of financial position. Employee entitlements to sick and maternity leave are not recognised until the time of leave.

(c) Share-based compensation

Share-based compensation benefits are provided to employees via the share option scheme. Information relating to these schemes is set out in Note 31.

Employee options

The fair value of options granted under the share option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

2 主要會計政策概要 (續)

2.21 僱員福利 (續)

(b) 僱員假期權利

僱員享有的年假乃於其提供予僱員時確認。已就因僱員提供的服務直至財務狀況表日期產生的年假的估計負債計提撥備。僱員享有病假及產假的權利於請假時方予以確認。

(c) 以股份為基礎的補償

以股份為基礎的補償福利乃透過購股權計劃向僱員提供。與該等計劃有關的資料載列於附註31。

僱員購股權

根據購股權計劃授出的購股權的公平值確認為僱員福利開支，並於權益作出相應增加。將支銷的總金額乃參考所授出購股權的公平值而釐定：

- 包括任何市場表現情況（例如實體股價）；
- 不包括任何有關服務及非市場表現的歸屬條件（例如盈利能力、銷售增長目標及於一段特定期間內保留一名實體僱員）的影響；及
- 包括任何非歸屬條件（例如規定僱員保留或持股一段特定時間）的影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits (continued)

(c) Share-based compensation (continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group is demonstrably committed to either: (a) terminate the employment of an employee or group of employees before the normal retirement date; or (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2 主要會計政策概要 (續)

2.21 僱員福利 (續)

(c) 以股份為基礎的補償 (續)

總開支須於達致所有指定歸屬條件之歸屬期間內確認。於各報告期末，實體根據非市場歸屬及服務條件修訂其對預期歸屬的購股權數目所作估計，並於損益確認該修訂對原估計的影響（如有），同時對權益作出相應調整。

(d) 終止服務福利

終止服務福利於僱員在正常退休日期前被本集團終止僱用，或當僱員接受自願遣散以換取此等福利時支付。本集團於明確承諾：(a) 於正常退休日期前終止聘用僱員或一組僱員；或(b) 作出鼓勵自願裁員的要約提供終止福利時，則確認終止福利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 主要會計政策概要 (續)

2.22 撥備

撥備乃於本集團因過去事件而有現時法律或推定責任，而其在清償責任時有可能令資源流出，且金額能夠可靠地估計時，方予以確認。概不就未來經營虧損確認撥備。

倘有多項類似責任，清償需要的資源流出的可能性乃透過考慮整個責任類別釐定。即便在同一責任類別內任何一個項目相關資源的流出可能性可能屬於輕微，亦須確認撥備。

撥備乃按預期需要清償責任的開支，使用反映對金額時間值及責任的特定風險的現時市場評估的除稅前利率得出的現值計量。隨著時間流逝增加的撥備乃確認為利息開支。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable, for the sale of goods or properties in the ordinary course of the Group's activities. Revenue is shown net of value-added tax ("VAT"), estimated returns and rebates (if any) and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities.

A receivable is recognised when the goods or properties are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

If the goods or properties delivered by the Group exceed the payments made by the counter parties, a contract asset is recognised. If the payments exceed the goods or properties delivered, a contract liability is recognised. A contract liability is the obligation to transfer goods to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

The following is a description of the accounting policy for the principal revenue streams of the Group.

2 主要會計政策概要 (續)

2.23 收益確認

收益包括於本集團日常業務過程中銷售貨品或物業所收取或應收之代價的公平值。收益於扣除增值稅(「增值稅」)、估計退貨及回扣(如有)以及對銷集團內公司間銷售後呈報。本集團確認收益的情況包括於收益金額能可靠地計量時；於未來經濟利益有可能流入實體時；以及於符合本集團各項業務之特定標準時。

應收款項於貨品或物業交付時確認，原因是此為代價成為無條件的時間點，僅須待時間流逝而到期支付。

倘若本集團提供的貨品或物業超出對手方作出的付款，則確認合約資產。倘若付款超出所提供的貨品或物業，則確認合約負債。合約負債指向客戶轉讓本集團已從客戶收取代價(或代價金額到期)之貨品的責任。倘若客戶於本集團將貨品轉讓予客戶之前支付代價，則於作出付款或付款到期(以較早者為準)時確認合約負債。當本集團履行合約時，合約負債將確認為收益。

下文說明本集團主要收益來源的會計政策。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition (continued)

Sales of goods

Revenue from the sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Sales of properties

For property sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the buyer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

The revenue is measured at the transaction price agreed under the contract. The Group receives payments from customers based on payment schedule as established in contracts. Certain payments are usually received in advance in pre-sales arrangement. Such proceeds from customers are recorded as contract liabilities before the relevant sales are recognised.

2 主要會計政策概要 (續)

2.23 收益確認 (續)

銷售貨品

銷售貨品之收益銷售於產品的控制權已轉讓時確認，即產品已交付予客戶以及概無影響客戶接納產品的未履行責任的時間點。當產品已經送遞至指定地點、報廢及虧損的風險已轉移給客戶，而且客戶已根據銷售合約接納產品、接納條文已失效或本集團有客觀證據證明接納的所有條件已達成，則屬發生交付。

銷售物業

就物業之控制權於某個時間點轉移之物業銷售合約而言，於買方取得竣工物業之實質佔有權或法定業權以及本集團現時有權收取付款並很可能收回代價時確認收益。

收益按合約協定的交易價計量。本集團根據合約規定的付款期向客戶收取款項。在預售安排中，部分款項通常提前收取。來自客戶的該等款項於確認相關銷售之前入賬列為合約負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.25 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 主要會計政策概要 (續)

2.24 利息收入

利息收入使用實際利率法確認。當應收款項減值時，本集團會將賬面值削減至其可收回金額，即按該工具的原始實際利率貼現的估計未來現金流量，已減值貸款的利息收入使用原始實際利率確認，並繼續解除貼現作為利息收入。

2.25 租賃

租賃在租賃資產可供本集團使用之日確認為使用權資產及相應負債。

租賃產生的資產及負債初步按現值基準計量。租賃負債包括固定付款（包括實質固定付款）減任何應收租賃優惠之現值。

租賃付款採用租賃隱含的利率予以貼現。倘無法輕易釐定該利率（本集團之租賃一般屬於此情況），則使用承租人的增量借款利率，即個別承租人在類似經濟環境中按類似條款、抵押和條件借入獲得價值與使用權資產相近的資產所需資金所必須支付的利率。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Leases (continued)

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and makes adjustments specific to the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct cost.

Subsequent to initial recognition, right-of-use assets are stated at historical cost less depreciation. They are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2 主要會計政策概要 (續)

2.25 租賃 (續)

為釐定增量借款利率，本集團在可行情況下使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動，並進行特定於租賃的調整。

租賃付款乃攤分至負債及財務成本。財務成本於租期內在損益扣除，以計算出各期間負債結餘的固定週期利率。

使用權資產按成本計量，包括以下各項：

- 最初計量租賃負債之金額；
- 於開始日期或之前作出之任何租賃付款，扣除已收之任何租賃優惠；及
- 任何初始直接成本。

於初步確認後，使用權資產按歷史成本減折舊呈列。使用權資產一般於資產可使用年期或租期（以較短者為準）以直線法折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期内折舊。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Leases (continued)

Payments associated with short-term leases of properties, equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Rental income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature.

2.26 Government grants

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised within “Other income and gains, net” in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate. Government grant related to property, plant and equipment are recognised as deferred income and is recognised in the consolidated income statement on a systematic basis over the expected useful lives of the related assets.

2 主要會計政策概要 (續)

2.25 租賃 (續)

物業、設備及汽車的短期租賃及低價值資產的所有租賃的相關付款以直線法於損益中確認為開支。短期租賃指租期為12個月或以下的租賃。

本集團為出租人的經營租賃產生的租金收入在租賃期內按直線法確認為收入。各租賃資產根據其性質計入綜合財務狀況表。

2.26 政府補貼

政府補貼於有合理保證本集團將收到補貼，且能符合補貼的所有條件時按公平值確認。

有關成本之政府補貼將被遞延，於彼等擬定補償成本所需配對期間於綜合收益表確認為「其他收入及收益，淨額」。與物業、廠房及設備相關之政府補助確認為遞延收入並按系統基準根據相關資產的預期使用年期於綜合收益表確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

2 主要會計政策概要 (續)

2.27 持作出售之非流動資產

倘非流動資產的賬面值將主要透過一項銷售交易而非持續使用而收回，且有關銷售被認為是極有可能發生，則分類為持作出售。其乃按賬面值與公平值減銷售成本兩者中的較低者計量，惟本規則明確豁免的遞延稅項資產、僱員福利產生的資產、金融資產及按公平值列賬的投資物業以及保險合同項下之合約權利除外。

減值虧損按資產初步或其後撇減至公平值減銷售成本確認。收益按公平值減資產的銷售成本的其後增加確認，惟不超過先前確認的任何累計減值虧損。於非流動資產的銷售日期以前尚未確認的收益或虧損會於終止確認日期時確認。

非流動資產於分類為持作出售時不予折舊或攤銷。分類為持作出售的出售集團的負債應佔利息及其他開支將繼續確認。

分類為持作出售的非流動資產，以及分類為持作出售的出售集團資產於綜合財務狀況表內與其他資產分開呈列。分類為持作出售的出售集團負債於綜合財務狀況表內與其他負債分開呈列。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Company under policies approved by the Board of Directors of the Company.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and Hong Kong.

The functional currency of the Hong Kong reporting entities is HKD and the transactions are mostly denominated in HKD and United States dollar ("USD"). As transactions or balances denominated in USD are reasonably stable with the HKD under the Linked Exchange Rate System, the directors are of the opinion that the Company does not have significant foreign exchange risk. The exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. Accordingly, no sensitivity analysis is performed.

3 財務風險管理

3.1 財務風險因素

本集團的業務承受著多種財務風險：市場風險（包括外匯風險、利息風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並尋求盡量減低對本集團的財務表現的潛在不利影響。風險管理乃由本公司的高級管理層根據本公司董事會批准的政策進行。

(a) 市場風險

(i) 外匯風險

本集團主要於中國及香港經營業務。

香港呈報實體的功能貨幣為港幣，而交易大部分以港幣及美元（「美元」）計值。由於以美元計值之交易或結餘在聯繫匯率制度下兌港幣維持於合理穩定水平，董事認為本公司並無重大外匯風險。匯率波動風險將僅於換算本集團呈列貨幣時產生。因此，並無作出敏感度分析。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The functional currency of the PRC reporting entities is Renminbi (“RMB”) and the transactions are mostly denominated in RMB and HKD. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

The Group is exposed to foreign exchange risk primarily through financing, capital expenditure and expenses transactions that are denominated in a currency other than RMB, which is the functional currency of the major subsidiaries of the Group. The Group manages its exposures to foreign currency transactions by monitoring the level of foreign currency receipts and payments. The Group ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time. The Group is presently not using any forward exchange contract to hedge against foreign exchange risk as management considers its exposure is not significant.

At 31 March 2023, if HKD had strengthened/weakened by 5% (2022: 5%) against RMB with all other variables held constant, loss for the year would have been approximately HK\$10,007,000 higher/lower (2022: profit for the year would have been approximately HK\$9,876,000 higher/lower).

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

中國呈報實體的功能貨幣為人民幣(「人民幣」)，而交易大部分以人民幣及港幣計值。人民幣兌換為外幣須遵守中國政府頒佈的外匯管理規章制度。

本集團面臨的外匯風險主要為以本集團主要附屬公司功能貨幣(人民幣)以外的貨幣計值之融資、資本開支及費用交易。本集團監察外匯收款及付款水平，藉以管理外幣交易的風險。本集團確保所面臨的外匯風險淨額不時維持於可接受水平。由於管理層認為該外匯風險並非重大，本集團現時並無使用任何遠期外匯合約對沖外匯風險。

於二零二三年三月三十一日，倘港幣兌人民幣升值／貶值5% (二零二二年：5%)，在所有其他變量不變的情況下，年內虧損將減少／增加約10,007,000港元(二零二二年：年內溢利將增加／減少約9,876,000港元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings and receivables are carried at amortised cost.

The Group monitors closely its interest rate exposure by maintaining an appropriate floating rate borrowings and considers hedging significant interest rate exposure should the need arise. The position is regularly monitored and evaluated by reference of anticipated changes in market interest rate.

At 31 March 2023, if interest rates on bank and other borrowings had been 50 basis points (2022: 50 basis points) higher/lower with all other variables held constant, loss for the year would have been approximately HK\$2,201,000 higher/lower (2022: profit for the year would have been approximately HK\$2,972,000 lower/higher) mainly as a result of higher/lower interest expense on floating rate borrowings.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 利率風險

本集團之主要利率風險源自以可變利率計息之借款，該等借款使本集團面臨現金流量利率風險。本集團之借款及應收款項乃以攤銷成本列賬。

本集團透過維持適當比例之浮息借款密切監控其利率風險，並認為會於需要時對沖重大利率風險，並參考市場利率的預期變動定期監控及評估有關狀況。

於二零二三年三月三十一日，倘若銀行及其他借款利率調高／調低50個基點（二零二二年：50個基點），在所有其他可變數額不變的情況下，年度虧損將會增加／減少約2,201,000港元（二零二二年：年內溢利將減少／增加約2,972,000港元），主要由於浮息借款利息開支有所增加／減少。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk

The Group's exposure to price risk arises from investments held by the Group and classified in the consolidated statement of financial position as fair value through profit or loss (Note 24).

Loss for the year would decrease/increase by approximately HK\$1,433,000 (2022: profit for the year would increase/decrease by approximately HK\$1,451,000) as a result of 10% (2022: 10%) change in price on equity securities classified as at fair value through profit or loss.

(b) Credit risk

(i) Risk management

Credit risk arises if a customer or other counterparty fails to meet its contractual obligations. The credit risk of the Group mainly arises from trade and other receivables and deposits with banks and financial institutions.

The Group has policies that limit the amount of credit exposure to any financial institutions. Substantially all the deposits in banks are held in reputable financial institutions located in Hong Kong and the PRC, which management believes are of high credit quality and management does not expect any losses arising from non-performance by these counterparties.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(iii) 價格風險

本集團承受其持有投資所產生之價格風險，並於綜合財務狀況表分類為透過損益按公平值列賬(附註24)。

年內虧損將減少／增加約1,433,000港元(二零二二年：年內溢利將增加／減少約1,451,000港元)，乃由於分類為透過損益按公平值列賬之股權證券出現10%(二零二二年：10%)價格變動。

(b) 信貸風險

(i) 風險管理

倘客戶或其他交易對手方無法履行其合同義務，則產生信貸風險。本集團之信貸風險主要來自應收賬款及其他應收款項及銀行及金融機構之存款。

本集團制定政策限制來自任何金融機構之信貸風險。本集團大部份銀行存款乃存入香港及中國信譽卓著之金融機構，管理層認為有關金融機構之信貸質量良好，預期不會由於該等交易對手方不履約行為而產生任何虧損。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management (continued)

The Group also has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Sales to large or long-established customers with good payment history comprise a significant proportion of the total sales. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances.

The Group has concentration of credit risk as the top five trade debtors accounted for approximately 56% of its total trade debts balance as at 31 March 2023 (2022: 24%). In view of this, management of the Group regularly assesses by monitoring the individual profile of these accounts receivable. The Group also uses non-recourse accounts receivable factoring arrangements with bank to cover the credit risk. In this regard, management of the Group considers that the credit concentration risk has been significantly mitigated.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 風險管理 (續)

本集團亦設有政策以確保向具備合適信貸記錄之客戶銷售產品。向具備良好付款記錄之大型或長期客戶銷售佔銷售總額之重要部分。本集團過往收回應收賬款及其他應收款項之經驗並無超出入賬撥備。

本集團信貸風險集中，原因為於二零二三年三月三十一日之五大貿易應收賬款佔其貿易應收賬款總結餘約56%（二零二二年：24%）。有見於此，本集團管理層透過監控該等應收賬款之個別組合情況定期評估。本集團亦使用與銀行的無追溯權應收賬款保理安排以控制信貸風險。就此而言，本集團管理層認為信貸集中風險已大大降低。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of accounts receivable

The accounts receivable of the Group is subject to the expected credit loss model. The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all accounts receivable.

To measure expected credit losses, the Group categorises its accounts receivable based on the customer profiles, shared credit risk characteristics and the days past due.

The expected loss rates are based on the aging profiles of accounts receivable over a period of 12 months before 31 March 2023 or 31 March 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, after considering the expected market conditions and economic impact of the unprecedented COVID-19 on the countries in which major customers operate, affecting the ability of the customers to settle the receivables.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 應收賬款減值

本集團之應收賬款須應用預期信貸虧損模式。本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有應收賬款使用全期預期虧損撥備。

為計量預期信貸虧損，本集團根據客戶狀況、共同信貸風險特徵及逾期天數分類應收賬款。

預期虧損率乃分別基於二零二三年三月三十一日或二零二二年三月三十一日前12個月期間之應收賬款賬齡資料及期內經歷之相關過往信貸虧損。經考慮到預期市況及前所未見的2019新型冠狀病毒病對我們主要客戶之營運國家的經濟影響，過往虧損率已作調整以反映影響客戶償付應收款項能力之宏觀經濟因素目前及前瞻性資料。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of accounts receivable (continued)

The Group has identified the Gross Domestic Product index of the countries where customers mainly operate to be the most relevant factors, and accordingly adjust the historical loss rate based on expected changes in these factors.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group identifies two categories of its accounts receivable which reflect their credit risk as follows:

Measurement of expected credit loss on individual basis

For accounts receivable relating to customers which are affiliated companies of listed entities with satisfactory credit history or do not have continuing business with the Group, are assessed individually for impairment allowance. As at 31 March 2023, the balances of such individually assessed accounts receivable and the corresponding loss allowance are HK\$50,309,000 (2022: HK\$54,598,000) and HK\$28,000 (2022: HK\$20,000), respectively.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 應收賬款減值 (續)

本集團已識別客戶主要營運所在國家的國內生產總值指數為最相關的因素，並因此根據該等因素的預期變化而調整過往虧損率。

應收賬款的減值虧損於經營溢利中呈列為減值虧損淨額。其後收回以往撇銷的金額計入同一項目。

本集團已釐定兩類應收賬款，下文反映其信貸風險：

單獨計量預期信貸虧損

具有良好信貸往績之上市實體的關聯公司客戶或與本集團並無持續業務往來的客戶有關的應收賬款單獨接受減值撥備評估。於二零二三年三月三十一日，該等單獨評估之應收賬款的餘額及相應虧損撥備分別為50,309,000港元（二零二二年：54,598,000港元）及28,000港元（二零二二年：20,000港元）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of accounts receivable (continued)

Measurement of expected credit loss on collective basis

Other than accounts receivable which were assessed on individual basis, trade receivables have been grouped based on shared similar credit risk characteristics and the days past due.

The loss allowance as at 31 March 2023 was determined as follows for accounts receivable after factoring:

At 31 March 2023 於二零二三年三月三十一日

Assets 資產

Gross carrying amount 總賬面值

Loss allowance 虧損撥備

Expected loss rate 預期虧損率

At 31 March 2022 於二零二二年三月三十一日

Assets 資產

Gross carrying amount 總賬面值

Loss allowance 虧損撥備

Expected loss rate 預期虧損率

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 應收賬款減值 (續)

集體計量預期信貸虧損

除單獨評估之應收賬款外，貿易應收賬款已根據共同的相似信貸風險特徵及逾期天數分組。

於二零二三年三月三十一日之經保理後應收賬款虧損撥備釐定如下：

	1-30 days	31-60 days	61-90 days	Over 90 days	Total
Current	past due	past due	past due	past due	Total
即期	逾期1至30日	逾期31至60日	逾期61至90日	逾期90日以上	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
At 31 March 2023					
Gross carrying amount	126,878	26,702	8,858	6,134	169,264
Loss allowance	(2,818)	(1,377)	(624)	(3,590)	(8,803)
	124,060	25,325	8,234	2,544	160,461
Expected loss rate	2.2%	5.2%	7.0%	58.5%	5.2%
At 31 March 2022					
Gross carrying amount	152,588	38,823	34,321	5,690	249,719
Loss allowance	(1,690)	(818)	(1,191)	(1,603)	(14,978)
	150,898	38,005	33,130	4,087	234,741
Expected loss rate	1.1%	2.1%	3.5%	52.9%	6.0%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iii) Other financial assets at amortised cost

Other financial assets at amortised cost include deposits and other receivables. Management considers that the credit risk for certain balances has increased since initial recognition with reference to the counterparty historical default rate and current financial position. The Group applies the HKFRS 9 general approach to measure either 12-month or lifetime expected credit losses for these other financial assets based on the historical settlement pattern and financial position of these other financial assets and the forward-looking recoverability analysis of the counterparties. As at 31 March 2023, the corresponding loss allowance is approximately HK\$3,200,000 (2022: HK\$4,827,000).

While cash and cash equivalents, time deposits, restricted bank deposits and pledged deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(iii) 按攤銷成本計量之其他金融資產

按攤銷成本計量之其他金融資產包括存款及其他應收款項。經參考交易對手的過往違約率及當前財務狀況，管理層認為若干餘額的信貸風險自初始確認以來已經增加。本集團根據該等其他金融資產之過往結算模式及財務狀況以及交易對手的前瞻性可收回分析，採用香港財務報告準則第9號之一般方式計量該等其他金融資產的12個月或全期預期信貸虧損。於二零二三年三月三十一日，相應虧損撥備約為3,200,000港元（二零二二年：4,827,000港元）。

雖然現金及現金等同物、定期存款、受限制銀行存款及已抵押存款亦須應用香港財務報告準則第9號之減值規定，惟已識別之減值虧損並不重大。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management, after considering the expected market conditions and the outbreak of COVID-19, implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities. The Group aims to maintain flexibility in funding by keeping credit lines available at all time.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Hong Kong Interpretation 5 requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement. As at 31 March 2023, borrowings of approximately HK\$28,394,000 (2022: HK\$48,125,000) was classified as current liabilities due to this requirement.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

經考慮到預期市況及2019新型冠狀病毒病爆發，審慎的流動資金風險管理意味維持充足之現金，透過充足額度之銀行融資取得備用資金。本集團旨在透過長期維持可用信貸額度以確保資金靈活性。

管理層依據預期現金流量，監控本集團流動資金儲備的滾存預測。本集團之政策為定期監控當前及預期流動資金需求及其遵守貸款契約情況，從而確保本集團維持充足現金儲備以及獲主要財務機構承諾提供足夠資金，以應付其短期及長期之流動資金需求。

香港詮釋第5號規定，倘若定期貸款包含一項條款，賦予貸款人無條件權利可於任何時間催還貸款，則借款人須於財務狀況表內將該貸款之總額歸類為即期，而不論有否發生違約事件，以及貸款協議所載之其他條款及到期日。於二零二三年三月三十一日，約28,394,000港元(二零二二年：48,125,000港元)之借款因應此項規定而分類為流動負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

At the reporting date, the Group held cash and cash equivalents of approximately HK\$203,372,000 (2022: HK\$256,934,000) (Note 25) and accounts receivable of approximately HK\$210,742,000 (2022: HK\$289,319,000) (Note 22) that are expected to generate cash inflows for managing liquidity risk. In addition, the Group held financial assets at fair value through profit or loss of approximately HK\$27,408,000 (2022: HK\$14,508,000) (Note 24), which could be realised to provide a further source of cash if needed.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

於報告日期，本集團持有現金及現金等同物約203,372,000港元(二零二二年：256,934,000港元)(附註25)及應收賬款約210,742,000港元(二零二二年：289,319,000港元)(附註22)，預期可產生現金流入以管理流動資金風險。此外，本集團持有透過損益按公平值列賬之金融資產約27,408,000港元(二零二二年：14,508,000港元)(附註24)，可於有需要時變現以提供額外現金。

下表載列本集團金融負債根據於報告期末至合約到期日之餘下期間按有關到期組別之分析。下表披露之金額為合約未折現現金流量。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

		On demand or within one year 按要求或一年內 HK\$'000 千港元	One to two years 一年至兩年 HK\$'000 千港元	Two to five years 兩年至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2023	二零二三年				
Accounts and bills payable	應付賬款及票據	202,402	-	-	202,402
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及 應計負債之 金融負債	54,256	4,986	18,703	77,945
Bank borrowings	銀行借貸	283,434	90,978	-	374,412
Lease liabilities	租賃負債	5,964	3,790	2,951	12,705
		546,056	99,754	21,654	667,464
2022	二零二二年				
Accounts and bills payable	應付賬款及票據	313,403	-	-	313,403
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及 應計負債之 金融負債	56,485	-	-	56,485
Bank borrowings	銀行借貸	429,033	22,546	98,049	549,628
Lease liabilities	租賃負債	6,222	4,954	2,155	13,331
		805,143	27,500	100,204	932,847

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The following table summarises the maturity analysis of bank borrowings subject to repayment on demand based on agreed scheduled repayments set out in the loan agreements. The amount includes interest payments computed using contractual rates. Taking into account the Group's net assets, the directors do not consider that it is probable that the bank will exercise its discretion to immediate repayment. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表概述須按要求償還之銀行借貸的到期分析，乃根據貸款協議所載之協定還款期編製。該金額包括以合約利率計算之利息付款。經考慮到本集團的資產淨值，董事認為銀行行使其酌情權要求立即還款的機會不大。董事相信，該等借貸將依照貸款協議所載的預定還款日期償還。

Maturity analysis – bank borrowings subject to repayment
on demand clause based on their original scheduled repayments
到期分析 – 附有按要求償還條款之銀行借貸，根據原定還款期編製

		Within one year 一年內 HK\$'000 千港元	One to two years 一年至兩年 HK\$'000 千港元	Two to five years 兩年至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
2023	二零二三年	31,906	31,426	-	63,332	58,683
2022	二零二二年	17,990	23,100	28,455	69,545	65,625

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic condition. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, obtain bank borrowings, or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity.

Total bank borrowings	銀行借貸總額
Total equity	總權益
Gearing ratio	資本負債比率

3 財務風險管理(續)

3.2 資本管理

本集團之資本管理目標旨在保障本集團之持續經營能力，為股東提供回報，同時維持最佳的資本結構以減低資本成本。

本集團管理資本結構，並根據經濟狀況的變動作出調整。為維持或調整資本結構，本集團或會調整已付股東之股息金額、獲取銀行借款或發行新股。

本集團利用資本負債比率監控資本。該比率以銀行借貸總額除以總權益計算。

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
351,265	529,147
1,104,685	1,589,910
32%	33%

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2023 and 2022 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理(續)

3.3 公平值估計

下表按計量公平值所用估值法輸入數據的層級對本集團於二零二三年及二零二二年三月三十一日之按公平值入賬的金融工具進行分析。該等輸入數據在公平值層級中分為三層，層級如下：

- 就相同資產或負債於活躍市場之報價(未經調整)(第一層)；
- 就資產或負債可直接(即按價格)或間接(即從價格所得)觀察所得之輸入數據(惟納入第一級內之報價除外)(第二層)；及
- 資產或負債並非依據可觀察市場數據之輸入數據(即不可觀察輸入數據)(第三層)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.3 Fair value estimation (continued)

The following table presents the Group's financial assets that are at fair value at 31 March 2023 and 2022.

		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2023	於二零二三年三月三十一日				
Assets	資產				
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	85	14,244	13,079	27,408
At 31 March 2022	於二零二二年三月三十一日				
Assets	資產				
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	87	14,421	12,684	27,192

There were no transfers between level 1, 2 and 3 and no other changes in valuation techniques during the year.

3 財務風險管理 (續)

3.3 公平值估計 (續)

下表呈列於二零二三年及二零二二年三月三十一日本集團以公平值計量之金融資產。

年內，第一層、第二層與第三層之間並無轉移，估值方法亦無其他變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.3 Fair value estimation (continued)

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3 財務風險管理 (續)

3.3 公平值估計 (續)

第一層之金融工具

在活躍市場買賣之金融工具之公平值根據財務狀況表日期之市場報價計算。當可容易及定期從證券交易所、經銷商、經紀、業內人士或者監管代理取得報價，而有關報價代表按公平交易基準進行之實際與常規市場交易時，該市場被視為活躍市場。

第二層之金融工具

並非於活躍市場買賣之金融工具的公平值(例如場外衍生工具)利用估值技術釐定，此等估值技術盡量利用可觀察市場數據，盡量減少依賴實體特定估計。如工具公平值所需的全部重大輸入數據為可觀察，該工具列入第二層。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

3 FINANCIAL RISK MANAGEMENT

(continued)

3.3 Fair value estimation (continued)

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for key management insurance.

The fair value of insurance policy investments that is not traded in an active market is determined based on the cash surrender value. The significant unobservable inputs that determine the fair value is cash surrender value, which is contractually agreed upon entering into the insurance contract.

The following table presents the changes in level 3 instruments for the years ended 31 March 2023 and 2022.

At 1 April	於四月一日
Fair value gain recognised to profit or loss	於損益確認之公平值收益
At 31 March	於三月三十一日

3 財務風險管理 (續)

3.3 公平值估計 (續)

第三層之金融工具

如一項或多項重大輸入數據並非根據可觀察市場數據，則該工具列入第三層。主要管理層保險屬於此情況。

並非於活躍市場買賣之保單投資的公平值乃根據退保現金價值釐定。釐定公平值的重大不可觀察輸入數據為退保現金價值，其於訂立保險合同時協定。

下表呈列第三層工具於截至二零二三年及二零二二年三月三十一日止年度之變動。

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
12,684	12,283
395	401
13,079	12,684

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of freehold land and buildings and investment properties

The Group carries its freehold land and buildings, and investment properties at fair value with changes in the fair value recognised in the consolidated statement of comprehensive income and consolidated income statement, respectively. It obtains independent valuations at least annually. At the end of each reporting period, the management updates their assessment of the fair value of each property, taking into account the most recent independent valuations. Refer to Notes 15 and 16 for the assumptions, valuation techniques and fair value measurement.

4 重大會計估計及判斷

估計及判斷會被持續評估，並按過往經驗及其他因素(包括於有關情況下相信為合理之未來事件之預測)而作出。

4.1 重大會計估計及假設

本集團就日後事項作出估計和假設。由於其為會計估計，故甚少與有關實際結果相符。有相當風險會引致須於下個財政年度對資產及負債的賬面值作重大調整的估計及假設討論如下。

(a) 永久業權土地及樓宇以及投資物業之公平值

本集團分別於綜合全面收益表及綜合收益表按公平值確認永久業權土地及樓宇以及投資物業及公平值變動。本集團至少每年取得獨立估值。於各報告期末，管理層更新彼等對各物業公平值之評估，當中計及最近期的獨立估值。有關假設、估值技術及公平值計量，請查閱附註15及16。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(b) Provision for inventories

The Group's management reviews the inventory aging analysis periodically and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow-moving items through management's estimation of the net realisable value for such obsolete and slow-moving items based primarily on the latest invoice prices and current market conditions.

(c) Provision for impairment of financial assets

The impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period, including the consideration of the global health issues. Details of the key assumptions and inputs used and the impact of changes to these assumptions are disclosed in Note 3.1(b).

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(b) 存貨撥備

本集團之管理層定期審閱存貨之賬齡分析，並為確認為不再適合銷售之過時及滯銷存貨項目作出撥備。於各報告期末，本集團按每項產品作出存貨檢討，並透過管理層主要根據最近發票價格及現時市況對該等過時及滯銷項目之可變現淨值估計，為過時及滯銷項目作出撥備。

(c) 金融資產減值撥備

金融資產的減值乃依據對違約風險及預期虧損率的假設。本公司於作出該等假設及選擇減值計算的輸入數據時行使判斷，當中依據本集團過往記錄、現時市況以及於各報告期末的前瞻性估計(包括考慮到全球衛生問題)。所使用的主要假設及輸入數據的詳情以及該等假設變動的影響於附註3.1(b)披露。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(d) Impairment of goodwill, property, plant and equipment and right-of-use assets

Assets are tested for impairment in accordance with the accounting policy disclosed in Note 2.10. The recoverable amounts of non-financial assets have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment, including the consideration of the expected market conditions, in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(d) 商譽、物業、廠房及設備以及使用權資產的減值

資產根據附註2.10中披露之會計政策進行減值測試。非金融資產的可收回金額乃根據使用價值計算或公平值減出售成本後兩者之間較高者而釐定。該等計算需要行使判斷及估計。於資產減值方面，管理層需要作出判斷，包括考慮預期市場狀況，以評估：(i) 有否發生可能反映相關資產價值可能無法收回的事件；(ii) 資產的賬面值能否得到可收回金額的支持，可收回金額即公平值減出售成本與未來現金流量的淨現值（根據於業務中持續使用該資產而進行估算）兩者之間較高者；及(iii) 編製現金流量預測時應用適當的關鍵假設，包括該等現金流量預測是否使用適當比率進行貼現。更改管理層於評估減值時選擇的假設，包括現金流量預測中的假設貼現率或增長率，有可能對減值測試中使用的淨現值造成重大影響，繼而影響本集團的財務狀況及經營業績。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(e) Impairment of properties under development and completed properties held for sale

The Group assesses the carrying amounts of properties under development and completed properties held for sale according to their net realisable values based on the realisability of these properties and consideration of the potential impact on selling price resulting from the COVID-19 outbreak. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion. Net realisable value for completed properties held for sale is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses. Based on management's best estimates, there were impairment of HK\$191,304,000 and HK\$48,774,000 respectively for properties under development and completed properties held for sale as at date of statement of financial position.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(e) 發展中物業及持作出售之竣工物業減值

本集團根據發展中物業及持作出售之竣工物業之可變現淨值(基於該等物業之可變現性及考慮到2019新型冠狀病毒病的爆發對產品價格的潛在影響)評估其賬面值。發展中物業之可變現淨值乃參考管理層根據現行市況估計之售價，減去適用之可變銷售開支及預期竣工成本而釐定。持作出售之竣工物業之可變現淨值乃參考管理層根據現行市況估計之售價，減去適用之可變銷售開支而釐定。根據管理層的最佳估計，發展中物業及持作出售之竣工物業於財務狀況表日期之減值分別為191,304,000港元及48,774,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 Critical accounting estimates and assumptions (continued)

(f) Current and deferred income tax

The Group is subject to taxes in Hong Kong and the PRC. Significant judgement is required in determining the provision for various kinds of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the consolidated income statement in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimates, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimates are changed.

4 重大會計估計及判斷(續)

4.1 重大會計估計及假設(續)

(f) 當期及遞延所得稅

本集團需要在香港及中國繳納稅項。在釐定各種稅項撥備時，需要作出重大判斷。有許多未能確定最終稅款之交易及計算。本集團根據對是否需要繳付額外稅款之估計，就預期稅務審計項目確認負債。如此等事件之最終稅務後果與最初記錄金額不同，此等差額將影響作出此等釐定期間之綜合收益表。

當管理層認為可動用暫時差額或稅務虧損以抵銷未來應課稅溢利時，將確認若干暫時差額相關遞延所得稅項資產及稅務虧損。倘預期與原定估計不同，有關差額將影響估計出現變動期內的遞延所得稅項資產及稅項的確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION

Chief operating decision maker (“CODM”) has been identified as the Board of Directors of the Company (the “Directors”). CODM reviews the Group’s internal reports in order to assess performance, allocate resources and determine the operating segments.

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the electrical and electronic products segment consists of the manufacture and sale of robotics, juvenile products, baby care products, IoT, smart home products and healthcare products;
- (b) the motors segment consists of the development, design, manufacture and sale of electric motor drives and related products; and
- (c) the real estate development segment.

5 分類資料

本公司董事（「董事」）會被認定為主要營運決策者（「主要營運決策者」）。主要營運決策者審閱本集團之內部報告以評估表現、分配資源及釐定業務分類。

就管理而言，本集團根據其產品及服務劃分其業務單位，並有以下三個可呈報業務分類：

- (a) 電器及電子產品分類，包括製造及銷售機械人、少兒產品、嬰兒護理產品、物聯網、智能家居產品及保健產品；
- (b) 電機分類，包括開發、設計、製造及銷售電機驅動器及相關產品；及
- (c) 房地產發展分類。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION *(continued)*

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

Segment assets exclude unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated liabilities as these liabilities are managed on a group basis.

5 分類資料 *(續)*

管理層獨立監察本集團業務單位之經營業績，以便作出與資源分配及表現評核有關的決定。分類表現根據經營溢利或虧損而評估，而有關之經營溢利或虧損之計量方法，在若干方面如下表所解釋，與綜合財務報表中之經營溢利或虧損之計量方法有所不同。

集團融資（包括財務費用及財務收入）及所得稅按集團基準管理，並不會分配至業務分類。

分類單位間銷售及轉讓乃參考按當時現行市價售予第三方所採用之售價進行。

由於未分配資產乃按集團基準管理，因此分類資產不包括該等資產。

由於未分配負債乃按集團基準管理，因此分類負債不包括該等負債。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(a) Operating segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 March 2023 and 2022.

31 March 2023

		Electrical and electronic products 電器及 電子產品 HK\$'000 千港元	Motors 電機 HK\$'000 千港元	Real estate development 房地產發展 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分類收益						
Revenue from external customers	來自外界客戶的收益						
Timing of revenue recognition	確認收益時間						
- At a point of time	- 在某個時間點	459,846	745,516	4,240	-	-	1,209,602
Inter-segment sales	分類單位間銷售	19,507	1,346	-	-	(20,853)	-
Total	總計	479,353	746,862	4,240	-	(20,853)	1,209,602
Cost of sales – Impairment of property, plant and equipment	銷售成本 – 物業、廠房及設備減值	(14,076)	(36,714)	-	-	-	(50,790)
Cost of sales – Impairment of properties under development and completed properties held for sale	銷售成本 – 發展中物業及持作出售之竣工物業減值	-	-	(240,078)	-	-	(240,078)
Other income and gains, net	其他收入及收益，淨額	35,302	10,839	(9,906)	1	-	36,236
Segment results	分類業績	(15,211)	322	(257,521)	(1,053)	-	(273,463)
Unallocated gain, net	未分配收益，淨額						343
Unallocated expenses	未分配開支						(12,940)
Finance costs, net	財務費用，淨額						(11,663)
Loss before income tax	除所得稅前虧損						(297,723)
Income tax credit	所得稅抵免						3,554
Loss for the year	年度虧損						(294,169)

5 分類資料 (續)

(a) 業務分類

下表呈列本集團於截至二零二三年及二零二二年三月三十一日止年度，業務分類之收益、業績及若干資產、負債及支出資料。

二零二三年三月三十一日

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

31 March 2023 (continued)

5 分類資料 (續)

(a) 業務分類 (續)

二零二三年三月三十一日 (續)

		Electrical and electronic products 電器及 電子產品 HK\$'000 千港元	Motors 電機 HK\$'000 千港元	Real estate development 房地產發展 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment assets	分類資產	947,602	856,385	495,943	73,743	(525,653)	1,848,020
Unallocated assets	未分配資產						248,193
Total assets	總資產						2,096,213
Segment liabilities	分類負債	173,263	240,255	631,196	282,597	(525,653)	801,658
Unallocated liabilities	未分配負債						189,870
Total liabilities	總負債						991,528
Other segment information:	其他分類資料：						
Capital expenditure	資本支出	19,523	101,749	3,904	-	-	125,176
Impairment of intangible assets	無形資產減值	6,207	-	-	-	-	6,207
Depreciation	折舊	56,736	67,956	119	1,367	-	126,178
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(11)	624	-	-	-	613
Deficit on revaluation of land and buildings recognised directly in equity	直接於權益確認之土地及樓宇之重估虧絀	19,331	21,629	-	2,567	-	43,527
Fair value loss on investment properties	投資物業之公平值虧損	-	-	9,906	-	-	9,906

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

31 March 2022

		Electrical and electronic products 電器及 電子產品 HK\$'000 千港元	Motors 電機 HK\$'000 千港元	Real estate development 房地產發展 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分類收益						
Revenue from external customers	來自外界客戶的收益						
Timing of revenue recognition	確認收益時間						
- At a point of time	- 在某個時間點	1,267,957	1,044,052	4,306	-	-	2,316,315
Inter-segment sales	分類單位間銷售	34,582	4,021	-	-	(38,603)	-
Total	總計	1,302,539	1,048,073	4,306	-	(38,603)	2,316,315
Other income/(expenses) and gains/(losses), net	其他收入/(開支) 及收益/(虧損), 淨額	14,713	51,419	(2,370)	-	-	63,762
Segment results	分類業績	37,648	71,350	(13,503)	(3,497)	-	91,998
Unallocated gain, net	未分配收益, 淨額						3,268
Unallocated expenses	未分配開支						(12,253)
Finance costs, net	財務費用, 淨額						(8,606)
Profit before income tax	除所得稅前溢利						74,407
Income tax expense	所得稅開支						(17,549)
Profit for the year	年度溢利						56,858

5 分類資料 (續)

(a) 業務分類 (續)

二零二二年三月三十一日

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

31 March 2022 (continued)

		Electrical and electronic products 電器及 電子產品 HK\$'000 千港元	Motors 電機 HK\$'000 千港元	Real estate development 房地產 發展 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment assets	分類資產	1,687,514	1,103,991	769,864	38,170	(1,064,859)	2,534,680
Unallocated assets	未分配資產						383,403
Total assets	總資產						2,918,083
Segment liabilities	分類負債	277,238	313,556	853,433	282,693	(1,064,859)	662,061
Unallocated liabilities	未分配負債						666,112
Total liabilities	總負債						1,328,173
Other segment information:	其他分類資料：						
Capital expenditure	資本支出	7,969	36,149	6	-	-	44,124
Depreciation	折舊	61,903	71,122	132	1,644	-	134,801
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益	-	(34)	-	-	-	(34)
Deficit on revaluation of land and buildings recognised directly in equity	直接於權益確認之 土地及樓宇之 重估虧絀	10,950	10,384	-	2,525	-	23,859
Fair value loss on investment properties	投資物業之 公平值虧損	-	-	2,601	-	-	2,601

5 分類資料 (續)

(a) 業務分類 (續)

二零二二年三月三十一日 (續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(b) Geographical information

	United States of America 美國		Europe 歐洲		Asia 亞洲		Consolidated 綜合	
	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Segment revenue: 分類收益:								
Revenue from external customers 來自外界客戶的收益	260,571	997,524	132,082	288,741	816,949	1,030,050	1,209,602	2,316,315

The revenue information above is based on the locations of the customers.

上述收益資料乃根據客戶所在地劃分。

	Hong Kong 香港		Mainland China 中國內地		Malaysia 馬來西亞		Consolidated 綜合	
	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Other segment information: 其他分類資料:								
Non-current assets 非流動資產	5,993	6,206	955,129	1,182,063	36,344	33,819	997,466	1,222,088

The non-current assets for the above segment information consist of property, plant and equipment, investment properties, right-of-use assets, properties under development, intangible assets and prepayments, deposits and other receivables, but exclude deferred tax assets and financial assets at fair value through profit or loss.

上述分類資料之非流動資產包括物業、廠房及設備、投資物業、使用權資產、發展中物業、無形資產以及預付款項、按金及其他應收款項，但不包括遞延稅項資產及透過損益按公平值列賬之金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(c) Information about major customers

Revenue of HK\$206,122,000 (2022: HK\$622,020,000) was derived from sales of motor products (2022: electrical and electronic products) to a major customer, which accounted for 17% (2022: 27%) of the Group's total revenue.

(d) Contract liabilities

The Group has recognised the following liabilities:

Contract liabilities related to sales of goods (Note i)	有關銷售貨品之合約負債(附註i)
Contract liabilities related to sales of properties (Note ii)	有關銷售物業之合約負債(附註ii)
Receipt in advance	預收款項

Notes:

- (i) These consist of advanced payments received from customers for goods that have not yet been transferred to the customers.
- (ii) These consist of advanced payments received from customers resulting from the properties sales.

5 分類資料(續)

(c) 有關主要客戶之資料

收益206,122,000港元(二零二二年: 622,020,000港元)乃源自向一名主要客戶銷售電機產品(二零二二年: 電器及電子產品), 該客戶佔本集團收益總額17%(二零二二年: 27%)。

(d) 合約負債

本集團已確認以下負債:

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
6,435	42,894
140,523	137,867
12,000	-
158,958	180,761

附註:

- (i) 此包括就尚未轉移至客戶之貨品向客戶預先收取之付款。
- (ii) 此包括來自銷售物業向客戶預收之付款。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

5 SEGMENT INFORMATION (continued)

(e) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised for the year ended 31 March 2023 and 2022 relates to carried-forward contract liabilities:

Contract liabilities related to sales of goods	有關銷售貨品之合約負債
Contract liabilities related to sales of properties	有關銷售物業之合約負債

5 分類資料 (續)

(e) 就合約負債已確認之收益

下表顯示截至二零二三年及二零二二年三月三十一日止年度就結轉合約負債確認之收益款額：

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
	42,894	23,592
	-	120
	42,894	23,712

NOTES TO FINANCIAL STATEMENTS

財務報表附註

6 OTHER INCOME AND GAINS, NET

6 其他收入及收益，淨額

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Fair value gain on financial assets at fair value through profit or loss, net	274	4,155
Fair value loss on investment properties, net (Note 16)	(9,906)	(2,601)
(Loss)/gain on disposal of property, plant and equipment	(613)	34
Gain on disposal of a subsidiary (Note i)	-	605
Gain on termination of lease	21	-
Gross rental income	2,669	1,767
Sales of scrap materials	5,320	11,257
Subsidy income (Note ii)	15,556	44,970
Gain on deregistration of a subsidiary (Note iii)	18,142	-
Others	5,116	6,843
	36,579	67,030

Notes:

- (i) On 25 October 2021, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire interest in an indirect wholly owned subsidiary of the Company, which was principally engaged in manufacture and trading of moulds, for a cash consideration of RMB400,000 (equivalent to HK\$486,000). The transaction was completed on the same date, resulting in a gain on disposal of approximately HK\$605,000.
- (ii) Various government subsidies have been received from the local government authorities for subsidising the operating activities, research and development activities, and acquisition of fixed assets. During the year ended 31 March 2023, subsidies income amounting to HK\$15,556,000 (2022: HK\$44,970,000) are recognised in profit or loss, including the recognition of deferred government subsidy income of HK\$9,158,000 (2022: HK\$39,895,000).

附註：

- (i) 於二零二一年十月二十五日，本集團與一名獨立第三方訂立買賣協議，以現金代價人民幣400,000元（相等於486,000港元）出售本公司一間間接全資附屬公司的全部股權，該公司主要從事模具生產及買賣。有關交易已於同日完成並產生出售收益約605,000港元。
- (ii) 本公司已自當地政府機構收取各類政府補助以補貼營運活動、研發活動及收購固定資產。於截至二零二三年三月三十一日止年度，補貼收入合共15,556,000港元（二零二二年：44,970,000港元）已於損益內確認，包括確認遞延政府補貼收入9,158,000港元（二零二二年：39,895,000港元）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

6 OTHER INCOME AND GAINS, NET

(continued)

Notes: (continued)

- (iii) During the year ended 31 March 2023, management has deregistered an indirect wholly owned subsidiary of the Company located in British Virgin Islands. Gain amounted to HK\$18,142,000 was mainly resulted from the reclassification of cumulative exchange difference, previously recorded in exchange reserve, to income statement according to HKAS 21.

7 FINANCE COSTS, NET

Finance income	財務收入	1,599	1,101
Interest expense on bank loans	銀行貸款之利息開支	(19,960)	(17,294)
Interest expense on lease liabilities (Note 17(b))	租賃負債之利息開支 (附註17(b))	(396)	(350)
Amount capitalised (Note)	撥充資本金額(附註)	(20,356)	(17,644)
		7,094	7,937
Finance costs	財務費用	(13,262)	(9,707)
Finance costs, net	財務費用淨額	(11,663)	(8,606)

Note:

During the year ended 31 March 2023, interest expense of HK\$7,094,000 (2022: HK\$7,937,000) was capitalised under properties under development. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's borrowings during the year of 5.3% (2022: 2.8%).

6 其他收入及收益，淨額 (續)

附註：(續)

- (iii) 截至二零二三年三月三十一日止年度，管理層已撤銷註冊本公司位於英屬維爾京群島的一間間接全資附屬公司。收益為18,142,000港元，主要由於根據香港會計準則第21號將先前計入外匯儲備的累計匯兌差額重新分類至收益表所致。

7 財務費用，淨額

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
1,599	1,101
(19,960)	(17,294)
(396)	(350)
(20,356)	(17,644)
7,094	7,937
(13,262)	(9,707)
(11,663)	(8,606)

附註：

於截至二零二三年三月三十一日止年度，利息開支為7,094,000港元(二零二二年：7,937,000港元)於發展中物業項下資本化。用於釐定將予資本化的借款成本金額的資本化率為適用於實體年內借款之加權平均利率，即5.3%(二零二二年：2.8%)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

8 (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

Cost of inventories sold	已售存貨成本
Cost of properties sold	已售物業成本
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備折舊 (附註15)
Depreciation of right-of-use assets (Note 17(a))	使用權資產折舊 (附註17(a))
Employee benefit expenses (Note 9)	僱員福利開支 (附註9)
Auditor's remuneration	核數師酬金
Legal and professional fee	法律及專業費用
Short-term lease expenses	短期租賃開支
Provision for impairment of inventories, net (Note 21)	存貨減值撥備，淨額 (附註21)
Impairment loss on properties, plant and equipment (Note i)	物業、廠房及設備之減值虧損 (附註i)
Impairment loss on goodwill (Note 18)	商譽之減值虧損 (附註18)
Impairment of properties under development (Note ii)	發展中物業減值 (附註ii)
Impairment of completed properties held for sale (Note ii)	持作出售之竣工物業減值 (附註ii)

Notes:

- (i) During the year ended 31 March 2023, management considered that impairment indicator existed for the non-financial assets of the Electrical and Electronic cash generating unit as a result of its unfavourable performance. Based on value-in-use assessment, impairment losses of HK\$14,076,000 and HK\$6,207,000 were recognised on properties, plant and equipment and goodwill, respectively.

During the year ended 31 March 2023, the Group decided to scale down one of its production plants which resulted in a provision for impairment of the relevant non-current assets totaling HK\$36,714,000.

8 除稅前(虧損)/溢利

本集團之除稅前(虧損)/溢利已扣除下列各項：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
688,333	1,443,250
6,226	4,002
119,452	129,588
6,726	5,213
350,270	499,341
3,500	3,180
8,228	7,018
140	233
5,801	4,583
50,790	-
6,207	-
191,304	-
48,774	-

附註：

- (i) 於截至二零二三年三月三十一日止年度，由於電器及電子產品現金產生單位的表現不佳，管理層認為電器及電子產品現金產生單位的非金融資產存在減值指標。根據使用價值評估，物業、廠房及設備以及商譽分別確認減值虧損14,076,000港元及6,207,000港元。

於截至二零二三年三月三十一日止年度，本集團決定縮減一間生產工廠，導致相關非流動資產計提減值撥備合共36,714,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

8 (LOSS)/PROFIT BEFORE TAX

(continued)

Notes: (continued)

- (ii) During the year ended 31 March 2023, impairment loss of HK\$191,304,000 and HK\$48,774,000 were made to write down the properties under development, including the shelved project which the management decided to cease further development during the year, and completed properties held for sale to their net realisable values, respectively.

9 EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses (including Directors' emoluments)

Wages, salaries and other employee welfares	工資、薪金及其他僱員福利
Retirement benefits costs	退休福利成本

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include five (2022: five) directors whose emoluments are reflected in the analysis shown in Note 10.

- (c) During the year, no emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group, or as compensation for loss of office (2022: Nil).

8 除稅前(虧損)/溢利(續)

附註：(續)

- (ii) 截至二零二三年三月三十一日止年度，分別計提191,304,000港元及48,774,000港元的減值虧損，以將發展中物業(包括管理層於本年度決定停止進一步開發之擱置項目，以及持作出售之竣工物業)撇減至其可變現淨值。

9 僱員福利開支

(a) 僱員福利開支(包括董事薪酬)

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
348,746	497,896
1,524	1,445
350,270	499,341

(b) 五位最高薪酬人士

本年度本集團五位最高薪酬人士當中包括五名(二零二二年：五名)董事，有關彼等之酬金於附註10列載之分析反映。

- (c) 於年內，本集團並無向董事支付任何酬金作為將加入本集團或加入本集團時的獎勵或作為離職補償(二零二二年：無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

(a) Directors' and chief executive's emoluments

The remuneration of every director and chief executive for the year ended 31 March 2023 and 2022 is set out below:

2023	二零二三年
Executive directors and the chief executive	執行董事及最高行政人員
Cheng Chor Kit (Note i)	鄭楚傑(附註i)
Liu Tat Luen	廖達鸞
Cheng Tsz To	鄭子濤
Cheng Tsz Hang	鄭子衡
Lee Kim Wa, Winston (Note ii)	李劍華(附註ii)
Non-executive director	非執行董事
Fung Wah Cheong, Vincent (Note iii)	馮華昌(附註iii)
Independent non-executive directors	獨立非執行董事
Wong Chi Wai	黃兆維
Sun Kwai Yu, Vivian	孫季如
Cheng Kwok Kin, Paul (Note iv)	鄭國乾(附註iv)
Cheung Wang Ip	張宏業

10 董事利益及權益(依據《香港公司條例》(第622章)第383條、《公司(披露董事利益資料)規例》(第622G章)及香港上市規則披露要求)

(a) 董事及主要行政人員酬金

截至二零二三年及二零二二年三月三十一日止年度，各董事及主要行政人員的薪酬載列如下：

Fee	Discretionary bonus	Equity-settled share option expense	Pension scheme contributions	Total
袍金	薪金	酌情花紅	退休金計劃供款	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元
-	5,340	-	-	5,340
-	2,280	-	18	2,298
-	1,800	-	18	1,818
-	2,160	-	18	2,178
-	2,546	-	12	2,558
300	-	-	-	300
300	-	-	-	300
300	-	-	-	300
150	-	-	-	150
300	-	-	-	300
1,350	14,126	-	66	15,542

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(a) Directors' and chief executive's emoluments (continued)

2022	二零二二年
Executive directors and the chief executive	執行董事及最高行政人員
Cheng Chor Kit (Note i)	鄭楚傑 (附註i)
Liu Tat Luen	廖達鸞
Cheng Tsz To	鄭子濤
Cheng Tsz Hang	鄭子衡
Lee Kim Wa, Winston (Note ii)	李劍華 (附註ii)
Non-executive director	非執行董事
Fung Wah Cheong, Vincent (Note iii)	馮華昌 (附註iii)
Independent non-executive directors	獨立非執行董事
Wong Chi Wai	黃弛維
Sun Kwai Yu, Vivian	孫季如
Cheng Kwok Kin, Paul (Note iv)	鄭國乾 (附註iv)
Cheung Wang Ip	張宏業

Fee	Salary	Discretionary bonus	Equity-settled share option expense	Pension scheme contributions	Total
袍金	薪金	酌情花紅	股本結算購股權開支	退休金計劃供款	總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元
-	5,340	-	-	-	5,340
-	2,280	-	-	18	2,298
-	1,800	-	-	18	1,818
-	2,160	-	-	18	2,178
-	3,600	-	-	18	3,618
300	-	-	-	-	300
300	-	-	-	-	300
300	-	-	-	-	300
300	-	-	-	-	300
1,500	15,180	-	-	72	16,752

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2022: Nil).

於年內，並無董事或最高行政人員放棄或同意放棄任何酬金之安排（二零二二年：無）。

10 董事利益及權益（依據《香港公司條例》（第622章）第383條、《公司（披露董事利益資料）規例》（第622G章）及香港上市規則披露要求）（續）

(a) 董事及主要行政人員酬金（續）

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(a) Directors' and chief executive's emoluments (continued)

Notes:

- (i) Mr. Cheng Chor Kit, a director of the Company, is also the chief executive of the Company.
- (ii) Mr. Lee Kim Wa, Winston was appointed as an executive director on 1 April 2021 and resigned on 2 December 2022.
- (iii) Dr. Fung Wah Cheong, Vincent, resigned as an executive director and was re-designated as a non-executive director on 1 April 2021.
- (iv) Mr. Cheng Kwok Kin, Paul deceased on 12 September 2022.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 March 2023 (2022: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 March 2023 (2022: Nil).

10 董事利益及權益（依據《香港公司條例》（第622章）第383條、《公司（披露董事利益資料）規例》（第622G章）及香港上市規則披露要求）（續）

(a) 董事及主要行政人員酬金（續）

附註：

- (i) 本公司董事鄭楚傑先生亦為本公司行政總裁。
- (ii) 李劍華先生於二零二一年四月一日獲委任為執行董事並於二零二二年十二月二日辭任。
- (iii) 馮華昌博士於二零二一年四月一日辭任執行董事並調任為非執行董事。
- (iv) 鄭國乾先生於二零二二年九月十二日辭世。

(b) 董事退休福利

截至二零二三年三月三十一日止年度內，概無董事收到或將收到任何退休福利（二零二二年：無）。

(c) 董事辭退福利

截至二零二三年三月三十一日止年度內，概無董事收到或將收到任何辭退福利（二零二二年：無）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) *(continued)*

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2023, the Company did not pay consideration to any third parties for making available directors' services (2022: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 March 2023, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2022: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

Apart from those disclosed in Note 33, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

10 董事利益及權益（依據《香港公司條例》（第622章）第383條、《公司（披露董事利益資料）規例》（第622G章）及香港上市規則披露要求）*（續）*

(d) 就獲提供董事服務而給予第三方代價

截至二零二三年三月三十一日止年度，本公司概無就獲提供董事服務支付代價予任何第三方（二零二二年：無）。

(e) 關於向董事、受董事控制的法人團體及與董事有關連實體作出的貸款及類似貸款，以及惠及該等董事的其他交易的資料

截至二零二三年三月三十一日止年度，本公司概無向董事、或受董事控制的法人團體及與董事有關連實體作出貸款及類似貸款，以及惠及該等人士的其他交易安排（二零二二年：無）。

(f) 董事在交易、安排或合約中的重大權益

除附註33所披露者外，於本年年末或年內任何時間，概無與本集團業務有關連之重要交易、安排或合約，是以本公司為一方，同時本公司董事直接或間接地存在重大利害關係。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

11 INCOME TAX

11 所得稅

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current – Hong Kong	本年度 – 香港		
Charge for the year	年內支出	1,668	6,459
Adjustment for current tax of prior years	過往年度即期稅項調整	(6,047)	938
Current – Elsewhere	本年度 – 其他地區		
Charge for the year	年內支出	212	3,555
Adjustment for current tax of prior years	過往年度即期稅項調整	–	(3,856)
Deferred tax (Note 29)	遞延稅項 (附註29)	613	10,453
		(3,554)	17,549
Total tax (credit)/charge for the year	年內稅項(抵免)/支出總額		

NOTES TO FINANCIAL STATEMENTS

財務報表附註

11 INCOME TAX (continued)

A reconciliation of the tax (credit)/charge applicable to (loss)/profit before tax at the statutory rates for the locations in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the weighted average tax rate of 24% (2022: 24%) is as follows:

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	(297,723)	74,407
Tax at the statutory tax rates	按法定稅率計算之稅項	(70,888)	15,950
Adjustments in respect of current tax of previous periods	有關過往期間即期稅項之調整	(6,047)	(2,918)
Income not subject to tax	毋須課稅之收入	(554)	(6,877)
Expenses not deductible for tax	不可扣稅之開支	1,899	6,957
Temporary differences not recognised	尚未確認之暫時差額	63,098	1,592
Tax losses from previous periods utilised	已動用過往期間之稅項虧損	(1,657)	(3,996)
Tax losses not recognised	未確認之稅項虧損	10,595	7,046
Effect of different taxation rates under preferential tax treatment	稅務優惠下不同稅率之影響	-	(205)
Tax (credit)/charge	稅項(抵免)/支出	(3,554)	17,549

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2019/2020. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%).

Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries in which the Group operates. The tax rate applicable to the subsidiaries in the PRC is 25% (2022: 25%).

11 所得稅(續)

按本公司及其大多數附屬公司所在地之法定稅率計算之適用於除稅前(虧損)/溢利之稅項(抵免)/支出與按加權平均稅率24%(二零二二年: 24%)計算之稅項開支對賬如下:

香港利得稅乃就年內於香港所產生之估計應課稅溢利按16.5%(二零二二年: 16.5%)之稅率計提撥備,惟本集團一間附屬公司除外,該公司為二零一九/二零二零課稅年度起生效之兩級利得稅率制度下之合資格實體。該附屬公司之首2,000,000港元應課稅溢利按8.25%(二零二二年: 8.25%)稅率繳稅,而其餘應課稅溢利則按16.5%(二零二二年: 16.5%)稅率繳稅。

於其他地區之應課稅溢利之稅項則按本集團經營所在國家現行之適用稅率計算。年內,中國之附屬公司之適用稅率為25%(二零二二年: 25%)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

12 DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 31 March 2023 (2022: Nil).

12 股息

董事會議決不會宣派截至二零二三年三月三十一日止年度之末期股息(二零二二年：無)。

13 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

13 每股(虧損)/盈利

(a) 基本

每股基本(虧損)/盈利乃按本公司擁有人應佔(虧損)/溢利除以年內已發行普通股加權平均數。

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔(虧損)/溢利	(294,169)	56,858
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	438,960	438,960
Basic (loss)/earnings per share (HK cents per share)	每股基本(虧損)/盈利(每股港仙)	(67.01)	12.95

(b) Diluted

Diluted (loss)/earnings per share for the years ended 31 March 2023 and 2022 is the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the years.

(b) 攤薄

截至二零二三年及二零二二年三月三十一日止年度，由於有關年度並無具潛在攤薄效應已發行普通股，故每股攤薄(虧損)/盈利與每股基本(虧損)/盈利相同。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 March 2023 and 2022:

14 附屬公司

下表載列於二零二三年及二零二二年三月三十一日之主要附屬公司：

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及 法人實體類型	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有之 所有權權益		Principal activities 主要業務
			2023 二零二三年	2022 二零二二年	
Directly held 直接持有					
Kin Yat Holdings (BVI) Limited 建溢集團(英屬維爾京群島)有限公司	British Virgin Islands, limited liability company 英屬維爾京群島, 有限公司	Ordinary share US\$1 普通股1美元	100%	100%	Investment holding 投資控股
Indirectly held 間接持有					
Guizhou Kin Yat Property Company Limited 貴州建溢房地產有限公司	The PRC, limited liability company 中國, 有限公司	Ordinary shares RMB10,000,000 普通股人民幣 10,000,000元	100%	100%	Property development 房地產開發
貴州蒙蘇里花園房地產有限公司	The PRC, limited liability company 中國, 有限公司	Ordinary shares RMB10,000,000 普通股人民幣 10,000,000元	100%	100%	Property development 房地產開發
Guizhou Standard Electric Motor Company Limited 貴州標準電機有限公司	The PRC, limited liability company 中國, 有限公司	Ordinary shares RMB124,005,400 普通股人民幣 124,005,400元	100%	100%	Manufacture and trading of motors 製造及買賣電機
Kin Yat (Guizhou) Robot Company Limited 建溢(貴州)機器人有限公司	The PRC, limited liability company 中國, 有限公司	Ordinary shares RMB100,000,000 普通股人民幣 100,000,000元	100%	100%	Manufacture and trading of electronic products 製造及買賣電子產品
Kin Yat (Hong Kong) Corporation Limited 建溢(香港)實業有限公司	Hong Kong, limited liability company 香港, 有限公司	Ordinary shares HK\$10,000 普通股10,000港元	100%	100%	Trading of electrical products 買賣電器產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES (continued)

14 附屬公司 (續)

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及 法人實體類型	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有之 所有權權益		Principal activities 主要業務
			2023 二零二三年	2022 二零二二年	
Indirectly held (continued) 間接持有 (續)					
Kin Yat Industrial Company Limited 建溢實業有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$3,200,000 普通股3,200,000港元	100%	100%	Trading of toys, electronic products, and sourcing of materials 買賣玩具、電子產品 及材料採購
Newway Electrical Industries (Hong Kong) Limited 新法電器實業(香港)有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$10,000 普通股10,000港元	100%	100%	Trading of electrical household appliances 買賣家電
Penta Blesses Enterprises Limited 五福企業有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$1,000,000 普通股1,000,000港元	100%	100%	Investment and property holding 投資及持有物業
Shaoguan Turbo Electronic Technology Company Limited 韶關德寶電子科技 有限公司	The PRC, limited liability company 中國，有限公司	Ordinary shares US\$8,000,000 普通股8,000,000美元	100%	100%	Manufacture and trading of toys and electrical appliances 製造及買賣玩具及電器
Shenzhen Kin Yat Power Electronic Company Limited 深圳建溢實電子有限公司	The PRC, limited liability company 中國，有限公司	Ordinary shares US\$10,000,000 普通股10,000,000美元	100%	100%	Manufacture and trading of toys and electronic products 製造及買賣玩具及 電子產品

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES (continued)

14 附屬公司 (續)

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及 法人實體類型	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有之 所有權權益		Principal activities 主要業務
			2023 二零二三年	2022 二零二二年	
Guangdong Standard Motor Technology Company Limited (formerly known as "Shixing Standard Motor Co., Limited") 廣東標準電機科技有限公司(前稱「始興縣標準微型馬達有限公司」)	The PRC, limited liability company 中國，有限公司	Ordinary shares US\$47,000,000 普通股47,000,000美元	100%	100%	Property holding, manufacture and trading of motors 持有物業、製造及買賣電機
Indirectly held (continued) 間接持有 (續)					
Smart Electric Motor Company Limited 精密電機有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary share HK\$1 普通股1港元	100%	100%	Trading of motors and materials 買賣電機及物料
Smart Electric Motor Singapore Pte. Limited	Singapore, limited liability company 新加坡，有限公司	Ordinary shares SG\$100 普通股100新加坡元	100%	100%	Trading of motors 買賣電機
Standard Encoder (Malaysia) Sdn Bhd	Malaysia, limited liability company 馬來西亞，有限公司	Ordinary shares RM500,000 普通股500,000馬幣	100%	100%	Manufacture and trading of encoder film 製造及買賣編碼器菲林
Standard Land (Malaysia) Sdn Bhd	Malaysia, limited liability company 馬來西亞，有限公司	Ordinary shares RM500,000 普通股500,000馬幣	100%	100%	Property holding 持有物業
Standard Motor Company Limited 標準微型摩打有限公司	Hong Kong, limited liability company 香港，有限公司	Ordinary shares HK\$40,000,000 普通股40,000,000港元	100%	100%	Trading of motors and sourcing of materials 買賣電機及採購物料
Standard Motor Japan Company Limited	Japan, limited liability company 日本，有限公司	Ordinary shares JPY10,000,000 普通股10,000,000日圓	100%	100%	Trading of motors 買賣電機

NOTES TO FINANCIAL STATEMENTS

財務報表附註

14 SUBSIDIARIES (continued)

14 附屬公司 (續)

Name 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點及 法人實體類型	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有之 所有權權益		Principal activities 主要業務
			2023 二零二三年	2022 二零二二年	
World Talent Enterprise Limited 環智企業有限公司	Hong Kong, limited liability company 香港·有限公司	Ordinary shares HK\$1,000,000 普通股1,000,000港元	100%	100%	Trading of toys 買賣玩具
韶關市環智實業有限公司	The PRC, limited liability company 中國·有限公司	Ordinary shares HK\$26,500,000 普通股26,500,000港元	100%	100%	Manufacture and trading of toys 製造及買賣玩具

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT

15 物業、廠房及設備

		Buildings	Freehold land and buildings 永久業權 樓宇 土地及樓宇	Construction in progress 在建工程	Moulds, tools, and plant and machinery 模具、工具 及廠房與機器	Furniture, equipment and motor vehicles 傢俬、設備 及汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
31 March 2023	二零二三年三月三十一日						
Cost or valuation:	成本值或估值：						
At 1 April 2022	於二零二二年四月一日	333,427	25,446	82,349	1,354,161	484,040	2,279,423
Additions	添置	-	-	18,667	90,923	11,689	121,279
Disposals	出售	-	-	(5,088)	(2,281)	(32)	(7,401)
Transferred to assets classified as held for sale	轉撥至分類為 持作出售資產	(29,841)	-	-	(12,508)	(2,946)	(45,295)
Transfers	轉撥	52,586	-	(65,754)	-	13,168	-
Deficit on revaluation	重估虧絀	(40,824)	(2,703)	-	-	-	(43,527)
Write-back on revaluation	重估時回撥	(12,386)	(168)	-	-	-	(12,554)
Exchange realignment	匯兌調整	(15,412)	(1,372)	(4,914)	(103,189)	(25,776)	(150,663)
At 31 March 2023	於二零二三年三月三十一日	287,550	21,203	25,260	1,327,106	480,143	2,141,262
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 April 2022	於二零二二年四月一日	-	-	-	918,908	377,276	1,296,184
Provided during the year	年內撥備	12,983	168	-	81,216	25,085	119,452
Disposals	出售	-	-	-	(1,471)	(29)	(1,500)
Transferred to assets classified as held for sale	轉撥至分類為 持作出售資產	(597)	-	-	(5,047)	(1,316)	(6,960)
Impairment	減值	-	-	-	14,861	35,929	50,790
Write-back on revaluation	重估時回撥	(12,386)	(168)	-	-	-	(12,554)
Exchange realignment	匯兌調整	-	-	-	(66,684)	(18,995)	(85,679)
At 31 March 2023	於二零二三年三月三十一日	-	-	-	941,783	417,950	1,359,733
Net book value:	賬面淨值：						
At 31 March 2023	於二零二三年三月三十一日	287,550	21,203	25,260	385,323	62,193	781,529
31 March 2023	二零二三年三月三十一日						
An analysis of cost or valuation:	成本值或估值之分析：						
At cost	按成本值	-	-	25,260	1,327,106	480,143	1,832,509
At revaluation	按重估值	287,550	21,203	-	-	-	308,753
		287,550	21,203	25,260	1,327,106	480,143	2,141,262

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (continued)

15 物業、廠房及設備 (續)

		Buildings	Freehold land and buildings 永久業權 樓宇 土地及樓宇	Construction in progress 在建工程	Moulds, tools, and plant and machinery 模具、工具 及廠房與機器	Furniture, equipment and motor vehicles 傢俬、設備 及汽車	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
31 March 2022	二零二二年三月三十一日						
Cost or valuation:	成本值或估值：						
At 1 April 2021	於二零二一年四月一日	357,460	26,893	92,153	1,276,494	478,536	2,231,536
Additions	添置	-	-	717	41,522	1,460	43,699
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	518	518
Disposals	出售	-	-	-	(17)	(1,824)	(1,841)
Write-off	撇銷	-	-	-	(123)	(3,972)	(4,095)
Transfers	轉撥	9,550	-	(12,982)	3,432	-	-
Deficit on revaluation	重估虧絀	(23,865)	6	-	-	-	(23,859)
Write-back on revaluation	重估時回撥	(14,785)	(176)	-	-	-	(14,961)
Exchange realignment	匯兌調整	5,067	(1,277)	2,461	32,853	9,322	48,426
At 31 March 2022	於二零二二年三月三十一日	333,427	25,446	82,349	1,354,161	484,040	2,279,423
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 April 2021	於二零二一年四月一日	-	-	-	812,547	348,615	1,161,162
Provided during the year	年內撥備	14,785	176	-	86,021	28,606	129,588
Disposals	出售	-	-	-	(17)	(1,768)	(1,785)
Write-off	撇銷	-	-	-	(123)	(3,972)	(4,095)
Write-back on revaluation	重估時回撥	(14,785)	(176)	-	-	-	(14,961)
Exchange realignment	匯兌調整	-	-	-	20,480	5,795	26,275
At 31 March 2022	於二零二二年三月三十一日	-	-	-	918,908	377,276	1,296,184
Net book value:	賬面淨值：						
At 31 March 2022	於二零二二年三月三十一日	333,427	25,446	82,349	435,253	106,764	983,239
31 March 2022	二零二二年三月三十一日						
An analysis of cost or valuation:	成本值或估值之分析：						
At cost	按成本值	-	-	82,349	1,354,161	484,040	1,920,550
At valuation	按重估值	333,427	25,446	-	-	-	358,873
		333,427	25,446	82,349	1,354,161	484,040	2,279,423

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation of approximately HK\$112,641,000 (2022: HK\$119,113,000) is included in cost of sales; HK\$6,811,000 (2022: HK\$10,475,000) is included in administrative expenses in the consolidated income statement.

During the year ended 31 March 2023, management considered that impairment indicator existed for the non-financial assets of the E&E CGU as a result of its unfavourable performance. Based on value-in-use assessment, impairment losses of HK\$14,076,000 (2022: Nil) were recognised on properties, plant and equipment.

During the year ended 31 March 2023, the Group decided to scale down one of its production plants which resulted in a provision of impairment of the relevant non-current assets totaling HK\$36,714,000.

At 31 March 2023, the Group's building in Hong Kong and Mainland China were revalued based on valuation performed by Sinoappraisal Advisory Limited, an independent professionally qualified valuer, at HK\$2,800,000 (2022: HK\$2,630,000) and RMB252,300,000 (equivalent to HK\$284,750,000) (2022: RMB268,370,000 (equivalent to HK\$330,797,000)) respectively.

Freehold land and buildings in Malaysia were revalued based on valuation performed by Sinoappraisal Advisory Limited, an independent professionally qualified valuer, at Malaysian Ringgit ("RM") RM12,100,000 (equivalent to HK\$21,203,000) (2022: RM13,690,000 (equivalent to HK\$25,446,000)).

Revaluation deficits of HK\$43,527,000 (2022: HK\$23,859,000) resulting from the above revaluation were debited to the asset revaluation reserve.

Each year, the Group appoints external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management discusses with the valuers on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

There has been no change from the valuation techniques used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

15 物業、廠房及設備 (續)

折舊約112,641,000港元(二零二二年: 119,113,000港元)已計入銷售成本; 6,811,000港元(二零二二年: 10,475,000港元)已計入綜合收益表內之行政開支。

於截至二零二三年三月三十一日止年度,由於表現欠佳,管理層認為電子產品現金產生單位的非金融資產存在減值跡象。基於使用價值評估,已就物業、廠房及設備確認減值虧損14,076,000港元(二零二二年:無)。

於截至二零二三年三月三十一日止年度,本集團決定縮減其一間生產廠房的規模,導致就相關非流動資產計提減值撥備合共36,714,000港元。

於二零二三年三月三十一日,本集團於香港及中國內地之樓宇乃根據獨立專業合資格估值師中誠達行資產評估顧問有限公司所進行之估值而重估,估值分別為2,800,000港元(二零二二年: 2,630,000港元)及人民幣252,300,000元(相等於284,750,000港元)(二零二二年: 人民幣268,370,000元(相等於330,797,000港元))。

於馬來西亞之永久業權土地及樓宇乃根據獨立專業合資格估值師中誠達行資產評估顧問有限公司所進行之估值而重估,估值為12,100,000馬幣(「馬幣」)(相等於21,203,000港元)(二零二二年: 13,690,000馬幣(相等於25,446,000港元))。

上述重估產生之重估虧絀43,527,000港元(二零二二年: 23,859,000港元)已於資產重估儲備扣除。

每年,本集團委聘外聘估值師負責對本集團之物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業標準。當為財務申報進行估值時,管理層會與估值師討論估值假設及估值結果。

過往年度所用估值技術並無變動。於估計物業之公平值時,有關物業之最高及最佳用途為其現時用途。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value hierarchy

The fair values of the Group's land and buildings at 31 March 2023 are estimated by using significant unobservable inputs and the fair value measurement is categorised within Level 3 (2022: Same).

During the year ended 31 March 2023, there were no transfers of fair value measurements between Level 1, Level 2 and Level 3 (2022: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

Carrying amount:

At 1 April 2022	賬面值： 於二零二二年四月一日
Transfer	轉撥
Transferred to assets classified as held for sale	轉撥至分類為持作出售資產
Depreciation	折舊
Surplus/(deficit) on revaluation	重估盈餘/(虧絀)
Exchange realignment	匯兌調整
At 31 March 2023	於二零二三年三月三十一日
At 1 April 2021	於二零二一年四月一日
Transfer	轉撥
Depreciation	折舊
Surplus/(deficit) on revaluation	重估盈餘/(虧絀)
Exchange realignment	匯兌調整
At 31 March 2022	於二零二二年三月三十一日

15 物業、廠房及設備 (續)

公平值架構

於二零二三年三月三十一日，本集團之土地及樓宇之公平值乃採用重大不可觀察輸入數據估計及公平值計量分類於第三層下(二零二二年：相同)。

於截至二零二三年三月三十一日止年度，概無任何公平值計量在第一層、第二層與第三層之間轉移(二零二二年：無)。

已分類於公平值架構第三層內之公平值計量之對賬：

Building in Hong Kong (Industrial)	Buildings in Mainland China (Industrial)	Freehold land and buildings in Malaysia (Industrial)	Total
於香港之樓宇(工業)	於中國內地之樓宇(工業)	於馬來西亞之永久業權土地及樓宇(工業)	總計
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2,630	330,797	25,446	358,873
-	52,586	-	52,586
-	(29,244)	-	(29,244)
(97)	(12,886)	(168)	(13,151)
267	(41,091)	(2,703)	(43,527)
-	(15,412)	(1,372)	(16,784)
2,800	284,750	21,203	308,753
2,310	355,150	26,893	384,353
-	9,550	-	9,550
(92)	(14,693)	(176)	(14,961)
412	(24,277)	6	(23,859)
-	5,067	(1,277)	3,790
2,630	330,797	25,446	358,873

NOTES TO FINANCIAL STATEMENTS

財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT (continued)

Fair value hierarchy (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of properties:

Class of properties 物業類別	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range of unobservable inputs (weighted average) 不可觀察輸入數據範圍 (加權平均)	
			2023 二零二三年 HK\$ 港元	2022 二零二二年 HK\$ 港元
Hong Kong 香港 – Buildings 樓宇 – Industrial 工業 – Level 3 第三層	Market comparable method 市場比較法	Gross unit rate per square foot 每平方呎總單位價格	538	506
Mainland China 中國內地 – Buildings 樓宇 – Industrial 工業 – Level 3 第三層	Direct replacement cost method 直接重置成本法	Gross unit rate per square foot 每平方呎總單位價格	52 to 137 52至137	63 to 148 63至148
Malaysia 馬來西亞 – Buildings 樓宇 – Industrial 工業 – Level 3 第三層	Direct replacement cost method 直接重置成本法	Gross unit rate per square foot 每平方呎總單位價格	404	459

As at 31 March 2023, had the Group's buildings stated at valuation been carried at cost less accumulated depreciation, they would have been included in the financial statements at approximately HK\$49,677,000 (2022: HK\$51,390,000).

15 物業、廠房及設備 (續)

公平值架構 (續)

物業估值所用之估值方法及主要輸入數據概要如下：

於二零二三年三月三十一日，倘本集團以估值列賬之樓宇以成本減累積折舊計算賬面值，列入財務報表中之賬面值將約為49,677,000港元（二零二二年：51,390,000港元）。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES

16 投資物業

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Carrying amount at the beginning of year	年初賬面值	65,280	66,028
Additions	增加	3,897	-
Loss from fair value adjustment (Note 6)	來自公平值調整之 虧損(附註6)	(9,906)	(2,601)
Exchange realignment	匯兌調整	(5,255)	1,853
Carrying amount at the end of year	年末賬面值	54,016	65,280

Notes:

- (i) The balance included the commercial building in The Royale Cambridge Residences, residential units and car park, and a commercial leasehold land in Guizhou Province.
- (ii) As at 31 March 2022, the commercial leasehold land of RMB44,000,000 (equivalent to HK\$54,236,000) was pledged to the bank to secure a bank facility (Note 28).

The Group's investment properties were revalued on 31 March 2023 based on valuations performed by Sinoappraisal Advisory Limited (2022: Assets Appraisal Limited), independent professionally qualified valuers, at RMB47,860,000 (2022: RMB52,960,000) (equivalent to HK\$54,016,000 (2022: HK\$65,280,000)).

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management discusses with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

There has been no change from the valuation techniques used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

附註：

- (i) 結餘包括貴州省的劍橋皇家之商業樓宇、住宅單位及停車場，以及商業租賃土地。
- (ii) 於二零二二年三月三十一日，商用租賃土地人民幣44,000,000元（相等於54,236,000港元）已抵押予銀行以取得銀行融資（附註28）。

於二零二三年三月三十一日，本集團之投資物業根據獨立專業合資格估值師行中誠達行資產評估顧問有限公司（二零二二年：中誠達資產評估顧問有限公司）進行之估值重估為人民幣47,860,000元（二零二二年：人民幣52,960,000元）（相等於54,016,000港元（二零二二年：65,280,000港元））。

每年，本集團委聘外聘估值師負責對本集團之物業進行外部估值。甄選標準包括市場知識、聲譽、獨立性及是否維持專業標準。當為財務申報進行估值時，管理層會與估值師討論估值假設及估值結果。

於過往年度採用之估值方法並無變動。於估計物業之公平值時，有關物業之最高及最佳用途為其現時用途。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The fair values of the Group's investment properties at 31 March 2023 are estimated by using significant unobservable inputs and the fair value measurement is categorised within Level 3 (2022: Same).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2022: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

Carrying amount:	賬面值：
At 1 April 2022	於二零二二年四月一日
Additions	增加
Loss from fair value adjustment	公平值調整產生之虧損
Exchange realignment	匯兌調整
At 31 March 2023	於二零二三年三月三十一日
At 1 April 2021	於二零二一年四月一日
Loss from fair value adjustment	公平值調整產生之虧損
Exchange realignment	匯兌調整
At 31 March 2022	於二零二二年三月三十一日

16 投資物業(續)

公平值架構

於二零二三年三月三十一日，本集團投資物業的公平值乃使用重大不可觀察輸入數據估計及公平值計量歸類至第三層(二零二二年：相同)。

於本年度，概無任何公平值計量在第一層與第二層之間轉移，亦無轉入或轉出第三層(二零二二年：無)。

歸類至公平值架構第三層之公平值計量對賬如下：

Land in Mainland China (Commercial) 於中國內地 之土地 (商業) HK\$'000 千港元	Building in Mainland China (Commercial) 於中國內地 之樓宇 (商業) HK\$'000 千港元	Total 總計 HK\$'000 千港元
54,236	11,044	65,280
3,897	-	3,897
(8,610)	(1,296)	(9,906)
(4,378)	(877)	(5,255)
45,145	8,871	54,016
55,123	10,905	66,028
(2,431)	(170)	(2,601)
1,544	309	1,853
54,236	11,044	65,280

NOTES TO FINANCIAL STATEMENTS

財務報表附註

16 INVESTMENT PROPERTIES (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

16 投資物業 (續)

投資物業估值所用之估值方法及主要輸入數據概述如下：

Class of properties 物業類別	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Range of unobservable inputs (weighted average) 不可觀察輸入數據範圍 (加權平均)	
			2023 二零二三年 HK\$ 港元	2022 二零二二年 HK\$ 港元
Leasehold land in Mainland China 於中國內地之租賃土地	Market comparable method 市場比較法	Gross unit rate per square foot# 每平方呎總單位價格#	22	26
Commercial properties in Mainland China 於中國內地之商業物業	Income method 收入法	Gross unit rate per square foot# 每平方呎總單位價格#	412	512

The higher the gross unit rate per square foot, the higher the fair value.

每平方呎總單位價格愈高，公平值愈高。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

17 LEASES

(a) Right-of-use assets

17 租賃

(a) 使用權資產

		Prepaid land lease payments (Note (i)) 預付土地 租金 (附註(i)) HK\$'000 千港元	Leasehold land (Note (ii)) 租賃土地 (附註(ii)) HK\$'000 千港元	Office and other properties (Note (iii)) 辦公室及 其他物業 (附註(iii)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2022	於二零二二年四月一日	22,093	194	12,365	34,652
Inception of lease contracts	租約開始	-	-	6,984	6,984
Transfer to asset classified as held for sale	轉撥至分類為 持作出售資產	(2,765)	-	-	(2,765)
Depreciation (Note (iv))	折舊(附註(iv))	(642)	(8)	(6,076)	(6,726)
Termination of lease	終止租賃	-	-	(996)	(996)
Exchange realignment	匯兌調整	(1,000)	-	(665)	(1,665)
At 31 March 2023	於二零二三年 三月三十一日	17,686	186	11,612	29,484
At 1 April 2021	於二零二一年四月一日	22,406	202	3,726	26,334
Inception of lease contracts	租約開始	-	-	13,182	13,182
Depreciation (Note (iv))	折舊(附註(iv))	(653)	(8)	(4,552)	(5,213)
Exchange realignment	匯兌調整	340	-	9	349
At 31 March 2022	於二零二二年 三月三十一日	22,093	194	12,365	34,652

NOTES TO FINANCIAL STATEMENTS

財務報表附註

17 LEASES (continued)

(a) Right-of-use assets (continued)

Notes:

- (i) The Group obtains the land use rights through lease contracts with local governments in the PRC with 50 years term.
- (ii) The Group's interest in leasehold land is on medium term lease of 50 years located in Hong Kong.
- (iii) The Group obtains right to control the use of office and other properties for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 1 to 3 years.

The Group's lease expenses (Note 8) are primarily for short-term leases.

- (iv) Depreciation of approximately HK\$614,000 (2022: HK\$624,000) is included in "Cost of sales" and HK\$6,112,000 (2022: HK\$4,589,000) is included in "Administrative expenses" in the consolidated income statement.

17 租賃 (續)

(a) 使用權資產 (續)

附註：

- (i) 本集團透過與中國地方政府訂立為期50年的租約取得土地使用權。
- (ii) 本集團之租賃土地權益按為期50年之中期租賃持有以及位於香港。
- (iii) 本集團透過租賃安排取得於一段時間內控制辦公室及其他物業用途的權利。租賃安排乃逐項進行磋商，包含各種不同條款及條件，包括租賃付款及介乎1至3年之租期。

本集團之租賃開支(附註8)主要來自短期租賃。

- (iv) 折舊約614,000港元(二零二二年：624,000港元)及6,112,000港元(二零二二年：4,589,000港元)已分別計入綜合收益表的「銷售成本」及「行政開支」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

17 LEASES (continued)

(b) Lease liabilities

	於四月一日
At 1 April	於四月一日
Inception of lease contracts	租約開始
Termination of lease	終止租賃
Interest expenses on lease liabilities (Note 7)	租賃負債之利息開支 (附註7)
Payment for lease liabilities (including interest)	支付租賃負債 (包括利息)
Exchange realignment	匯兌調整
At 31 March	於三月三十一日
Amount due for settlement within 12 months	於12個月內到期結算之 款項
Amount due for settlement after 12 months	於12個月後到期結算之 款項

The total cash outflows for leases for the year were HK\$6,584,000 (2022: HK\$4,686,000).

The maturity analysis of lease liabilities is disclosed in Note 3.1(c).

17 租賃(續)

(b) 租賃負債

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 1 April	12,920	3,772
Inception of lease contracts	6,984	13,182
Termination of lease	(1,017)	-
Interest expenses on lease liabilities (Note 7)	396	350
Payment for lease liabilities (including interest)	(6,444)	(4,453)
Exchange realignment	(766)	69
At 31 March	12,073	12,920
Amount due for settlement within 12 months	5,596	5,979
Amount due for settlement after 12 months	6,477	6,941
	12,073	12,920

年內租賃現金流出總額為6,584,000港元(二零二二年: 4,686,000港元)。

租賃負債之到期分析於附註3.1(c)披露。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS

18 無形資產

		Goodwill 商譽 HK\$'000 千港元
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及 二零二二年四月一日	
Cost and net book value	成本及賬面淨值	10,857
Opening net book value	年初賬面淨值	10,857
Impairment	減值	(6,207)
Closing net book value at 31 March 2023	於二零二三年三月三十一日之 年末賬面淨值	4,650
At 31 March 2021 and 1 April 2021	於二零二一年三月三十一日及 二零二一年四月一日	
Cost and net book value	成本及賬面淨值	7,873
Opening net book value	年初賬面淨值	7,873
Acquisition of a subsidiary (Note)	收購一間附屬公司(附註)	2,984
Closing net book value at 31 March 2022	於二零二二年三月三十一日之 年末賬面淨值	10,857

Note:

On 1 December 2021, Kin Yat International Limited, a wholly-owned subsidiary of the Group, entered into a sales and purchase agreement with a third party to acquire 100% equity interest in Attoude Technology (Shanghai) Company Limited ("Attoude") at a total cash consideration of RMB3,550,000 (equivalent to HK\$4,314,000). As at the acquisition, Attoude had fair values of plant and equipment of HK\$518,000, cash and cash equivalents of HK\$402,000 and prepayments, deposits and other receivables of HK\$410,000, resulting in recognition of goodwill amounting to HK\$2,984,000. Attoude contributed net loss of HK\$1,884,000 to the Group for the period from 1 December 2021 to 31 March 2022. If the acquisition had occurred on 1 April 2021, consolidated profit of the Group for the year ended 31 March 2022 would have been HK\$54,079,000.

附註：

於二零二一年十二月一日，本集團的全資附屬公司建溢環球有限公司與一名第三方訂立買賣協議，以總現金代價人民幣3,550,000元（相當於4,314,000港元）收購拖納德智能科技（上海）有限公司（「拖納德」）的100%股權。於收購日期，拖納德之物業及設備之公平值為518,000港元、現金及現金等同物之公平值為402,000港元，以及預付款項、按金及其他應收款項之公平值為410,000港元，導致確認商譽2,984,000港元。於二零二一年十二月一日至二零二二年三月三十一日期間，拖納德向本集團貢獻淨虧損1,884,000港元。倘若收購事項於二零二一年四月一日進行，則本集團截至二零二二年三月三十一日止年度之綜合溢利將為54,079,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS (continued)

Impairment test for goodwill

Management reviews the business performance based on type of business as follows:

Electrical and electronic products	電器及電子產品
Motors	電機

At 31 March 於三月三十一日

In accordance with HKAS 36 “Impairment of Assets”, the recoverable amount of a CGU is determined based on the higher of fair value less costs of disposal or value in use calculations. The Group has calculated the recoverable amounts of the Motors CGU and made reference to the valuation report issued by an independent valuer for the calculation of the recoverable amount of the E&E CGUs. These calculations use pre-tax cash flow forecast covering a five-year period. Cash flows beyond the five-year period are extrapolated using the terminal growth rate stated below.

Inherent in the development of the present value of future cash flow forecast are assumptions and estimates derived from a review of the expected revenue growth rates, gross profit margins, terminal growth rate and discount rate. Changes in assumptions or estimates could materially affect the determination of the recoverable amount of a CGU, and therefore could eliminate the excess of recoverable amount over carrying value of a CGU entirely and, in some cases, could result in impairment.

18 無形資產 (續)

商譽減值測試

管理層根據以下業務類型審閱業務表現：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
-	6,207
4,650	4,650
4,650	10,857

根據香港會計準則第36號「資產減值」，現金產生單位的可收回金額乃根據公平值減出售成本計算法或使用價值計算法（以較高者為準）釐定。本集團已計算電機產品現金產生單位的可收回金額，並參考獨立估值師發出的估值報告，以計算電子產品現金產生單位的可收回金額。該等計算採用五年期除稅前現金流量預測進行。五年期後的現金流量利用下述永久增長率推算。

計算未來現金流量預測的現值涉及源自審閱預期收入增長率、毛利率、永久增長率及貼現率的假設及估計。假設或估計的變動可對現金產生單位可收回金額的釐定造成重大影響，並可能因此全數抵銷現金產生單位可收回金額超出賬面值的差額，在若干情況下亦可能導致減值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS (continued)

Impairment test for goodwill (continued)

The key assumptions and parameters used for value in use calculations are as follows.

Average revenue growth (Note i)	平均收益增長 (附註i)
Average gross profit margin (Note i)	平均毛利率 (附註i)
Terminal growth rate (Note ii)	永久增長率 (附註ii)
Discount rate (Note iii)	貼現率 (附註iii)

Notes:

- (i) Average revenue growth rate and average gross margin covers the five-year forecast period. It is based on the past performance and management's expectations on market development.
- (ii) The terminal growth rates do not exceed the long-term average growth rate of the business in which the CGUs operate.
- (iii) Pre-tax discount rate applied to the pre-tax cash flow forecast.

18 無形資產 (續)

商譽減值測試 (續)

使用價值計算法所用的主要假設及參數如下：

2023 二零二三年	
Electrical and electronic products 電器及電子產品	Motors 電機
18.3%	10.42%
18.1%	13.5%
2.0%	2.0%
14.8%	14.4%

附註：

- (i) 平均收益增長率及平均毛利率涵蓋五年預測期，乃以過往表現及管理層對市場發展的預期為依據。
- (ii) 永久增長率不會超逾現金產生單位所經營的業務的長期平均增長率。
- (iii) 應用於除稅前現金流量預測的除稅前貼現率。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

18 INTANGIBLE ASSETS *(continued)*

Impairment test for goodwill *(continued)*

These assumptions and parameters have been used for the analysis of each CGU within the operating segment. Management determined the financial forecast based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

In the Electrical and Electronic CGU, the recoverable amount calculated based on value in use was lower than the carrying amount by HK\$20,283,000 and such shortfall led to HK\$20,283,000 impairment recognised.

In the Motors CGU, the recoverable amount calculated based on value in use exceeded the carrying amount by HK\$89,835,000 and no impairment was recognised. A fall in annual revenue growth rate to 7.5%, a fall in gross margin to 12.5%, a fall in long-term growth rate to -2% or a rise in discount rate to 16.9%, all changes taken in isolation, would remove the remaining headroom.

18 無形資產 *(續)*

商譽減值測試 *(續)*

該等假設及參數已用於分析經營分類內各現金產生單位。管理層按過往表現及其對市場發展的預期釐定財務預測。所使用的貼現率為除稅前比率，並且反映與相關分類有關的特定風險。

於電器及電子產品現金產生單位，按使用價值計算的可收回金額較賬面金額低20,283,000港元，由於該差額確認減值20,283,000港元。

於電機現金產生單位，按使用價值計算的可收回金額超出賬面金額89,835,000港元，且並無確認減值。年收益增長率下跌至7.5%、毛利率下跌至12.5%、長期增長率下跌至-2%或貼現率上升至16.9%（所有變動獨立計算）應抵銷餘下差額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

19 PROPERTIES UNDER DEVELOPMENT

19 發展中物業

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
At 1 April	於四月一日	454,115	357,830
Additions	添置	78,192	85,679
Impairment (Note 8)	減值(附註8)	(191,304)	-
Exchange realignment	匯兌調整	(30,383)	10,606
At 31 March (Note)	於三月三十一日(附註)	310,620	454,115
Current portion	即期部分	(207,404)	(411,898)
Non-current portion	非即期部分	103,216	42,217

Impairment for the year ended 31 March 2023 amounting to HK\$191,304,000 (2022: Nil) comprises (i) an impairment loss of HK\$123,556,000 to write down the carrying value of a shelved project which the management decide to cease further development during the year, and (ii) impairment loss of HK\$67,748,000 to write down the carrying value of properties under development to their net realisable value due to the decline in market price.

截至二零二三年三月三十一日止年度的減值金額191,304,000港元(二零二二年：無)，包括(i)減值虧損123,556,000港元，以撇減管理層於本年度決定停止進一步開發之擱置項目之賬面價值；及(ii)減值虧損67,748,000港元，以將發展中物業的賬面價值因市價下跌而撇減至其可變現淨值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

19 PROPERTIES UNDER DEVELOPMENT *(continued)*

Note:

Properties under development comprise:

Construction costs and capitalised expenditures	建築成本及資本化支出
Interests capitalised	利息資本化
Land use rights	土地使用權
Impairment	減值

19 發展中物業(續)

附註：

發展中物業包括：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
331,054	287,186
42,871	35,949
124,413	135,878
(187,718)	(4,898)
310,620	454,115

20 COMPLETED PROPERTIES HELD FOR SALE

At 1 April	於四月一日
Properties sold	已售物業
Impairment <i>(Note 8)</i>	減值(附註8)
Exchange realignment	匯兌調整
At 31 March	於三月三十一日

Impairment for the year ended 31 March 2023 amounting to HK\$48,774,000 (2022: Nil) were recognised to write down the carrying value of unsold inventory of completed properties held for sale to their net realisable value.

20 持作出售之竣工物業

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
143,954	143,905
(6,226)	(4,002)
(48,774)	-
(9,826)	4,051
79,128	143,954

截至二零二三年三月三十一日止年度，持作出售之竣工物業之未出售庫存賬面價值撇減至其可變現淨值，確認減值金額為48,774,000港元(二零二二年：無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

21 INVENTORIES

21 存貨

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Raw materials	原料	130,120	189,136
Work in progress	在製品	26,319	30,938
Finished goods	製成品	75,953	97,844
		232,392	317,918
Less: Provision for impairment	減：減值撥備	(36,833)	(31,032)
		195,559	286,886

The cost of inventories recognised as expense and included in “Cost of inventories sold” amounted to approximately HK\$688,333,000 (2022: HK\$1,443,250,000). Provision amounted to HK\$5,801,000 (2022: HK\$4,583,000) was included in “Cost of sales” in the consolidated income statement during the year ended 31 March 2023.

確認為開支及計入「已售存貨成本」之存貨成本約為688,333,000港元（二零二二年：1,443,250,000港元）。撥備5,801,000港元（二零二二年：4,583,000港元）已於截至二零二三年三月三十一日止年度計入綜合收益表的「銷售成本」。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

22 ACCOUNTS RECEIVABLE

Accounts receivable	應收賬款
Loss allowance	虧損撥備

The Group's trading terms with its customers are mainly on credit, except for new customers, where cash on sale or payment in advance is normally required. The credit period is generally for a period of one to two months, extending up to three months for certain well-established customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has imposed tightened control to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

22 應收賬款

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
219,573	304,317
(8,831)	(14,998)
210,742	289,319

本集團與客戶之貿易條款大部分以信貸形式進行，惟新客戶一般需以現金或預付形式買賣除外。信貸期一般為一至兩個月，若干信貸狀況良好之客戶之信貸期則可延長至三個月。每名客戶均有信貸上限。本集團對未收回應收款項保持嚴格控制並已加強控制以將信貸風險降至最低。高級管理人員會定期檢討逾期結餘。本集團並無就其應收賬款結餘持有任何抵押品或其他信貸提升。應收賬款並不計息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

22 ACCOUNTS RECEIVABLE (continued)

An aging analysis of the accounts receivable as at the end of the reporting period, based on the invoice date, is as follows:

0-30 days	0至30日
31-60 days	31至60日
61-90 days	61至90日
Over 90 days	90日以上
Loss allowance	虧損撥備

At 31 March 2023, the Group had certain concentrations of credit risk that may arise from the exposure to the five largest customers and the largest customer which accounted for approximately 52% (2022: 24%) and 17% (2022: 1%) of the Group's total accounts receivable, respectively.

22 應收賬款 (續)

於報告期末，應收賬款之賬齡分析(按發票日期)如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
113,850	151,965
52,437	66,476
24,762	43,003
28,524	42,873
219,573	304,317
(8,831)	(14,998)
210,742	289,319

於二零二三年三月三十一日，本集團可能因對五大客戶及最大客戶的風險敞口而產生若干集中信貸風險，分別佔本集團應收款項總額之約52% (二零二二年：24%) 及17% (二零二二年：1%)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

22 ACCOUNTS RECEIVABLE (continued)

The movements in provision for impairment of accounts receivable are as follows:

At beginning of the year	於年初
(Reversal of impairment losses)/ impairment losses recognised during the year	於年內確認之(減值虧損 撥回)/減值虧損
Exchange realignment	匯兌調整
At end of the year	於年末

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. Note 3.1(b) provides details about the calculation of the allowance.

The carrying amount of accounts receivable approximate their fair values.

Denominated in:

HKD	港元
USD	美元
RMB	人民幣
Others	其他

22 應收賬款(續)

應收賬款之減值撥備變動如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
14,998	14,782
(5,302)	50
(865)	166
8,831	14,998

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有應收賬款使用全期預期虧損撥備。附註3.1(b)載有關於計算撥備之詳細資料。

應收賬款之賬面值與其公平值相若。

以下列貨幣計值：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
13,907	26,361
131,515	181,435
65,167	81,440
153	83
210,742	289,319

NOTES TO FINANCIAL STATEMENTS

財務報表附註

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23 預付款項、按金及其他應收款項

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Prepayment for property, plant and equipment	物業、廠房及設備預付款項	22,610	76,206
Prepaid construction costs (Note)	預付建築成本(附註)	8,787	93,148
Prepayment for materials	材料預付款項	20,742	43,299
VAT recoverables	可收回增值稅	28,641	37,820
Factoring receivables from bank	應收銀行保理款項	-	11,521
Utility and other deposits	公共設施及其他按金	10,244	11,667
Staff advance	員工墊款	2,009	2,102
Other prepayments	其他預付款項	1,738	5,549
Other receivables	其他應收款項	47,333	45,755
		142,104	327,067
Less: Provision for impairment	減：減值撥備	(3,200)	(4,827)
		138,904	322,240
Less: Current portion	減：即期部分	(114,333)	(236,397)
Non-current portion	非即期部分	24,571	85,843

Note:

As at 31 March 2023, prepaid construction costs include prepaid construction cost of approximately HK\$7,107,000 (2022: HK\$83,843,000) to certain contractors for the property development project in Dushan County, Guizhou Province, the PRC. The properties, upon completion, are for selling purpose and are expected to be completed within operating cycle, therefore, it is classified as current assets.

附註：

於二零二三年三月三十一日，預付建築成本包括就位於中國貴州省獨山縣之物業發展項目支付予若干承包商約7,107,000港元(二零二二年：83,843,000港元)之預付建築成本。該等物業於竣工後作銷售用途，並預期於營運週期內竣工，因此，其被分類為流動資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

The Group applies the HKFRS 9 general approach to measuring expected credit losses which uses 12-month or lifetime expected loss allowance for all deposits and other receivables which constitute financial assets at amortised cost. Note 3.1(b) provides for details about the determination of the allowance.

The carrying amount of prepayments, deposits and other receivables approximate their fair values.

Denominated in:

HKD	港元
RMB	人民幣
Others	其他

23 預付款項、按金及其他應收款項 (續)

本集團應用香港財務報告準則第9號的一般方式計量預期信貸虧損，對構成按攤銷成本計量之金融資產的所有按金及其他應收款項應用12個月或全期預期虧損撥備。附註3.1(b) 提供有關釐定撥備的詳情。

預付款項、按金及其他應收款項之賬面值與其公平值相若。

以下列貨幣計值：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
11,087	28,761
121,797	288,664
6,020	4,815
138,904	322,240

NOTES TO FINANCIAL STATEMENTS

財務報表附註

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24 透過損益按公平值列賬之金融資產

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Listed equity investment, at market value	上市股本投資，按市值	85	87
Unlisted equity investment, at fair value	非上市股本投資，按公平值	14,244	14,421
Key management insurance, at fair value	主要管理層保險，按公平值	13,079	12,684
		27,408	27,192
Less: Current portion	減：即期部分	(27,408)	(14,508)
Non-current portion	非即期部分	-	12,684

The above investments at 31 March 2023 were classified as held for trading and were, upon initial recognition, classified by the Group as financial assets at fair value through profit or loss (2022: Same).

An insurance plan relating to the chairman of the Company was included in financial assets at fair value through profit or loss as at 31 March 2023. The total insured sum as at 31 March 2023 was US\$3,500,000 (2022: US\$3,500,000) (equivalent to HK\$27,361,000 (2022: HK\$27,225,000)). If the Group withdrew from the insurance policies, the account value, net of surrender charges, would be refunded to the Group. The insurance plan was classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely for payments of principal and interest. The insurance plan is expected to be withdrawn within the year ending 31 March 2024.

於二零二三年三月三十一日之上述投資列為持作買賣，並於首次確認時由本集團分類為透過損益按公平值列賬之金融資產(二零二二年：相同)。

於二零二三年三月三十一日，一項與本公司主席有關之保險計劃已包括於透過損益按公平值列賬之金融資產內。於二零二三年三月三十一日，總投保額為3,500,000美元(二零二二年：3,500,000美元)(相等於27,361,000港元)(二零二二年：27,225,000港元)。倘本集團退保，本集團可獲退還賬戶價值(扣除退保費用)。由於其合約現金流量並非僅用於支付本金及利息，故保險計劃分類為透過損益按公平值列賬之金融資產。該保險計劃預計將於截至二零二四年三月三十一日止年度撤回。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

25 CASH AND CASH EQUIVALENTS, TIME DEPOSITS, RESTRICTED BANK DEPOSITS AND PLEDGED DEPOSITS

25 現金及現金等同物、定期存款、受限制銀行存款及已抵押存款

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Pledged deposits (Note (i))	已抵押存款 (附註(i))	-	12,326
Time deposits – original maturity of more than three months	定期存款 – 原到期日超過三個月	10,006	13,355
Restricted bank deposits (Note (ii))	受限制銀行存款 (附註(ii))	1,093	650
Cash and cash equivalents	現金及現金等同物	203,372	256,934
		214,471	283,265

Denominated in:

以下列貨幣計值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HKD	港元	41,776	37,669
USD	美元	96,712	131,923
RMB	人民幣	62,328	96,247
Others	其他	13,655	17,426
		214,471	283,265

NOTES TO FINANCIAL STATEMENTS

財務報表附註

25 CASH AND CASH EQUIVALENTS, TIME DEPOSITS, RESTRICTED BANK DEPOSITS AND PLEDGED DEPOSITS (continued)

Notes:

- (i) As at 31 March 2022, the Group's pledge deposits were denominated in RMB and placed in a bank to secure a bank facility (Note 28).
- (ii) Included in restricted bank deposits as at 31 March 2023 are RMB968,000 (equivalent to approximately HK\$1,093,000) (2022: RMB527,000 (equivalent to approximately HK\$650,000)) placed in a bank for trade financing.

As at 31 March 2023, the cash and cash equivalents, time deposits, restricted bank deposits and pledged deposits of the Group denominated in RMB amounted to HK\$62,328,000 (2022: HK\$96,247,000). RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between four months and one year (2022: Same) depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates.

25 現金及現金等同物、定期存款、受限制銀行存款及已抵押存款 (續)

附註：

- (i) 於二零二二年三月三十一日，本集團的已抵押存款以人民幣計值並存入銀行作為銀行融資的抵押(附註28)。
- (ii) 於二零二三年三月三十一日之受限制銀行存款包括為貿易融資而存入銀行之人民幣968,000元(相等於約1,093,000港元)(二零二二年：人民幣527,000元(相等於約650,000港元))。

於二零二三年三月三十一日，本集團以人民幣計值之現金及現金等同物、定期存款及受限制銀行存款以及已抵押存款為62,328,000港元(二零二二年：96,247,000港元)。人民幣不可自由兌換為其他貨幣；然而，根據《中華人民共和國外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准經認可銀行將人民幣兌換為其他貨幣以進行外匯業務。

銀行現金按每日浮動銀行存款利率賺取利息。本集團按即時現金需要，作出介乎四個月至一年(二零二二年：相同)期間之定期存款，並按各定期存款利率賺取利息。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

26 ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31 March 2023, the Group entered into the Lands Resumption Agreement with Shixing County Bureau of Natural Resources (“SXBNR”), pursuant to which SXBNR agreed to resume, the Group agreed to surrender, the land use rights of the three parcels of land situated at Huang Hua Yuan Industrial Area, Tai Ping Town, Shi Xing County, Shaoguan City, Guangdong Province, the PRC and certain assets thereon and entered into a cooperation agreement with a property developer at a consideration by way of cash compensation of approximately RMB107,300,000 (equivalent to approximately HK\$123,395,000) according to the relevant rules and regulations in the PRC including but not limited to the policy pertaining to the Three-old Renovation, subject to the successful bidding through public auction. Agreement has already been signed before the year-end and management considered the completion of the transaction is unconditional and highly probable. As a result, the relevant property, plant and equipment and right-of-use assets of approximately HK\$38,335,000 and HK\$2,765,000, respectively, have been presented as assets held for sale as at 31 March 2023.

In accordance with HKFRS 5, the assets classified as held for sale are measured at lower of their carrying amount immediately prior to being classified as held for sale and fair value less cost to sell. At the date of initial classification as held for sale, the carrying amount of the assets were lower than the fair value less cost to sell as at that date. Accordingly, no loss was recognised due to remeasurement at the initial classification.

26 分類為持作出售資產

截至二零二三年三月三十一日止年度，本集團與始興縣自然資源局（「始興縣自然資源局」）訂立土地收回協議，據此，始興縣自然資源局根據中國相關規則及規例，包括但不限於與三舊改造有關之政策，同意收回及本集團同意交還位於中國廣東省韶關市始興縣太平鎮黃花園工業區之三幅土地的土地使用權及若干資產，並與一家地產發展商訂立合作協議，代價為現金補償約人民幣107,300,000元（相當於約123,395,000港元），惟須受限於透過公開拍賣獲成功競投。協議已於年結前簽訂，而管理層認為有關交易的完成並無條件，且完成機會很大。因此，於二零二三年三月三十一日，相關物業、廠房及設備及使用權資產分別約38,335,000港元及2,765,000港元已呈列為持作出售資產。

根據香港財務報告準則第5號，分類為持作出售資產按緊接分類為持作出售前之賬面值與公平值減出售成本兩者之較低者計量。於初始分類為持作出售之日，資產之賬面值低於該日之公平值減出售成本。因此，於初始分類時並無因重新計量而確認虧損。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

27 ACCOUNTS AND BILLS PAYABLE, OTHER PAYABLES AND PROVISIONS

27 應付賬款及票據、其他應付款項及撥備

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Accounts and bills payable (Note i)	應付賬款及票據 (附註i)	202,402	313,403
Accrued expenses	應計開支	19,390	24,695
Other borrowings (Note ii)	其他借款 (附註ii)	27,882	-
Other payables	其他應付款項	20,756	22,883
Payable for construction work	建築工程之應付款項	7,314	8,907
Financial liabilities	金融負債	277,744	369,888
Accrued employee benefit expenses	應計僱員福利開支	59,246	73,763
VAT and other tax payable	增值稅及其他應付稅項	26,869	27,007
Deferred income (Note iii)	遞延收入 (附註iii)	19,233	25,599
Total trade and other payables	應付賬款及其他應付款項 總額	383,092	496,257
Less: Non-current portion of deferred income (Note ii)	減：遞延收入之非即期部份 (附註ii)	(14,553)	(17,515)
Non-current portion of other borrowings	其他借款之非即期部份	(22,214)	-
Current portion	即期部份	346,325	478,742

Denominated in:

以下列貨幣計值：

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
HKD	港元	45,885	123,348
RMB	人民幣	309,559	355,638
Others	其他	27,648	17,271
		383,092	496,257

NOTES TO FINANCIAL STATEMENTS

財務報表附註

27 ACCOUNTS AND BILLS PAYABLE, OTHER PAYABLES AND PROVISIONS (continued)

Notes:

- (i) The accounts and bills payable are non-interest-bearing and are normally settled within credit terms of two months, extending up to three months.

The carrying amounts of accounts and bills payables are considered to be the same as their fair values, due to their short term nature.

At 31 March 2023, the aging analysis of the accounts payable based on invoice date are as follows:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

27 應付賬款及票據、其他應付款項及撥備(續)

附註：

- (i) 應付賬款及票據均不計息，通常於兩個月的信貸期內償付，最多可延遲至三個月。

由於應付賬款及票據具有短期性質，因此其賬面值被視為等同於其公平值。

於二零二三年三月三十一日，應付賬款根據發票日期之賬齡分析如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
57,253	100,493
43,953	50,208
37,697	62,118
63,499	100,584
202,402	313,403

NOTES TO FINANCIAL STATEMENTS

財務報表附註

27 ACCOUNTS AND BILLS PAYABLE, OTHER PAYABLES AND PROVISIONS (continued)

Notes: (continued)

- (ii) As at 31 March 2023, the other borrowings comprise (i) loan from spouse of Mr. Cheng Chor Kit, the major shareholder of the Company, amounted to HK\$15,000,000, which is unsecured, interest bearing and repayable in 2026, (ii) loan from an independent third party entity, amounted to HK\$9,722,000, which is interest bearing and repayable by instalment until 2025, and secured by certain properties under development amounting to HK\$14,825,000; and (iii) loan from an individual third party, amounted to HK\$3,160,000, interest bearing and repayable within one year, and is secured by certain properties held for sale amounting to HK\$4,826,000.
- (iii) The balance mainly represented government grants received in respect of the subsidies from The People's Government of the Dushan County, Guizhou Province (the "Dushan County Government") for the Group's manufacturing company located in Dushan County, Guizhou Province, the PRC. These grants are held as deferred income and recognised to the income statement on a systematic basis to match with the costs or the assets' useful lives that they are intended to compensate in accordance with the agreements with the Dushan County Government. During the year ended 31 March 2023, subsidies of HK\$9,158,000 (2022: HK\$39,895,000) had been recognised and included in subsidy income of "Other income and gains, net" in the consolidated income statement.

The movements in deferred income are as follows:

At beginning of the year	於年初	
Additions	添置	
Grant recognised during the year	於年內確認之補貼	
Exchange realignment	匯兌調整	
At end of the year	於年末	

27 應付賬款及票據、其他應付款項及撥備(續)

附註：(續)

- (ii) 於二零二三年三月三十一日，其他借款包括(i)本公司主要股東鄭楚傑先生之配偶之貸款15,000,000港元，該貸款為無抵押、計息及須於二零二六年償還；(ii)一間獨立第三方公司之貸款9,722,000港元，該貸款為計息及須於二零二五年前分期償還，並以金額為14,825,000港元之若干發展中物業作為抵押；及(iii)一名獨立第三方之貸款3,160,000港元，該貸款為計息及須於一年內償還，並以金額為4,826,000港元之若干持作出售物業作為抵押。
- (iii) 結餘主要指貴州省獨山縣人民政府(「獨山縣政府」)補貼給本集團位於中國貴州省獨山縣之製造業公司的已收政府補助。該等補助按系統基準於收益表作遞延收入確認以配合該等項目根據與獨山縣政府訂立之協議擬補償之成本或資產的可使用年期。於截至二零二三年三月三十一日止年度，已確認補貼款項9,158,000港元(二零二二年：39,895,000港元)並計入綜合收益表的「其他收入及收益，淨額」中的補貼收入。

遞延收入之變動如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
25,599	59,890
4,767	4,399
(9,158)	(39,895)
(1,975)	1,205
19,233	25,599

NOTES TO FINANCIAL STATEMENTS

財務報表附註

28 BANK BORROWINGS

<i>Unsecured</i>	無抵押
Current portion	即期部分
Non-current portion	非即期部分
<i>Secured</i>	已抵押
Current portion	即期部分

As at 31 March 2023, the Group's banking facilities are secured by the corporate guarantees (2022: corporate guarantees, investment property (Note 16) and bank deposits (Note 25)) given by the Company and certain subsidiaries of the Company.

Bank borrowings mature until 2025 and bear average interest at 5.3% (2022: 2.8%) per annum.

At 31 March 2023, based on the contractual repayment terms including repayable on demand clause, the Group's bank borrowings maturity analysis would be as follows:

Within 1 year or on demand	於一年內或按要求
Between 1 and 2 years	超過一年但不超過兩年
Between 2 and 5 years	超過兩年但不超過五年

28 銀行借貸

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
269,065	412,071
82,200	111,800
351,265	523,871
-	5,276

於二零二三年三月三十一日，本集團之銀行融資以本公司及本公司若干附屬公司所提供之公司擔保(二零二二年：公司擔保、投資物業(附註16)及銀行存款(附註25))為抵押。

銀行借貸於二零二五年到期，並按平均年利率5.3%(二零二二年：2.8%)計息。

於二零二三年三月三十一日，按合約還款期計算(包括按要求償還條款)，本集團之銀行借貸到期分析如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
269,065	417,347
82,200	21,350
-	90,450
351,265	529,147

NOTES TO FINANCIAL STATEMENTS

財務報表附註

28 BANK BORROWINGS (continued)

The following table summarises the maturity analysis of the bank borrowings which are subject to repayment on demand based on scheduled repayment dates:

Within 1 year	於一年內
Between 1 and 2 years	超過一年但不超過兩年
Between 2 and 5 years	超過兩年但不超過五年

The carrying amounts of the Group's bank borrowings approximate their fair value.

Denominated in:

HKD	港元
USD	美元
RMB	人民幣

As at 31 March 2023, the Group has uncommitted undrawn bank facilities amounting to HK\$197,221,000 (2022: HK\$165,512,000).

During the year ended 31 March 2023, the Group anticipated it would not comply with certain restrictive financial covenants of its borrowings amounting to HK\$58,683,000. Accordingly, prior to 31 March 2023, the Group successfully obtained waivers for the compliance of restrictive financial covenants from the relevant banks. As at 31 March 2022, the Group was in compliance with all bank borrowing covenants.

28 銀行借貸(續)

下表概述附有按要求償還條款之銀行借貸的到期分析，乃根據原定還款日期編製：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
30,289	17,500
28,394	21,875
-	26,250
58,683	65,625

本集團銀行借貸之賬面值與其公平值相若。

以下列貨幣計值：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
172,649	293,613
8,359	26,152
170,257	209,382
351,265	529,147

於二零二三年三月三十一日，本集團之未提取非承諾銀行融資為197,221,000港元(二零二二年：165,512,000港元)。

截至二零二三年三月三十一日止年度，本集團預期將不會遵守有關其金額為58,683,000港元的借貸之若干限制性財務契約。因此，於二零二三年三月三十一日之前，本集團成功獲得相關銀行對遵守借貸限制性財務契約的豁免。於二零二二年三月三十一日，本集團已遵守所有銀行借貸契約。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

29 DEFERRED TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes related to the same fiscal authority. The balances shown in the consolidated statement of financial position, after appropriate offsetting, are as follows:

Deferred income tax assets	遞延所得稅資產
Deferred income tax liabilities	遞延所得稅負債
Net deferred income tax liabilities	遞延所得稅負債淨額

The movements in deferred tax liabilities and assets during the year are as follows:

Gross deferred tax liabilities

At 1 April 2021	於二零二一年四月一日
Deferred tax credited to equity during the year	年內於權益計入之遞延稅項
Deferred tax debited to the income statement during the year (Note 11)	年內於收益表扣除之遞延稅項 (附註11)
Exchange realignment	匯兌調整
At 31 March 2022	於二零二二年三月三十一日
Deferred tax credited to equity during the year	年內於權益計入之遞延稅項
Deferred tax credited to the income statement during the year (Note 11)	年內於收益表計入之遞延稅項 (附註11)
Exchange realignment	匯兌調整
At 31 March 2023	於二零二三年三月三十一日

29 遞延稅項

當有法定可執行權利可將即期所得稅資產與即期所得稅負債互相抵銷，而遞延所得稅與同一財政機關有關，即可將遞延所得稅資產與負債互相抵銷。經適當抵銷後，綜合財務狀況表所示結餘如下：

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Deferred income tax assets	4,145	5,745
Deferred income tax liabilities	(29,387)	(40,075)
Net deferred income tax liabilities	(25,242)	(34,330)

遞延稅項負債及資產於年內之變動如下：

遞延稅項負債總額

	Depreciation allowance in excess of related depreciation 折舊撥備超出有關折舊的金額 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2021	44,015	2,018	46,033
Deferred tax credited to equity during the year	(5,486)	-	(5,486)
Deferred tax debited to the income statement during the year (Note 11)	-	705	705
Exchange realignment	757	-	757
At 31 March 2022	39,286	2,723	42,009
Deferred tax credited to equity during the year	(9,102)	-	(9,102)
Deferred tax credited to the income statement during the year (Note 11)	-	(712)	(712)
Exchange realignment	(1,130)	-	(1,130)
At 31 March 2023	29,054	2,011	31,065

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財務報表附註

29 DEFERRED TAX (continued)

Gross deferred tax assets

29 遞延稅項 (續)

遞延稅項資產總額

		Deferred subsidy income	Others	Total
		遞延補貼收入	其他	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 April 2021	於二零二一年四月一日	14,898	2,240	17,138
Deferred tax debited to the income statement during the year (Note 11)	年內於收益表扣除之遞延稅項(附註11)	(8,798)	(950)	(9,748)
Exchange realignment	匯兌調整	300	(11)	289
At 31 March 2022	於二零二二年三月三十一日	6,400	1,279	7,679
Deferred tax debited to the income statement during the year (Note 11)	年內於收益表扣除之遞延稅項(附註11)	(1,061)	(264)	(1,325)
Exchange realignment	匯兌調整	(531)	-	(531)
At 31 March 2023	於二零二三年三月三十一日	4,808	1,015	5,823

NOTES TO FINANCIAL STATEMENTS

財務報表附註

29 DEFERRED TAX (continued)

The Group has tax losses arising in Hong Kong of HK\$41,947,000 (2022: HK\$28,363,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in Mainland China of HK\$95,294,000 (2022: HK\$75,211,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% (2022: 10%) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% (2022: 5%). The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated since 1 January 2008.

At 31 March 2023, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China (2022: Nil). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences on undistributed profit of the subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$796,772,000 (2022: HK\$795,387,000) at 31 March 2023.

29 遞延稅項 (續)

本集團於香港產生之稅項虧損41,947,000港元(二零二二年: 28,363,000港元), 可無限期用於抵銷產生虧損之公司之未來應課稅溢利。

本集團亦於中國內地產生稅項虧損95,294,000港元(二零二二年: 75,211,000港元), 將於一至五年到期用於抵銷未來應課稅溢利。

遞延稅項資產並未就該等虧損作出確認, 因該等虧損產生自己已有一段時間處於虧損狀況之附屬公司, 且應課稅溢利將不大可能用於抵銷稅項虧損。

根據中國企業所得稅法, 於中國內地成立之外商投資企業向外國投資者宣派股息, 須按10%(二零二二年: 10%)徵收預扣稅。此規定自二零零八年一月一日起生效, 並適用於二零零七年十二月三十一日後之盈利。倘中國內地與外國投資者之司法權區有簽訂相關稅務協議, 則可運用較低之預扣稅率。就本集團而言, 適用稅率為5%(二零二二年: 5%)。因此本集團有責任對中國內地成立之該等附屬公司就自二零零八年一月一日起產生之盈利所分派之股息繳付預扣稅。

於二零二三年三月三十一日, 並無就本集團於中國內地成立之附屬公司須繳納預扣稅之未匯出盈利之應課預扣稅確認遞延稅項(二零二二年: 無)。董事認為, 該等附屬公司在可預見未來不太可能分派有關盈利。於二零二三年三月三十一日, 有關尚未確認遞延稅項負債之中國內地附屬公司未分派溢利之暫時差額總額合共約為796,772,000港元(二零二二年: 795,387,000港元)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

30 SHARE CAPITAL

30 股本

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Authorised:	法定：		
1,000,000,000 ordinary shares of HK\$0.10 each	1,000,000,000股每股 面值0.10港元之普通股	100,000	100,000
Issued and fully paid:	已發行及繳足：		
438,960,000 (2022: 438,960,000) ordinary shares of HK\$0.10 each	438,960,000股 (二零二二年： 438,960,000股) 每股 面值0.10港元之普通股	43,896	43,896

A summary of movements in the Company's share capital is as follows:

本公司股本變動概要如下：

		Number of shares in issue 已發行 股份數目	Share capital 股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2021,	於二零二一年四月一日、				
31 March 2022 and	二零二二年三月三十一日和				
31 March 2023	二零二三年三月三十一日	438,960,000	43,896	156,015	199,911

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財務報表附註

31 SHARE OPTION SCHEMES

During the year ended 31 March 2013, the Company terminated the share option scheme adopted by the Company on 20 August 2002 (the “Old Share Option Scheme”) and adopted a new share option scheme (the “New Share Option Scheme”) pursuant to a resolution passed in the annual general meeting dated 20 August 2012 which became effective on the same date. The New Share Option Scheme will remain in force for ten years commencing from the effective date, after which period no further options will be granted but the provisions of the New Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

The New Share Option Scheme

The Company operates the New Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the New Share Option Scheme include the directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity that provides research, development or other technological support to the Group, the Company’s shareholders and any non-controlling interests in the Company’s subsidiaries. The New Share Option Scheme became effective on 20 August 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

31 購股權計劃

於截至二零一三年三月三十一日止年度內，本公司已終止本公司於二零零二年八月二十日採納之購股權計劃（「舊購股權計劃」），並根據日期為二零一二年八月二十日之股東週年大會上通過之決議案採納一項新購股權計劃（「新購股權計劃」），新購股權計劃於該日生效。新購股權計劃將自生效日期起計十年內維持有效，於該期間後將不會授出進一步購股權，惟新購股權計劃之條文應仍具十足效力，以便在新購股權計劃終止前授出或可能根據新購股權計劃之條文另行規定授出之任何購股權可繼續行使。

新購股權計劃

本公司實行新購股權計劃旨在為合資格參與者對本集團成就所作貢獻提供獎勵及回饋。新購股權計劃合資格參與者包括董事（包括獨立非執行董事）、本集團其他僱員、向本集團提供產品或服務之供應商、本集團客戶、對本集團提供研究、開發或其他技術支援之任何人士或實體、本公司股東及本公司附屬公司之任何非控股權益。新購股權計劃於二零一二年八月二十日生效，除非另行取消或修訂，否則由當日起計十年內維持有效。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 SHARE OPTION SCHEMES *(continued)*

The New Share Option Scheme *(continued)*

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options.

The New Share Option Scheme expired on 19 August 2022. No new share option was granted during the Year before the expiry of the New Share Option Scheme.

As at 31 March 2023, there were 1,000,000 options (2022: 1,000,000 options) granted under the New Share Option Scheme.

The foregoing share options shall become lapsed if the share options remain unexercised on and before 10 years from the date the options were granted as disclosed in the following table.

31 購股權計劃 *(續)*

新購股權計劃 *(續)*

承授人可於由授出購股權建議日期起計二十八日內藉支付名義代價合共1港元接納購股權授出建議。授出購股權之行使期由董事決定，於指定歸屬期後開始，並於不遲於購股權建議日期起計十年之日期終止。

新購股權計劃於二零二二年八月十九日屆滿。於新購股權計劃屆滿前，本年度概無授出新購股權。

於二零二三年三月三十一日，根據新購股權計劃已授出1,000,000份購股權（二零二二年：1,000,000份購股權）。

倘於下表所披露之購股權授出日期及該日起計十年之前購股權仍未行使，上述購股權將會失效。

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財務報表附註

31 SHARE OPTION SCHEMES (continued)

The following share options were outstanding under the New Share Option Scheme during the year:

2023

31 購股權計劃 (續)

根據新購股權計劃於年內仍未行使之購股權如下：

二零二三年

Date of share options granted 授出購股權日期	Vesting period 歸屬期 from 由 to 至		Number of share options 購股權數目				At 31 March 二零二三年 三月三十一日	Exercise period 行使期	Exercise price 每股行使價 HK\$ 港元	Price of the Company's shares immediately before the grant date 本公司股份於緊接授出日期前之股價 HK\$ 港元	
			At 1 April 2022 於二零二二年 四月一日	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效					
Directors 董事											
Wong Chi Wai 黃聰維	7/7/2017		400,000	-	-	-	400,000	7/7/2017 - 6/7/2027	2.262	2.220	
	7/7/2017	7/7/2017	12/9/2017	100,000	-	-	-	100,000	13/9/2017 - 6/7/2027	2.262	2.220
	9/7/2018	9/7/2018	12/9/2018	100,000	-	-	-	100,000	13/9/2018 - 8/7/2028	2.470	2.470
Sun Kwai Yu, Vivian 孫季如	9/7/2018	9/7/2018	12/9/2018	100,000	-	-	-	100,000	13/9/2018 - 8/7/2028	2.470	2.470
	7/7/2017		100,000	-	-	-	100,000	7/7/2017 - 6/7/2027	2.262	2.220	
Cheng Kwok Kin, Paul 鄭國乾	9/7/2018		100,000	-	-	-	100,000	9/7/2018 - 8/7/2028	2.470	2.470	
	7/7/2017		100,000	-	-	-	100,000	7/7/2017 - 6/7/2027	2.262	2.220	
Cheung Wang Ip 張宏業	9/7/2018	9/7/2018	20/7/2018	100,000	-	-	-	100,000	21/7/2018 - 8/7/2028	2.470	2.470
			1,000,000	-	-	-	1,000,000				

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財務報表附註

31 SHARE OPTION SCHEMES (continued)

The following share options were outstanding under the New Share Option Scheme during the year:

2022

31 購股權計劃(續)

根據新購股權計劃於年內仍未行使之購股權如下：

二零二二年

	Date of share options granted 授出購股權日期	Vesting period 歸屬期		Number of share options 購股權數目			At 31 March 2022 於 二零二二年 三月三十一日	Exercise period 行使期	Exercise price per share 每股份行使價 HK\$ 港元	Price of the Company's shares immediately before the grant date 本公司股份於緊接授出日期前之股價 HK\$ 港元	
		from 由	to 至	At 1 April 2021 於 二零二一年 四月一日	Granted during the year 於年內授出	Exercised during the year 於年內行使					Lapsed during the year 於年內失效
Directors 董事											
Wong Chi Wai 黃聰維	7/7/2017			400,000	-	-	-	400,000	7/7/2017 - 6/7/2027	2.262	2.220
	7/7/2017	7/7/2017	12/9/2017	100,000	-	-	-	100,000	13/9/2017 - 6/7/2027	2.262	2.220
	9/7/2018	9/7/2018	12/9/2018	100,000	-	-	-	100,000	13/9/2018 - 8/7/2028	2.470	2.470
Sun Kwai Yu, Vivian 孫季如	9/7/2018	9/7/2018	12/9/2018	100,000	-	-	-	100,000	13/9/2018 - 8/7/2028	2.470	2.470
Cheng Kwok Kin, Paul 鄭國乾	7/7/2017			100,000	-	-	-	100,000	7/7/2017 - 6/7/2027	2.262	2.220
	9/7/2018			100,000	-	-	-	100,000	9/7/2018 - 8/7/2028	2.470	2.470
Cheung Wang Ip 張宏業	9/7/2018	9/7/2018	20/7/2018	100,000	-	-	-	100,000	21/7/2018 - 8/7/2028	2.470	2.470
				1,000,000	-	-	-	1,000,000			

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 SHARE OPTION SCHEMES (continued)

During the year ended 31 March 2023, no share options are lapsed (2022: Nil) and no share option expenses were recognised during the year (2022: Nil).

The following share options were outstanding under the Schemes during the year:

At the beginning and end of year

As at 31 March 2023, the Company had 1,000,000 (2022: 1,000,000) share options outstanding under the Schemes. Should they be fully exercised, the Company will receive HK\$2,345,000 (2022: HK\$2,345,000) (before issue expenses). The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 1,000,000 (2022: 1,000,000) additional ordinary shares of the Company and additional share capital of HK\$100,000 (2022: HK\$100,000) and share premium of approximately HK\$2,245,000 (2022: HK\$2,245,000) (before issue expenses).

31 購股權計劃(續)

截至二零二三年三月三十一日止年度，概無購股權已失效(二零二二年：無)及年內並無確認購股權開支(二零二二年：無)。

年內，該等計劃項下尚未行使的購股權如下：

2023 二零二三年		2022 二零二二年	
Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目	Weighted average exercise price 加權平均行使價 HK\$ per share 每股港元	Number of options 購股權數目
2.345	1,000,000	2.345	1,000,000

於二零二三年三月三十一日，本公司於該等計劃項下擁有1,000,000份(二零二二年：1,000,000份)尚未行使之購股權。倘該等購股權獲悉數行使，本公司將收到2,345,000港元(二零二二年：2,345,000港元)(未扣除發行開支)。根據本公司之現時資本架構，悉數行使該等購股權將導致額外發行1,000,000股(二零二二年：1,000,000股)本公司之普通股及額外新增股本100,000港元(二零二二年：100,000港元)以及股份溢價約2,245,000港元(二零二二年：2,245,000港元)(未扣除發行開支)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

32 RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

The contributed surplus of the Group represents the difference between the nominal value of the shares of the aggregate share capital of the subsidiaries acquired pursuant to the Group reorganisation on 7 April 1998 and the nominal value of the Company's shares issued in exchange therefor.

Other reserve represents the excess of the consideration over the share of net assets acquired from non-controlling interests.

33 RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management compensation

Key management includes executive directors of the Group. The compensation of key management personnel of the Group is shown below:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Pension scheme contributions	退休金計劃供款
Total compensation paid to key management personnel	已付主要管理人員薪酬總額

Note:

Further details of the directors' and the chief executive's emoluments are included in Note 10 to the financial statements.

32 儲備

本集團於本年度及過往年度之儲備款額及其變動詳情已於財務報表之綜合權益變動表內呈列。

本集團之繳入盈餘指根據於一九九八年四月七日進行之集團重組所收購附屬公司總股本之股份面值及本公司就該項交易而發行股份面值之差額。

其他儲備指代價超出應佔向非控股權益所收購資產淨值之部分。

33 有關聯人士交易及結餘

(a) 主要管理人員薪酬

主要管理人員包括本集團執行董事。本集團主要管理人員之薪酬如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
14,126	15,180
66	72
14,192	15,252

附註：

董事及最高行政人員薪酬之進一步詳情已載於財務報表附註10。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

33 RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Significant transactions with related parties

The directors of the Company are of the view that Unicon Investments Limited and Century Grand International Limited (Note), companies owned by Mr. Cheng Chor Kit, are related parties of the Group.

Lease expense paid to a related party	向有關聯人士支付之租金開支
Unicon Investments Limited (Note a)	裕康投資有限公司 (附註a)
Century Grand International Limited (Note a)	恒光國際有限公司 (附註a)
Addition of right-of-use assets	添置使用權資產
Unicon Investments Limited (Note a)	裕康投資有限公司 (附註a)
Century Grand International Limited (Note a)	恒光國際有限公司 (附註a)
Interest expense of lease liabilities	租賃負債利息支出
Unicon Investments Limited (Note a)	裕康投資有限公司 (附註a)
Century Grand International Limited (Note a)	恒光國際有限公司 (附註a)
Addition on other borrowing	其他借款的增加
Spouse of Mr. Cheng Chor Kit (Note b)	鄭楚傑先生之配偶 (附註b)

Note a:

The lease agreement was conducted in accordance with the terms as agreed by both parties.

Note b:

The borrowing from spouse of Mr. Cheng Chor Kit, the major shareholder of the Company, is unsecured, interest bearing at 4% per annum and repayable on March 2026.

33 有關聯人士交易及結餘 (續)

(b) 與有關聯人士之主要交易

本公司董事認為，由鄭楚傑先生擁有的公司裕康投資有限公司及恒光國際有限公司(附註)為本集團的有關聯人士。

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
1,498	1,498
215	36
4,201	–
–	610
29	81
18	4
15,000	–

附註a:

租賃協議乃根據訂約各方協定之條款進行。

附註b:

本公司主要股東鄭楚傑先生之配偶之借款為無抵押、按年利率4%計息並須於二零二六年三月償還。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Proceeds from disposal of property, plant and equipment

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

Net book amount:	賬面淨值：
Property, plant and equipment (Note 15)	物業、廠房及設備 (附註15)
(Loss)/gain on disposal of property, plant and equipment (Note 6)	出售物業、廠房及設備之 (虧損)/收益 (附註6)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項

34 綜合現金流量表附註

(a) 出售物業、廠房及設備所得款項

於綜合現金流量表內，出售物業、廠房及設備所得款項包括：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
5,901	56
(613)	34
5,288	90

NOTES TO FINANCIAL STATEMENTS

財務報表附註

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented:

Cash and cash equivalents	現金及現金等同物
Liquid investment (Note 24)	流動性投資(附註24)
Pledged deposits (Note 25)	已抵押存款(附註25)
Bank borrowings (Note 28)	銀行借貸(附註28)
Other financing (Note 27)	其他融資(附註27)
Lease liabilities (Note 17)	租賃負債(附註17)
Net debts	淨債務

Note:

Liquid investments comprise current investments that are traded in an active market, being the Group's financial assets held at fair value through profit or loss.

34 綜合現金流量表附註(續)

(b) 淨債務對賬

本節載列各期間內所列示的淨債務的分析和變動：

	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
	203,372	256,934
	14,329	14,508
	-	12,326
	(351,265)	(529,147)
	(27,882)	-
	(12,073)	(12,920)
	(173,519)	(258,299)

附註：

流動性投資包括於活躍市場買賣之流動投資，即本集團持有透過損益按公平值列賬之金融資產。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

(b) Net debt reconciliation (continued)

		Cash and cash equivalents	Liquid investment	Pledged deposits	Bank borrowings	Other financing	Lease liabilities	Total
		現金及現金 等同物	流動性投資	已抵押存款	銀行借貸	其他融資	租賃負債	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
2023	二零二三年							
Net debt as at	於二零二二年三月							
31 March 2022	三十一日之淨債務	256,934	14,508	12,326	(529,147)	-	(12,920)	(258,299)
Net cash movement	現金變動淨額	(47,225)	-	(11,783)	161,225	(28,450)	6,444	80,211
Exchange realignment	匯兌調整	(6,337)	-	(543)	16,657	568	766	11,111
Other movements	其他變動	-	(179)	-	-	-	(6,363)	(6,542)
Net debt as at	於二零二三年三月	203,372	14,329	-	(351,265)	(27,882)	(12,073)	(173,519)
31 March 2023	三十一日之淨債務							
2022	二零二二年							
Net debt as at	於二零二一年三月							
31 March 2021	三十一日之淨債務	390,018	11,715	17,975	(659,546)	-	(3,772)	(243,610)
Net cash movement	現金變動淨額	(140,887)	-	(6,078)	136,396	-	4,453	(6,116)
Exchange realignment	匯兌調整	7,803	-	429	(5,997)	-	(69)	2,166
Other movements	其他變動	-	2,793	-	-	-	(13,532)	(10,739)
Net debt as at	於二零二二年三月	256,934	14,508	12,326	(529,147)	-	(12,920)	(258,299)
31 March 2022	三十一日之淨債務							

34 綜合現金流量表附註 (續)

(b) 淨債務對賬 (續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

35 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

35 按類別劃分之金融工具

於報告期末，各類金融工具之賬面值如下：

		2023 二零二三年		2022 二零二二年	
		Financial assets at fair value through profit or loss 透過損益按公平值列賬之金融資產 HK\$'000 千港元	Financial assets at amortised cost 按攤銷成本計量之金融資產 HK\$'000 千港元	Financial assets at fair value through profit or loss 透過損益按公平值列賬之金融資產 HK\$'000 千港元	Financial assets at amortised cost 按攤銷成本計量之金融資產 HK\$'000 千港元
Financial assets	金融資產				
Accounts receivable	應收賬款	-	210,742	-	289,319
Deposits and other receivables	按金及其他應收款項	-	56,386	-	61,990
Cash deposits	現金存款	-	214,471	-	283,265
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	27,408	-	27,192	-
		27,408	481,599	27,192	634,574
Financial liabilities	金融負債				
Financial liabilities at amortised cost:	按攤銷成本計量之金融負債：				
Accounts and bills payable	應付賬款及票據		202,402		313,403
Financial liabilities included in other payables, accrued liabilities	計入其他應付款項及應計負債之金融負債		75,342		56,797
Bank borrowings	銀行借貸		351,265		529,147
Lease liabilities	租賃負債		12,073		12,920
			641,082		912,267

Note:

The fair values of the financial assets at amortised cost approximate their carrying amounts.

附註：

按攤銷成本計量之金融資產之公平值與其賬面值相若。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

36 本公司之財務狀況表及儲備變動

本公司之財務狀況表

		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	770,070	875,570
Financial assets at fair value through profit and loss	透過損益按公平值列賬之金融資產	-	12,684
		770,070	888,254
Current assets	流動資產		
Prepayments	預付款項	4	-
Financial assets at fair value through profit and loss	透過損益按公平值列賬之金融資產	13,079	-
Cash and cash equivalents	現金及現金等同物	5,504	2,486
Tax recoverable	可收回稅項	195	195
Total current assets	流動資產總額	18,782	2,681
Total assets	總資產	788,852	890,935
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	43,896	43,896
Reserves (Note)	儲備(附註)	605,655	614,884
Total equity	權益總額	649,551	658,780
LIABILITIES	負債		
Current liabilities	流動負債		
Accrued liabilities and other payables	應計負債及其他應付款項	5,776	4,906
Bank borrowings	銀行借貸	69,475	141,849
Total current liabilities	流動負債總額	75,251	146,755
Non-current liability	非流動負債		
Bank borrowings	銀行借貸	64,050	85,400
Total liabilities	總負債	139,301	232,155
Total equity and liabilities	總權益及負債	788,852	890,935

NOTES TO FINANCIAL STATEMENTS

財務報表附註

36 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(continued)

Note:

A summary of the Company's reserves is as follows:

		Share premium account	Share-based payment reserve	Capital redemption reserve	Contributed surplus	Retained profits	Total
		股份溢價賬	以股份為基礎之付款儲備	股本贖回儲備	繳入盈餘	保留溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2021	於二零二一年四月一日	156,015	670	14	104,750	354,619	616,068
Loss for the year	年度虧損	-	-	-	-	(1,184)	(1,184)
At 31 March 2022 and 1 April 2022	於二零二二年三月三十一日及二零二二年四月一日	156,015	670	14	104,750	353,435	614,884
Loss for the year	年度虧損	-	-	-	-	(9,229)	(9,229)
At 31 March 2023	於二零二三年三月三十一日	156,015	670	14	104,750	344,206	605,655

The contributed surplus of the Company represents the excess of the then combined net assets of the subsidiaries acquired pursuant to the same reorganisation, over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Act 1981 of Bermuda, the Company's contributed surplus is available for cash distribution and/or distribution in specie under certain circumstances prescribed by section 54 thereof.

36 本公司之財務狀況表及儲備變動(續)

附註：

本公司之儲備概要如下：

本公司之繳入盈餘指根據同一重組所收購之附屬公司當時之合併資產淨值超出本公司就該項交易而發行股份面值之差額。

根據百慕達一九八一年公司法，其第54條訂明本公司可在若干情況下以繳入盈餘作現金分派及／或實物分派。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

37 OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (Note 16) under operating lease arrangements, with leases negotiated for terms of one year.

At 31 March 2023, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)

(b) As lessee

The Group leases certain of its office properties and warehouses under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

37 經營租約安排

(a) 作為出租人

本集團根據經營租約安排出租其投資物業(附註16)，租約經磋商而釐定之租期為一年。

於二零二三年三月三十一日，本集團根據於下列期間到期之與承租人之不可撤銷經營租約所應收之未來最低租金總額如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
3,067	766
3,910	1,179
6,977	1,945

(b) 作為承租人

本集團根據經營租約安排租用其若干辦公室物業及倉庫。物業租約經磋商而釐定之租期介乎一至兩年。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

37 OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee (continued)

At 31 March 2023, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year 一年內

From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term lease commitments as disclosed above.

38 COMMITMENTS

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

Property, plant and equipment	物業、廠房及設備
Properties under development and investment properties	發展中物業及投資物業

37 經營租約安排(續)

(b) 作為承租人(續)

於二零二三年三月三十一日，本集團根據於下列期間到期之不可撤銷經營租約所應付之未來最低租金總額如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
313	468

自二零一九年四月一日起，除上文所披露之短期租賃承擔外，本集團已就該等租賃確認使用權資產。

38 承擔

於年末已訂約但尚未產生之資本支出如下：

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
32,470	69,709
23,706	393,210

NOTES TO FINANCIAL STATEMENTS

財務報表附註

39 SUBSEQUENT EVENT

On 20 March 2023, the Group surrendered the land use rights of three parcels of land and certain assets in Huang Hua Yuan Industrial Area, Tai Ping Town, Shi Xing County, Shaoguan City, Guangdong Province, as part of the Lands Resumption Agreement with SXBNR, for a cash compensation of approximately RMB107,300,000 (equivalent to approximately HK\$123,395,000). The relevant property, plant and equipment, and right-of-use assets of approximately HK\$38,335,000 and HK\$2,765,000, respectively, were presented as assets held for sale as at 31 March 2023 (Note 26).

Subsequent to the year ended 31 March 2023, the public auction is completed, and the Group received RMB15,000,000 (equivalent to approximately HK\$16,929,000) from SXBNR. The Group is currently in the process of completing the relocation work of the land and assisting SXBNR in delivering the land and the construction on it.

39 期後事項

作為與始興縣自然資源局訂立土地收回協議之一部分，於二零二三年三月二十日，本集團交還位於廣東省韶關市始興縣太平鎮黃花園工業區之三幅土地的土地使用權及若干資產，以換取現金補償約人民幣107,300,000元（相當於約123,395,000港元）。相關物業、廠房及設備以及使用權資產分別約38,335,000港元及2,765,000港元已予呈列為於二零二三年三月三十一日之持作出售資產（附註26）。

於截至二零二三年三月三十一日止年度後，公開拍賣已完成，而本集團已從始興縣自然資源局收到人民幣15,000,000元（相當於約16,929,000港元）。本集團正在完成該土地的搬遷工作，並協助始興縣自然資源局將該土地及其上之建築交付。

FINANCIAL SUMMARY

財務概要

		Year ended 31 March 截至三月三十一日止年度				
RESULTS	業績	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
REVENUE	收益	1,209,602	2,316,315	2,693,865	3,114,221	4,221,878
(LOSS)/PROFIT BEFORE INCOME TAX	除所得稅前 (虧損)/溢利	(297,723)	74,407	140,055	196,458	129,171
Income tax credit/(expense)	所得稅抵免/(開支)	3,554	(17,549)	(35,914)	(22,821)	(18,760)
Loss for the year from discontinued operation	已終止經營業務之 年內虧損	-	-	(702)	(8,272)	-
(LOSS)/PROFIT FOR THE YEAR	年內(虧損)/溢利	(294,169)	56,858	103,439	165,365	110,411
(LOSS)/PROFIT ATTRIBUTABLE TO:	以下各項應佔 (虧損)/溢利:					
Equity holders of the Company	本公司權益持有人	(294,169)	56,858	103,626	170,049	112,384
Non-controlling interests	非控股權益	-	-	(187)	(4,684)	(1,973)
		(294,169)	56,858	103,439	165,365	110,411
		As at 31 March 於三月三十一日				
ASSETS AND LIABILITIES	資產及負債	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產	1,001,611	1,240,517	1,336,631	1,325,819	1,541,484
CURRENT ASSETS	流動資產	1,094,602	1,677,566	1,874,202	1,548,542	1,847,987
TOTAL ASSETS	總資產	2,096,213	2,918,083	3,210,833	2,874,361	3,389,471
CURRENT LIABILITIES	流動負債	(836,697)	(1,151,842)	(1,456,316)	(1,265,474)	(2,040,170)
NON-CURRENT LIABILITIES	非流動負債	(154,831)	(176,331)	(255,021)	(382,805)	(139,375)
TOTAL LIABILITIES	總負債	(991,528)	(1,328,173)	(1,711,337)	(1,648,279)	(2,179,545)
NET ASSETS	資產淨值	1,104,685	1,589,910	1,499,496	1,226,082	1,209,926

