



天虹國際集團有限公司
TEXHONG INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：2678

年報 **2023**
ANNUAL REPORT

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財務摘要

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經營表現數據

		2023	2022		2021	2020	2019
		二零二三年	二零二二年	Change	二零二一年	二零二零年	二零一九年
For the year ended 31 December		RMB'000	RMB'000	變動	RMB'000	RMB'000	RMB'000
截至十二月三十一日止年度		人民幣千元	人民幣千元		人民幣千元	人民幣千元	人民幣千元
Revenue	收入	22,725,317	23,805,354	-4.5%	26,521,193	19,576,938	22,002,943
Gross profit	毛利	1,462,615	2,755,622	-46.9%	5,851,971	2,707,118	2,993,437
(Loss)/Profit for the year	年度(虧損)/溢利	(299,382)	201,186	-248.8%	2,741,616	530,354	922,749
(Loss)/Profit attributable to shareholders	股東應佔(虧損)/溢利	(375,700)	156,808	-339.6%	2,685,170	517,065	883,726
(Losses)/Earnings per share	每股(虧損)/盈利						
— Basic	— 基本	RMB人民幣(0.41)元	RMB人民幣0.17元	-341.2%	RMB人民幣2.93元	RMB人民幣0.57元	RMB人民幣0.97元
— Diluted	— 攤薄	RMB人民幣(0.41)元	RMB人民幣0.17元	-341.2%	RMB人民幣2.93元	RMB人民幣0.56元	RMB人民幣0.97元

FINANCIAL POSITION DATA

財務狀況數據

		2023	2022		2021	2020	2019
		二零二三年	二零二二年	Change	二零二一年	二零二零年	二零一九年
As at 31 December		RMB'000	RMB'000	變動	RMB'000	RMB'000	RMB'000
於十二月三十一日		人民幣千元	人民幣千元		人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	22,811,172	26,151,299	-12.8%	24,442,884	20,157,279	21,174,661
Non-current assets	非流動資產	11,103,716	12,522,445	-11.3%	11,394,265	10,829,540	11,374,054
Current assets	流動資產	11,707,456	13,628,854	-14.1%	13,048,619	9,327,739	9,800,607
Total liabilities	總負債	13,055,814	16,049,823	-18.7%	13,841,932	11,684,541	13,075,286
Current liabilities	流動負債	9,117,898	12,166,884	-25.1%	10,089,446	8,011,160	7,583,220
Non-current liabilities	非流動負債	3,937,916	3,882,939	1.4%	3,752,486	3,673,381	5,492,066
Net current assets	流動資產淨值	2,589,558	1,461,970	77.1%	2,959,173	1,316,579	2,217,387
Net assets	資產淨值	9,755,358	10,101,476	-3.4%	10,600,952	8,472,738	8,099,375
Equity attributable to shareholders	股東應佔權益	9,149,079	9,501,623	-3.7%	10,038,270	7,863,267	7,473,456

FINANCIAL INDICATORS

財務指標

		2023	2022		2021	2020	2019
		二零二三年	二零二二年		二零二一年	二零二零年	二零一九年
For the year ended 31 December							
截至十二月三十一日止年度							
Inventory turnover days	存貨周轉天數	109	126		95	95	98
Trade and bill receivables turnover days (Note 1)	應收貿易及票據款項周轉天數(附註1)	29	28		25	30	27
Trade and bill payables turnover days (Note 2)	應付貿易及票據款項周轉天數(附註2)	72	78		63	61	62
Current ratio	流動比率	1.3	1.1		1.3	1.2	1.3
Net debt to equity ratio (Note 3)	負債淨額權益比率(附註3)	0.60	0.63		0.45	0.52	0.86
Return on equity (Note 4)	權益回報率(附註4)	-4%	2%		30%	7%	12%

Note 1: Based on the average of the trade and bills receivables and financial assets at fair value through other comprehensive income at the beginning and ending of the year over sales revenue for the respective year and multiplied by 360 days.

附註1: 根據年初和年終應收貿易及票據款項以及按公平值計量且其變動計入其他全面收益的金融資產之平均數除以各年的銷售收入乘以360天計算得出。

Note 2: Based on the average of the trade and bills payables and supply chain financing at the beginning and ending of the year over cost of sales for the respective year and multiplied by 360 days.

附註2: 根據年初和年終應付貿易及票據款項以及供應鏈融資之平均數除以各年的銷售成本乘以360天計算得出。

Note 3: Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders at each year end.

附註3: 根據各年終時的借貸總額扣除現金及現金等值物以及已抵押銀行存款除以股東應佔權益計算得出。

Note 4: Based on each year's profit attributable to shareholders over the average of the equity attributable to shareholders at the beginning and ending of the financial year.

附註4: 根據各年的股東應佔溢利除以該財政年度年初及年終股東應佔權益之平均數計算得出。

CORPORATE PROFILE

Texhong International Group Limited (formerly known as Texhong Textile Group Limited) (the “Company”, together with its subsidiaries, the “Group”) (stock code: 2678) is one of the global largest cotton textile manufacturers and is a leading textile enterprise focusing on manufacturing high value-added core-spun textile products. The Group is principally engaged in the manufacture and distribution of quality yarns, grey fabrics and garment fabrics. Since 1997, the Group has grown rapidly and has over 5,000 customers in the People’s Republic of China (“China” or “the PRC”) and overseas, with its sales network spanning across many countries and regions around the world, including the PRC, Vietnam, North America, Europe, Brazil, Turkey, Bangladesh, Japan and South Korea. With its sales headquarter established in Shanghai, the Group has production bases in operation in the PRC, Vietnam, Turkey, the Americas respectively, with major production facilities comprising about 4.18 million spindles and about 1,700 weaving and knitting machines and the related dyeing equipment as of 31 December 2023.

企業簡介

天虹國際集團有限公司(前稱天虹紡織集團有限公司)(「本公司」, 連同其附屬公司統稱「本集團」)(股份代號: 2678)是全球最大的棉紡織品製造商之一, 更是領先的高附加值包芯紡織產品生產企業。本集團的主要業務為製造及銷售優質紗線、坯布及面料。自一九九七年始, 本集團業務發展迅速, 更擁有超過5,000個國內外客戶, 銷售網絡遍及中華人民共和國(「中國」)、越南、北美、歐洲、巴西、土耳其、孟加拉、日本及南韓等全球多個國家和地區。本集團以上海為銷售總部, 於中國、越南、土耳其、美洲均有運行中的生產基地, 截至二零二三年十二月三十一日, 主要生產設施包括大約418萬紗錠、約1,700台梭織及針織織機及對應的染整設備。



TEXHONG

On behalf of the Company's board of directors (the "Board"), I present the annual results of the Group for the year ended 31 December 2023 to the shareholders of the Company.

本人謹代表本公司董事會（「董事會」），向本公司股東呈列本集團截至二零二三年十二月三十一日止年度的全年業績。

Hong Tianzhu 洪天祝
Chairman 主席



主席報告書 CHAIRMAN'S STATEMENT

RESULTS

In 2023, the global economy remained in a state of volatility, as the macro-level trends that had significantly impacted multiple industries worldwide in 2022 have now trickled down to a more micro level, yielding tangible consequences. The ongoing international geopolitical tensions, reduced trade and supply chain efficiencies and inflationary pressures have further amplified the complexities and difficulties that enterprises are facing. Being the first full year in the post-pandemic era for the domestic market, 2023 has brought a renewed sense of vitality to the consumer market after a long stagnant period. Still, the reality that must be faced included shifts in the global economic growth model, as well as the post pandemic lifestyle and concept changes, which have greatly affected consumer behavior and market sentiment. For the textile and apparel industry in particular, apart from observing the overall trend of consumption downgrade, we were also witnessing a shift in consumer preferences towards concepts such as sustainable development, ethical procurement and digitalization. These factors all contributed to major adjustments within the current supply system and order structure. Nonetheless, the domestic textile and apparel market has experienced a substantial recovery in 2023. In contrast, the overseas markets remained relatively lackluster, with industry destocking efficiency falling short of expectations. Combined with the cautious sourcing strategy of downstream retailers, such developments exerted pressure on the pricing power and profit margin of the supply chain.

Against this challenging backdrop, the Group recognises the imperative of embracing adaptability and resilience to navigate shifting market dynamics and achieve long-term sustainable growth. Therefore, during the year ended 31 December 2023 (the "Year"), the Group placed substantial emphasis on controlling capital expenditures, optimising resources, and streamlining management processes, all with the aim of fostering a healthier internal environment. For instance, the Group prioritised investments that demonstrate a clear potential for return on investment and align strategically with our long-term objectives. This approach aims to preserve financial flexibility and mitigate unnecessary risks. At the same time, the Group focused its resources on product segments with better competitive advantages and higher market potential, and optimised its product portfolio and marketing efforts accordingly. Furthermore, the Group sought to strengthen regional production capacity and bolster regional supply chain flexibility by promoting vertical integration and fostering supplier partnerships, thereby mitigating risks related to global trade volatility and improving operational flexibility.

業績

二零二三年，全球經濟仍處於波動之中，許多在二零二二年深刻影響全球各行各業的宏觀趨勢在如今已經滲透到更微觀的層面，並產生了切實的後果。持續的國際地緣政治緊張局勢、貿易及供應鏈效率降低和通脹壓力都進一步加劇了企業所面臨的複雜性和挑戰。雖然對於國內市場來說，二零二三年是後疫情時代第一個完整年度，消費市場在沉寂很長一段時間以後終於迸發出了一些活力。然而，我們必須正視的現實是，全球經濟增長模式的變化，以及被疫情改變的生活方式及觀念，都極大地影響了消費者行為和市場情緒。特別是在紡織服裝行業，除了觀察到消費降級的整體趨勢外，還能看到消費者偏好轉向可持續發展、道德採購和數字化等概念。這些因素均促使紡織行業現有的供應體系以及訂單結構出現調整。儘管如此，國內紡織服裝市場在二零二三年還是顯著回暖。反觀海外市場依然相對低迷，行業去庫存效率低於預期。加之下游零售商謹慎的採購策略，對供應鏈的定價能力和利潤率都構成壓力。

在此充滿挑戰的背景下，本集團認識到需要採取靈活且具有韌性的姿態，才能駕馭不斷變化的市場動態，實現長期可持續增長。因此，截至二零二三年十二月三十一日止年度（「本年度」或「年內」），本集團重點關注資本支出控制、資源優化和流程簡化等工作，以營造一個更加健康的內部環境。例如，集團優先考慮具有明確投資回報潛力、並與集團的長期目標保持戰略一致的投資，旨在保持財務靈活性並降低不必要的風險。同時將資源聚焦到最具核心競爭力以及有較高潛力的產品領域，以此原則來優化產品組合和營銷工作。此外，本集團著力加強區域化生產能力，並通過推動垂直整合、培育供應商合作夥伴關係以增強區域供應鏈彈性，從而降低與全球貿易波動相關的風險並提高運營靈活性。

主席報告書(續) CHAIRMAN'S STATEMENT (CONTINUED)

Even though the efforts of all employees of the Group have led to some progress, still more time is needed before the full results can be manifested. In the first half of the Year, the Group focused on processing and resolving the legacy issues of the previous year, especially the impact of macro-level trends on all aspects of the business. After a series of internal adjustments, the Group started experiencing positive changes and results in the second half of the year. Regrettably, although operating performance improved in the second half of the year, the loss incurred in the first half of the year resulted in the reporting of a loss for the annual results, signifying the first year of financial loss since the Group's establishment. In 2023, the Group's sales revenue was approximately RMB22.7 billion and the net loss was approximately RMB299.4 million.

OUTLOOK

Despite the persistent macroeconomic uncertainties and the normalisation of certain market trends and changes, the Group maintains an optimistic outlook on the resilience of the textile industry and the robustness of its own business. The market has endured its trough, and the Group has largely overcome the major challenges it previously encountered, gradually setting itself on the right track and is prepared to forge ahead. In the upcoming year, the Group will remain committed to the strategic objectives that it set previously, focusing on innovation, sustainable development, and operational excellence, while continuously optimising corporate assets and financial health. In terms of market positioning, we aim to strengthen our competitive position and seize emerging market opportunities through focusing on our advantages, and believe that the Group will emerge stronger from the current challenges and deliver long-term value to our shareholders.

APPRECIATION

Lastly, on behalf of the Board, I would like to express my sincere gratitude to all of our shareholders for their unwavering interest in and support for the Group.

Hong Tianzhu
Chairman

25 March 2024

經過本集團全體員工的努力，儘管這些內部工作已經取得了一定進展，但其成果仍需要時間才能完全呈現。在上半年度，本集團著重解決及消化上一年度的遺留事項，特別是那些由宏觀趨勢對企業各方面所產生的影響。經過一系列的內部調整，本集團在下半年度已經初步感受到了積極變化與成效。然而，遺憾的是，儘管下半年經營情況有所改善，上半年度的虧損仍導致本集團全年業績呈現虧損，這也是本集團自成立以來首次錄得的財務虧損年度。二零二三年度，本集團的銷售收入約為人民幣227億元，淨虧損約為人民幣2.994億元。

展望

儘管宏觀經濟的不確定性依然存在，部分市場趨勢和變化已成為了常態，但本集團仍對紡織行業的抗風險能力和自身業務的穩健性保持樂觀。市場已經渡過了低谷，本集團也已經基本克服了此前面臨的重大挑戰，正逐步步入正軌、整裝待發。在新的經營年度，本集團將繼續堅持此前制定的戰略目標，關注創新、可持續發展和高效運營，並不斷優化企業資產及財務狀況。在市場定位方面，通過專注於優勢領域，我們旨在鞏固企業的競爭地位並抓住新興機遇。相信本集團能夠在當前的挑戰中脫穎而出，並為股東創造長期價值。

鳴謝

最後，本人謹代表董事會向全體股東一直以來對本集團的關注和支持致以由衷的感謝！

洪天祝
主席

二零二四年三月二十五日

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group hereby reports its annual results for the Year to its shareholders. During the Year, the Group's revenue decreased by 4.5% to approximately RMB22.7 billion as compared with the previous year. The Group's net loss was approximately RMB299.4 million, compared with a net profit of approximately RMB201.2 million for the previous year. Loss attributable to shareholders of the Company was approximately RMB375.7 million versus profit attributable to shareholders of approximately RMB156.8 million for the previous year. Basic loss per share was RMB0.41 versus basic earning per share of RMB0.17 for the previous year.

INDUSTRY REVIEW

According to the National Bureau of Statistics of the People's Republic of China (the "PRC"), the aggregate sales achieved by sizeable textile enterprises amounted to approximately RMB2,287.9 billion in 2023, representing a year-on-year decline of 1.6%, with a total net profit of approximately RMB84 billion, representing an increase 5.9% year-on-year. The total sales of sizeable textile garment and apparel enterprises amounted to approximately RMB1,210.5 billion, representing a year-on-year decrease of 5.4%, with a net profit of approximately RMB61.4 billion, down 3.4% year-on-year. According to data from the General Administration of Customs of the PRC, the PRC exported around US\$134.5 billion worth of textile products in 2023, representing a year-on-year decrease of 8.3%, while the value of garments exported reached approximately US\$159.1 billion, a year-on-year decline of 7.8%.

According to statistics from Vietnam Customs, the export volume of yarns and staple fibers manufactured in Vietnam rose by 13.4% to approximately 1.78 million tonnes in 2023, generating approximately US\$4.4 billion in revenue, a decrease of 7.6% as compared with 2022. Garments exports declined by 11.3% to approximately US\$33.3 billion in 2023.

BUSINESS REVIEW

Affected by the international financial and political environment, 2023 was a year full of changes and uncertainties. The global economy faced various pressures. On top of rising risks associated with inflation and tightening monetary policies experienced among developed economies, there were also geopolitical conflicts that further intensified, such as the ongoing Russia-Ukraine conflict and the unexpected Israel-Palestine conflict. Impacted by such developments, the demand among overseas textile markets continued the weak trend of 2022, with the recovery failing to meet expectations, and there was still pressure to destock. In the PRC, with the full relaxation of the pandemic control policy at the beginning of 2023, market demand picked up, but the lack of export momentum led to intensified competition in the domestic market.

概覽

本集團向股東報告本集團本年度之年度業績。於本年度，本集團收入較去年減少4.5%至約人民幣227億元。本集團淨虧損約人民幣2.994億元，而去年則為淨利潤人民幣2.012億元；股東應佔虧損約人民幣3.757億元，而去年則為股東應佔溢利人民幣1.568億元。每股基本虧損為人民幣0.41元，而去年則為每股基本盈利人民幣0.17元。

行業回顧

根據中華人民共和國（「中國」）國家統計局的數據顯示，二零二三年，紡織業規模企業累計實現營業收入約人民幣22,879億元，同比下降1.6%；實現淨利潤總額約人民幣840億元，同比增加5.9%。紡織服飾及服飾業規模企業錄得銷售總額約人民幣12,105億元，同比下降5.4%，淨利潤約人民幣614億元，同比減少3.4%。根據中國海關總署發佈的數據顯示，二零二三年，中國出口紡織品總額約為1,345億美元，同比減少8.3%；服裝出口約1,591億美元，同比減少7.8%。

根據越南海關數據顯示，二零二三年於越南生產的紗線及短纖出口量增加13.4%至約178萬噸，收入較二零二二年下降7.6%至約44億美元。於二零二三年，服裝出口額下降11.3%至約333億美元。

業務回顧

受國際金融環境和政治環境的影響，二零二三是充滿變化和不確定性的一年。全球經濟面臨多重壓力，一方面，通脹風險上升，發達經濟體採取貨幣緊縮政策；另一方面，地緣政治衝突加劇，如持續的俄烏衝突及突如其來的以巴衝突。受此影響，海外紡織市場需求延續了二零二二年的疲軟態勢，復甦不及預期，仍然存在去庫存壓力；而中國國內則隨著二零二三年年初疫情管控政策的全面放開，市場需求有所回暖，但出口動能不足導致國內市場競爭加劇。

BUSINESS REVIEW (Continued)

For the Group, revenue in the Year decreased to approximately RMB22.7 billion, a decline of 4.5% as compared with the previous year. During the Year, the Group's revenue was mainly derived from the sale of yarns, grey fabrics and garment fabrics. Revenue from the sale of yarns remained the primary source of revenue for the Group, accounting for approximately 77.2% of the total revenue for the Year. Revenue from yarn sales amounted to approximately RMB17.5 billion, which was basically the same as the previous year, and mainly due to the recovery of domestic market demand. While garment fabrics are primarily sold to overseas markets, as overseas market demand fell short of expectations during the Year, and revenue from garment fabrics decreased to approximately RMB2.9 billion, down 18.8% when compared with the previous year.

The year 2023 was the first year of the post-pandemic era of the PRC's economy, and was marked by a demand rebound in the domestic textile industry that commenced at the beginning of the year. However, the long-term impact of the COVID-19 pandemic on the PRC's economy still existed, and the decline in profitability of enterprises led to a decline in the income of residents, resulting in the "consumption downgrade" in household consumption trend that has inhibited the increase in product prices. Meanwhile, for the overseas markets, the high inflation level in developed economies also dampened demand in the textile industry. Still, the Group actively adjusted its product mix and structure to adapt to the shift in market demand, and actively destocked on the sales side. The final sales volume of yarns amounted to over 740,000 tonnes for the Year, representing an increase of 12.7% as compared with the previous year. Affected by the changes in raw material prices and consumption trends, the annual revenue from yarns for the Year amounted to approximately RMB17.5 billion, which was basically the same as the previous year.

As aforementioned, as the global economy failed to recover as expected during the Year, especially with demand in overseas markets remaining weak, the Group's production capacity was not fully utilised during the Year, particularly in the first half of the year. In addition, the pressure of destocking in the textile industry remained high, and weak market demand suppressed product prices. Consequently, the gross profit margin of yarns declined to 5.7% for the Year.

As for grey fabrics, the annual sales volume was approximately 55.3 million meters, an increase of 9.9% as compared with the previous year. Owing to adjustments made to the variety of grey fabrics, sales revenue for such fabrics decreased to approximately RMB531.7 million, the gross profit margin of grey fabrics decreased to 6.1% from 10.2% of last year.

業務回顧(續)

就本集團而言，本年度收入較去年減少4.5%至約人民幣227億元。於本年度，本集團收入主要來自銷售紗線、坯布和面料。紗線銷售收入仍為本集團主要收入來源，佔本年度總收入約77.2%。紗線銷售收入約為人民幣175億元，與去年基本持平，主要得益於國內市場需求的復甦。而面料主要銷往海外市場，受海外市場需求在年內復甦不及預期影響，面料收入較去年相比下降18.8%，至約人民幣29億元。

二零二三年，是中國經濟後疫情時代首年，中國國內紡織行業需求自二零二三年年初有所回暖；但新冠疫情對中國經濟的長遠影響依然存在，企業盈利能力的下降帶來的居民收入下降，導致居民消費呈現「降等消費」趨勢，抑制了產品價格的上漲。另一方面，就海外市場而言，發達經濟體的高通脹水平也抑制了紡織行業的需求。儘管如此，本集團仍積極調整產品種類和結構，以滿足市場需求的變化，並同時在銷售端積極去化庫存。本年度紗線的最終銷量逾74萬噸，較去年增加約12.7%。受原材料價格及消費趨勢變化的影響，本年度紗線之年度收入與去年基本持平，約人民幣175億元。

如前所述，由於全球經濟在年內復甦未如預期，尤其是海外市場需求持續疲軟，導致集團產能利用率在年內尤其是上半年未能得到充分釋放；加之紡織行業去庫存壓力仍然較大，疲弱的市場需求抑制了產品價格，導致本年度紗線毛利率降至5.7%。

坯布方面，全年銷量約為5,530萬米，較去年增加9.9%；由於坯布品種結構調整的影響，坯布的銷售收入降至約人民幣約5.317億元，坯布的毛利率從去年同期10.2%降至6.1%。

BUSINESS REVIEW (Continued)

For woven garment fabrics, which are mainly sold in overseas markets, they were greatly affected by the weak demand in these markets. As for the main product working suits, the response to the weak market demand was relatively slow, and continued to face greater destocking pressure, with both production volume and sales under pressure. Annual sales volume decreased by 22.9% to approximately 89.7 million meters, and the sales revenue decreased by 22.3% to approximately RMB2,056.3 million. Due to the drop in the production capacity utilisation rate caused by insufficient orders, the gross profit margin declined to 12.7%.

For knitted garment fabrics, owing to the recovery of the domestic market and the shift in consumption habits towards sports and leisure, the sales volume for the Year slightly increased to approximately 15,400 tonnes, representing an increase of 2.8% as compared with last year. The sales revenue decreased by 8.0% to approximately RMB797.4 million for the Year, as a result of fluctuations in raw material prices. Due to the disposal of the loss-making Vietnam factory to the Texwinca Group in November 2023, coupled with the Group's stringent control of various expenses, and further strengthening of vertical integration of the industrial chain to fully utilise internal yarns, the gross profit margin for the Year increased to approximately 8.7% from approximately 5.3% in the previous year. For further details regarding the aforementioned disposal, please refer to the section headed "Material Acquisition and Disposal" on page 81 of this annual report.

The jeanswear business generated sales revenue of approximately RMB20.4 million, which was mainly from sales of garment factories in the PRC. For the trading business, it mainly involves the Group's U.S. garment fabric and garment trading business. The gross profit margin was approximately 6.0%.

Due to higher living expenses brought about by inflation and the significant decline in the demand for anti-pandemic products related to non-woven fabrics in the post-pandemic era, the development of the non-woven fabric business (as a non-essential product) fell short of expectations. The Group has been proactively adjusting the product structure of non-woven fabrics to adapt to the changes in market demand and actively promoting further strategic cooperation with renowned customers in the industry. Sales revenue increased slightly to approximately RMB70.0 million in 2023, as compared with last year.

業務回顧(續)

就梭織面料而言，由於主要銷往海外市場，受海外市場需求疲軟影響較大，且主要產品工作服對市場需求疲軟反應較慢，仍然面臨較大的去庫存壓力，產量及銷售同步承壓，全年銷量下降22.9%至約8,970萬米，銷售收入下降22.3%至約人民幣20.563億元。由於訂單不足導致產能利用率不足，毛利率降至12.7%。

針織面料方面，由於國內市場復甦，加之人們的消費習慣向運動、休閒轉換，年內銷售量略有增加至約1.54萬噸，比去年同期增加2.8%；但由於原材料價格波動，本年度銷售收入減少8.0%至人民幣約7.974億元。由於本集團於二零二三年十一月將一直處於虧損之越南工廠出售予德永佳集團，加之本集團嚴控各項開支，加強垂直產業鏈進一步整合，充分利用內部生產的紗線，本年度毛利率從去年的約5.3%回升至約8.7%。有關前述處置的進一步詳情，請參閱本年報第81頁「重大收購及出售事項」一節。

牛仔服裝業務的銷售收入約為人民幣2,040萬元，主要來自中國服裝工廠的銷售業務。貿易業務方面，主要為本集團美國面料及服裝貿易業務。毛利率約為6.0%。

由於通脹帶來的家庭開支增加，加之疫情後時代無紡布相關防疫產品需求的大幅下降，使無紡布業務(作為非必需品)發展不及預期。本集團積極調整無紡布的產品結構以滿足市場需求的變化，並積極推進與業內知名客戶的進一步戰略合作關係。二零二三年，銷售收入比去年同期略有提高至約人民幣7,000萬元。

BUSINESS REVIEW (Continued)

Based on the above analysis, the slower than expected recovery of overseas market demand, the consequent weak selling prices of the Group's products, the inability to fully utilise production capacity and the impact of consumption downgrade caused by global inflation and economic downturn were the major reasons leading to the decline in the Group's profitability. Therefore, its overall gross profit margin declined to 6.4% from 11.6% in 2022. In accordance with the established strategy in 2022, the Group actively carried out expense control, improved management efficiency and disposed of some inefficient assets during the Year. Although certain results have been achieved, it is still unable to make up for the decrease in gross profit and the increase in financing costs caused by the increase in interest rates, and such that the loss attributable to shareholders for the Year was approximately RMB375.7 million, as compared with a profit attributable to shareholders of RMB156.8 million for last year. Basic loss per share was RMB0.41, compared with basic earnings per share of RMB0.17 for last year.

PROSPECTS

As of 31 December 2023, the Group's major production facilities consisted of approximately 4.18 million spindles, of which 2.43 million spindles were in the PRC and 1.75 million spindles were located overseas. It also had approximately 1,700 weaving and knitting machines and related dyeing equipment. Due to technological transformation and upgrade and the reallocation of production capacity, the Group disposed of some old equipment in 2023.

As mentioned above, affected by the ongoing Russia-Ukraine conflict and the unexpected Israel-Palestine conflict, coupled with a rise in all-round competitions among great powers, the global supply chain market was unable to operate in a normal, proper manner. With the downturn of several major economies resulting in the decline in household income and global inflation leading to high commodity prices, the textile industry in 2023, despite showing a stabilising and recovery trend in the fourth quarter, was generally sluggish for the year as a whole. Moreover, the textile industry continues to face overcapacity and high inventory pressure. Still, with the easing of inflationary pressure in the U.S. in 2023, the U.S. dollar is expected to enter a gradual interest rate reduction path in 2024, which combined with a series of economic stimulus policies adopted by the PRC's economy, market demand is anticipated to recover gradually in 2024, and the Group's profitability is expected to improve likewise.

In 2023, the Group conducted a series of restructuring exercises, divesting certain low-profit assets while at the same time consolidating some inefficient assets, which laid the cornerstone for its development in 2024. The Group will continue its strategy from last year while building on the foundation of 2023. It will also strengthen the construction of platforms for the functional business departments, further reduce production and administration costs and improve management efficiency. Based on current market conditions, and excluding the sales volume of the trading business, the Group targets to sell 760,000 tonnes of yarns, 92 million meters of woven garment fabrics and 12,000 tonnes of knitted garment fabrics in 2024.

業務回顧(續)

基於上述分析，主要受海外市場需求復甦不及預期影響，本集團產品售價偏弱，產能利用率無法充分釋放，以及全球通脹和經濟下行導致的消費降級影響，企業盈利能力有所下降，故本集團整體毛利率由二零二二年的11.6%下降至6.4%。按照二零二二年既定之戰略，本集團在年內積極進行費用管控，提高管理效能並處置了部分低效資產，雖取得了一定成效，但仍然無法彌補毛利的下降及利率上升帶來的融資成本增加，因此年內股東應佔虧損約為人民幣3.757億元，去年同期股東應佔溢利約為人民幣1.568億元；每股基本虧損為人民幣0.41元，去年同期為每股基本盈利人民幣0.17元。

前景

於二零二三年十二月三十一日，本集團的主要生產設施包括約418萬紗錠，其中243萬紗錠位於中國及175萬紗錠位於海外；約1,700台梭織及針織織機及對應的染整設備，由於技術改造升級及產能重新佈局，本集團於二零二三年處置了部分老舊設備。

如前所述，受持續的俄烏衝突及突發的以巴衝突影響，加之大國之間的全方位競爭加劇導致全球供應鏈市場無法按照原有秩序良好運行，以及部分主要經濟體經濟下行帶來的居民收入下降和全球通脹導致的商品價格高企，二零二三年紡織行業市場需求雖然在第四季度呈現企穩回升趨勢，但全年整體形勢仍然低迷，紡織行業仍然面臨著產能過剩及庫存高企的壓力。隨著美國通脹壓力在二零二三有所緩解，美元有望在二零二四年逐步進入漸進式降息通道。加之中國經濟採取了一系列經濟刺激政策，市場需求有望在二零二四年逐步復甦，本集團的盈利能力也將有所改善。

本集團於二零二三年進行了一系列的架構重組，剝離了部分低盈利的資產，同時對部分低效資產進行了重新整合，為二零二四年的發展奠定了基石；本集團將在二零二三年的基礎上延續去年的戰略，進一步加強職能業務部門平台化建設、降低生產和管理成本，提升管理效率。根據目前市況，撤出貿易業務的銷量，本集團計劃於二零二四年銷售76萬噸紗線、9,200萬米梭織面料及1.2萬噸針織面料。

PROSPECTS (Continued)

In terms of new investment, the Group adopted a proactive planning and relatively conservative strategy during the year, basically maintaining the scale of production capacity in 2022. Presently, the textile industry is moving towards a high-end, intelligent and green trend. The Group will actively embrace this change and further transform and upgrade its original production capacity in 2024 to improve efficiency. At the same time, it will increase research and development efforts in green and environmentally friendly products. Furthermore, the Group aims to strengthen cooperation with industry leaders in the garment fabric businesses sector to enhance overall product responsiveness and gain further access to the industry chain for boosting sales revenue. Currently, the Group's on-going projects mainly include the construction of yarn factories and a woven garment fabric factory in Vietnam. The construction of the weaving factory is mainly to take up the production of a woven garment fabric factory in Shaoxing, the PRC, following land resumption efforts by the local government.

In response to the need of transformation and upgrading in the printing and dyeing chemical electroplating industry in the urban area of Shaoxing, the PRC, and related local government policies, Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd. (浙江慶茂紡織印染有限公司), an indirect non-wholly owned subsidiary of the Company entered into an asset disposal agreement as vendor with Shaoxing Paojiang Venture Construction Development Co., Ltd. (紹興袍江創業建設發展有限公司) as purchaser on 3 November 2023. This agreement involved the disposal of certain plots land located in Shaoxing, along with the buildings and infrastructure erected thereon (the "Zhejiang Disposal"), including the mentioned weaving factory. The consideration for the Zhejiang Disposal was approximately RMB975.1 million. For further information regarding the Zhejiang Disposal, please refer to the announcements of the Company dated 3, 24 and 27 November 2023 and the circular of the Company dated 22 December 2023.

On 25 July 2023, the Group continued to be ranked on the "Fortune China 500" list, compiled by Fortune — a renowned international publication, testifying to the Group's growth and widespread recognition. The Group will continue to work tirelessly to bring long-term and sustainable returns to its shareholders.

With the aforementioned adjustment strategies and business development plans, the Group is well prepared to respond to market changes and seize new opportunities, while maximising its use of resources and production capacity, thereby preserving and generating value for the Company's shareholders.

前景(續)

在新增投資方面，本集團在年內採取了積極規劃、相對保守的策略，基本上維持了二零二二年的產能規模。目前紡織行業市場正在向高端化、智能化、綠色化的趨勢前進，本集團也將積極擁抱此變化，並會在二零二四年對原有產能進一步改造升級，提高產能效率。同時，本集團還將在綠色、環保產品上加大研發力度。本集團還將致力於加強在面料業務板塊與業內翹楚的進一步合作，以提高整體產品反應能力，進一步打通產業鏈，提高銷售收入。本集團目前在進行的項目主要包括越南的紗線工廠和梭織面料廠房建設。梭織廠房的建設主要是中國紹興的梭織面料工廠被當地政府進行土地徵收工作之後的產能轉移。

為響應紹興市區印染化學電鍍行業之轉型升級工作所需以及相關地方政府政策，本公司間接非全資附屬公司浙江慶茂紡織印染有限公司(作為賣方)與紹興袍江創業建設發展有限公司(作為買方)於二零二三年十一月三日簽訂資產出售協議，以出售位於紹興之若干土地以及建於其上之廠房及基礎設施(「浙江出售事項」)，包括上述梭織面料廠房。浙江出售事項之代價約為人民幣9.751億元。有關浙江出售事項之進一步資料，請參閱本公司日期為二零二三年十一月三日、二十四日及二十七日之公佈以及本公司日期為二零二三年十二月二十二日之通函。

於二零二三年七月二十五日，本集團繼續名列國際知名雜誌 — 《財富》之中國500強排行榜，足以證明本集團成長並獲得廣泛認同。本集團將繼續努力不懈，致力為股東帶來長遠可持續的回報。

憑藉上述調整策略及業務發展計劃，本集團在最大限度利用資源和產能的同時，已做好應對市場變化、把握新機會的準備，從而為本公司股東保值增值。

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

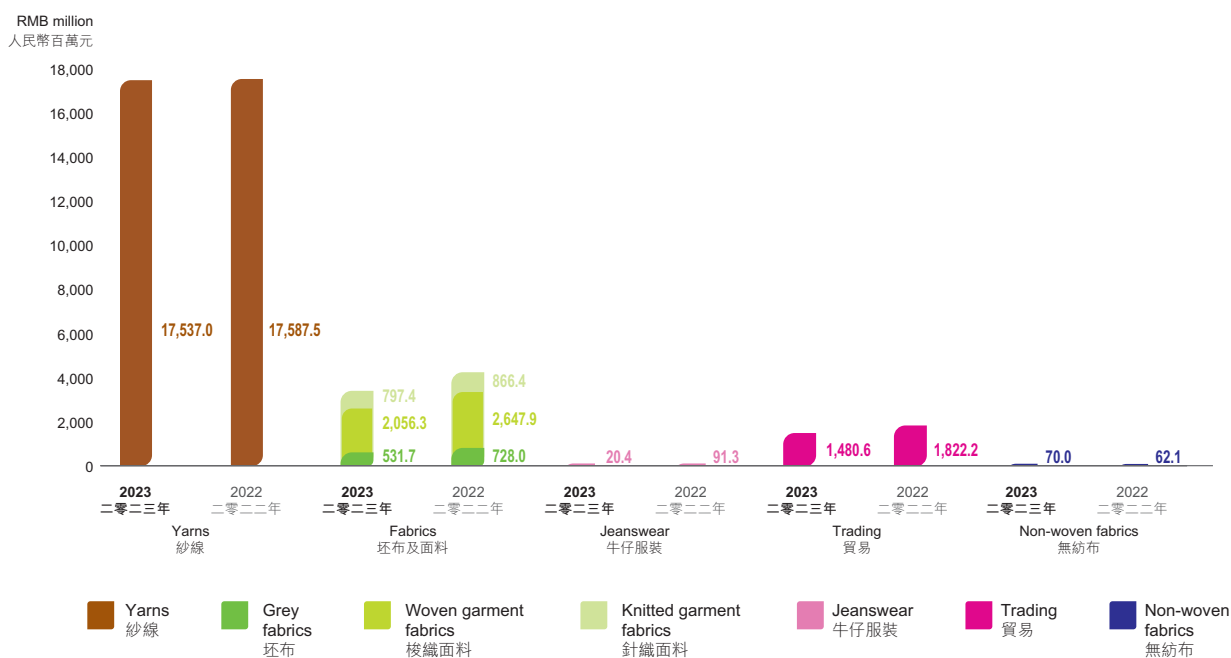
Sales

During the Year, the sales of the Group mainly comprised the sales of yarns, grey fabrics, non-woven fabrics and garment fabrics. Yarns continued to be the Group's major product. Given the decrease in sales unit price of yarns, the revenue of yarns in 2023 decreased by approximately 0.3% as compared to that of 2022. Analysis of the Group's sales by products is shown below.

財務回顧

銷售

年內，本集團的銷售主要來自銷售紗線、坯布、無紡布與面料。紗線繼續為本集團的主要產品。由於紗線銷售單價的下降，二零二三年紗線銷售額較二零二二年下跌約0.3%。下列為本集團各種產品的銷售分析。



		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	Revenue change 收入變動
Yarns	紗線	17,537,022	17,587,450	-0.3%
Grey fabrics	坯布	531,657	727,980	-27.0%
Woven garment fabrics	梭織面料	2,056,331	2,647,893	-22.3%
Knitted garment fabrics	針織面料	797,448	866,442	-8.0%
Jeanswear	牛仔服裝	20,413	91,344	-77.7%
Trading	貿易	1,480,616	1,822,180	-18.7%
Non-woven fabrics	無紡布	69,982	62,065	12.8%
Others	其他	231,848	—	—
Total	總計	22,725,317	23,805,354	-4.5%

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (Continued)

Sales (Continued)

財務回顧(續)

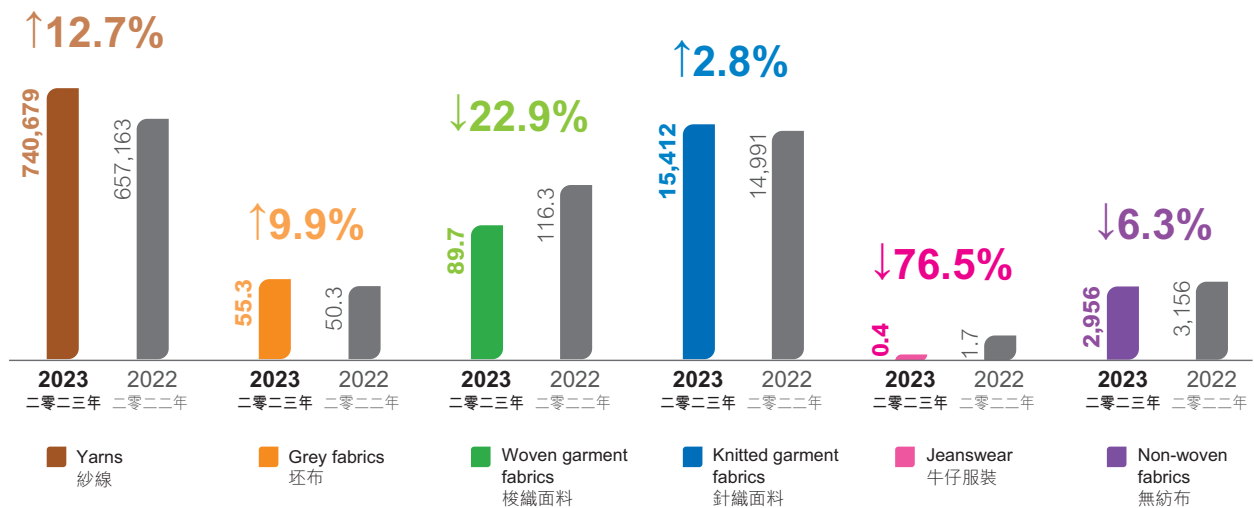
銷售(續)

Sales Volume

銷量

Yarns, Grey fabrics, Woven garment fabrics, Knitted garment fabrics, Jeanswear and Non-woven fabrics 紗線、坯布、梭織面料、針織面料、牛仔服裝及無紡布

Tonne/Million metres/Million metres/Tonne/Million Pieces/Tonne
噸/百萬米/百萬米/噸/百萬件/噸



管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (Continued)

Sales (Continued)

財務回顧(續)

銷售(續)

	Sales Volume 銷量		Selling price 售價		Gross profit margin 毛利率		
	2023	2022	2023	2022	2023	2022	
	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	
Yarns (Tonne/RMB per tonne)	紗線(噸/人民幣每噸)	740,679	657,163	23,677	26,763	5.7%	10.6%
Grey fabrics (Million metres/ RMB per metre)	坯布(百萬米/ 人民幣每米)	55.3	50.3	9.6	14.5	6.1%	10.2%
Woven garment fabrics (Million metres/ RMB per metre)	梭織面料(百萬米/ 人民幣每米)	89.7	116.3	22.9	22.8	12.7%	24.6%
Knitted garment fabrics (Tonne/RMB per tonne)	針織面料(噸/ 人民幣每噸)	15,412	14,991	51,742	57,797	8.7%	5.3%
Jeanswear (Million pieces/ RMB per piece)	牛仔服裝(百萬件/ 人民幣每件)	0.4	1.7	51.0	53.7	-17.9%	3.7%
Non-woven fabrics (Tonne/RMB per tonne)	無紡布(噸/ 人民幣每噸)	2,956	3,156	23,675	19,666	-50.9%	-32.0%

The Chinese textile market is the Group's major market, and accounted for approximately 68.9% of our total sales of 2023. Due to the continuously weakened demand of textiles in overseas markets, the percentage for the Group's overseas sales has decreased in 2023.

As at the date of this annual report, the Group has more than 5,000 customers. As the Group produces differentiated products, the Group does not rely on orders from a particular customer. The top ten largest customers of the Group only accounted for approximately 13.4% of the total sales of the Group for the year ended 31 December 2023.

中國紡織市場是本集團的主要市場，佔本集團二零二三年總銷售額的約68.9%。二零二三年，海外市場紡織品需求持續疲弱，導致本集團海外銷售比例有所降低。

於本年報日期，本集團擁有客戶逾5,000家。由於本集團以生產差異化產品為重點，且本集團並不依賴單一客戶的訂單，截至二零二三年十二月三十一日止年度本集團前十大客戶僅佔本集團總銷售額的約13.4%。

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (Continued)

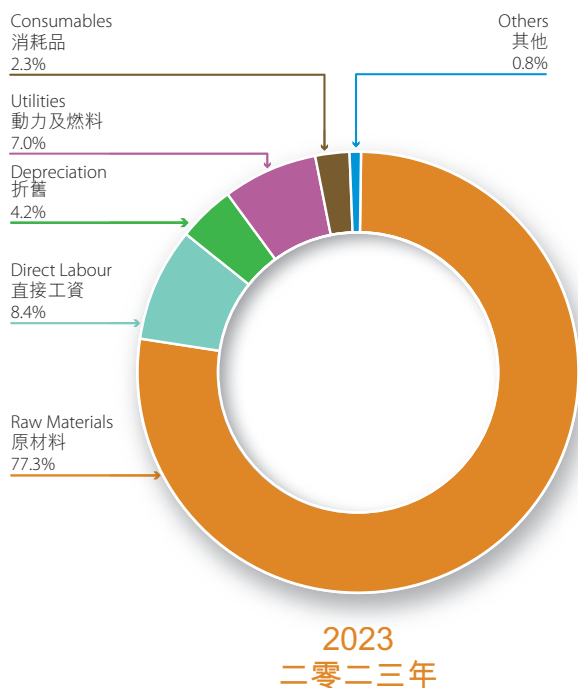
Gross profit and gross profit margin

For the year ended 31 December 2023, gross profit of the Group decreased from approximately RMB2,755.6 million for 2022 to approximately RMB1,462.6 million for 2023. The overall gross profit margin decreased by 5.2 percentage points to 6.4% as compared to that of 2022. The decrease in the gross profit margin was mainly due to the continuously weakened demand for textile in overseas markets during the Year, which resulted in weak selling prices of the Group's products and the lower production capacity utilization rate, which in turn affected the Group's unit cost of production and gross profit margin.

Cost structure

For the year ended 31 December 2023, cost of sales rose by 1.0% to approximately RMB21,262.7 million when compared with 2022. Raw materials cost accounted for about 77.3% of the total cost of sales of 2023. Cotton is our major raw material.

The breakdown of our cost of sales in 2023 and 2022 is shown below:



財務回顧(續)

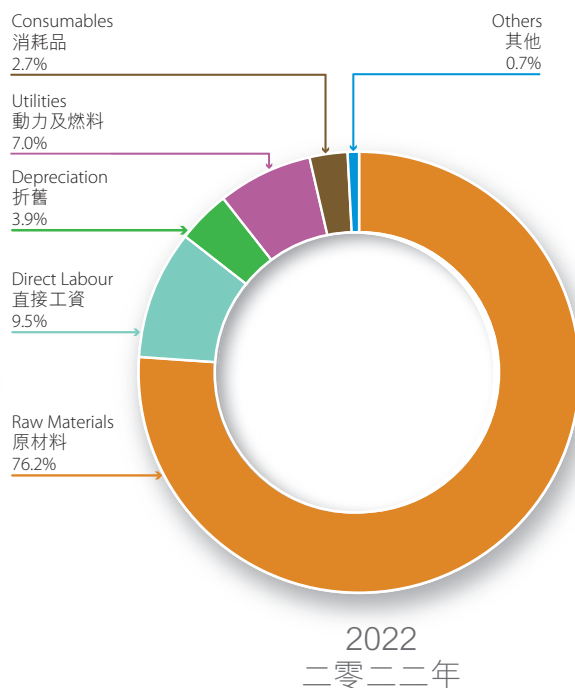
毛利及毛利率

截至二零二三年十二月三十一日止年度，本集團的毛利由二零二二年的約人民幣27.556億元減少至二零二三年的約人民幣14.626億元。整體毛利率較二零二二年下降5.2個百分點至6.4%，毛利率下跌主要是因為年內海外市場紡織品需求持續疲弱，導致本集團產品售價偏弱及產能利用率偏低，繼而影響本集團的單位生產成本及毛利率。

成本架構

截至二零二三年十二月三十一日止年度，銷售成本較二零二二年上升1.0%至約人民幣21,262.7億元。於二零二三年之原材料成本佔總銷售成本約77.3%。棉花為我們的主要原材料。

下列為本集團於二零二三年及二零二二年的銷售成本明細：



Selling and distribution costs

For the year ended 31 December 2023, the Group's selling and distribution costs amounted to approximately RMB730.4 million, representing a decrease of 17.6% when compared to that of 2022. It was mainly due to high costs related to freight and port charges as a result of the impacts of pandemic in 2022.

General and administrative expenses

For the year ended 31 December 2023, the Group's general and administrative expenses amounted to approximately RMB1,178.6 million, which represented a decrease of 10.4% when compared with 2022, and accounted for 5.2% of the Group's revenue. The decrease was mainly due to the decrease in salaries of management personnel.

銷售及分銷開支

截至二零二三年十二月三十一日止年度，本集團之銷售及分銷開支較二零二二年下降17.6%至約人民幣7.304億元，主要是由於二零二二年受疫情影響，運費和港口相關的費用較高所致。

一般及行政開支

截至二零二三年十二月三十一日止年度，本集團之一般及行政開支約為人民幣1,178.6億元，較二零二二年減少10.4%，佔本集團收入的5.2%。減少乃主要由於管理人員薪資減少所致。

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (Continued)

Cash flows

財務回顧(續)

現金流量

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	1,985,629	1,620,127
Net cash generated from/(used in) investing activities	投資活動所得/(所耗)現金淨額	29,529	(1,725,984)
Net cash used in financing activities	融資活動所耗現金淨額	(2,337,584)	(30,664)
Effect of foreign exchange rate changes	匯率變動的影響	15,800	99,535
Cash and cash equivalents at end of the year	於年末的現金及現金等值物	2,161,795	2,468,421

For the year ended 31 December 2023, net cash generated from operating activities of the Group amounted to approximately RMB1,985.6 million, which represents an increase comparing with 2022 mainly because the Group actively control inventory to improve working capital efficiency in 2023. Net cash generated from investing activities amounted to approximately RMB29.5 million, which was mainly due to the reduction of capital expenditure payments made by the Group during the Year, while obtaining the partial receivable from the disposal of knitted factory in Vietnam and the land and factory located in Shaoxing, the PRC as mentioned above. During the Year, net cash used in financing activities amounted to approximately RMB2,337.6 million, which was mainly due to the enhancement of capital control during the Year and the decrease in bank borrowings under the improved operating conditions.

Liquidity and financial resources

As at 31 December 2023, the Group's bank and cash balances (including pledged bank deposits) amounted to approximately RMB2,228.0 million (as at 31 December 2022: RMB2,580.1 million). As at 31 December 2023, inventories and trade and bills receivables (including financial assets at fair value through other comprehensive income) of the Group decreased by approximately RMB2,345.5 million to approximately RMB5,244.6 million and increased by approximately RMB164.5 million to approximately RMB1,908.2 million respectively (as at 31 December 2022: approximately RMB7,590.1 million and approximately RMB1,743.8 million respectively). Turnover days for inventories and trade and bills receivables were 109 days and 29 days respectively, compared to 126 days and 28 days in 2022 respectively. The inventory turnover days significantly decreased from last year, mainly because the Group actively controlled inventory to improve working capital efficiency in 2023. The turnover days for trade and bills receivables were slightly higher than that of the previous year, which was mainly because of the increase in the balance of receivables at the end of 2023 as a result of the sales revenue of the fourth quarter in 2023 having significantly increased.

截至二零二三年十二月三十一日止年度，本集團錄得經營活動所得現金淨額約人民幣19.856億元，相較二零二二年有所增加，主要是由於本集團於二零二三年積極控制庫存以提高營運資金效率。投資活動所得現金淨額約為人民幣2,950萬元，主要是因為年內本集團減少資本開支之付款，同時如前述的處置越南針織廠和中國紹興之土地和廠房獲取了部分收款所致。於本年度內，融資活動所耗現金淨額約為人民幣23.376億元，主要由於本集團年內加強營運資金管控，在經營狀況好轉的情況下，減少銀行借貸所致。

流動資金及財務資源

於二零二三年十二月三十一日，本集團的銀行及現金結餘(包括已抵押銀行存款)約為人民幣22.280億元(於二零二二年十二月三十一日：人民幣25.801億元)。本集團於二零二三年十二月三十一日的存貨及應收貿易及票據款項(包括按公平值計量且其變動計入其他全面收益的金融資產)分別減少約人民幣23.455億元至約人民幣52.446億元及增加約人民幣1.645億元至約人民幣19.082億元(於二零二二年十二月三十一日：分別為約人民幣75.901億元及約人民幣17.438億元)。存貨周轉天數及應收貿易及票據款項周轉天數分別為109天及29天，而二零二二年則分別為126天及28天。存貨周轉天數較去年大幅降低，主要是因為本集團於二零二三年積極控制庫存以提高營運資金效率。應收貿易及票據款項周轉天數略高於去年水平，主要是因為二零二三年第四季度銷售收入顯著增加，導致二零二三年末應收款餘額增加所致。

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

Trade and bills payables of the Group (including supply chain financing) decreased by approximately RMB1,781.8 million to approximately RMB3,364.7 million as at 31 December 2023 (as at 31 December 2022: RMB5,146.5 million), the payable turnover days was 72 days, compared to 78 days in 2022. The decrease in the payables and the payable turnover days was mainly attributable to the advance settlement of substantial US-dollar letter of credit by the Group during the Year.

The total bank borrowings of the Group decreased by approximately RMB820.2 million to approximately RMB7,723.2 million as at 31 December 2023. Current bank borrowings decreased by approximately RMB1,009.5 million to approximately RMB4,145.7 million while non-current bank borrowings increased by approximately RMB189.3 million to approximately RMB3,577.6 million. The Group optimized its financing structure, repaid short-term borrowings to reduce the Group's debt level and increased long-term borrowings to ensure the safety of the Group's cash flow.

As at 31 December 2023 and 2022 the key financial ratios of the Group were as follows:

		2023 二零二三年	2022 二零二二年
Current ratio	流動比率	1.28	1.12
Debt to equity ratio ¹	負債權益比率 ¹	0.84	0.90
Net debt to equity ratio ²	負債淨額權益比率 ²	0.60	0.63
Gearing ratio ³	資產負債比率 ³	0.57	0.61

¹ Based on total borrowings over equity attributable to shareholders

² Based on total borrowings net of cash and cash equivalents and pledged bank deposits over equity attributable to shareholders

³ Based on total liabilities over total assets

Borrowings

As at 31 December 2023, the Group's total bank borrowings amounted to approximately RMB7,723.2 million, among which approximately RMB3,839.7 million (49.7%) was denominated in Renminbi ("RMB"), approximately RMB524.5 million (6.8%) was denominated in U.S. dollars ("US\$" or "USD"), approximately RMB2,496.9 million (32.3%) was denominated in Hong Kong dollars ("HK\$" or "HKD"), approximately RMB856.2 million (11.1%) was denominated in Vietnamese dong ("VND") and approximately RMB5.9 million (0.1%) was denominated in Australian dollars ("AUD"). These bank borrowings have borne interest rates ranging from 0.80% to 6.54% per annum (2022: 0.80% to 7.23%).

財務回顧(續)

流動資金及財務資源(續)

於二零二三年十二月三十一日，本集團的應付貿易及票據款項(包括供應鏈融資)減少約人民幣17.818億元至約人民幣33.647億元(於二零二二年十二月三十一日：人民幣51.465億元)，應付款項周轉天數為72天，而二零二二年則為78天。應付款項及其周轉天數減少主要是因為年內本集團提前結算大量美元信用證貨款所致。

於二零二三年十二月三十一日，本集團的銀行借貸總額減少約人民幣8,202億元至約人民幣77,232億元。流動銀行借貸減少約人民幣10,095億元至約人民幣41,457億元，而非流動銀行借貸則增加約人民幣1,893億元至約人民幣35,776億元。本集團優化融資結構，償還短期借款降低集團負債水平，增加長期借款，確保集團現金流安全。

於二零二三年及二零二二年十二月三十一日，本集團之主要財務比率如下：

¹ 根據總借貸除以股東應佔權益計算

² 根據總借貸(減去現金及現金等值物及已抵押銀行存款)除以股東應佔權益計算

³ 根據負債總值除以資產總值計算

借貸

於二零二三年十二月三十一日，本集團的銀行借貸總額約為人民幣77,232億元，其中約人民幣38,397億元(49.7%)以人民幣(「人民幣」)計值，約人民幣5,245億元(6.8%)以美元(「美元」)計值，約人民幣24,969億元(32.3%)以港元(「港元」)計值，約人民幣8,562億元(11.1%)以越南盾(「越南盾」)計值以及約人民幣590萬元(0.1%)則以澳大利亞元(「澳元」)計值。該等銀行借貸按年利率0.80%至6.54%(二零二二年：0.80%至7.23%)計息。

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (Continued)

Borrowings (Continued)

As at 31 December 2023, the Group had current bank borrowings of approximately RMB4,145.7 million (as at 31 December 2022: approximately RMB5,155.2 million). The decrease in current bank borrowings was mainly because of the repayment of short-term bank borrowings by the Group to reduce the overall level of indebtedness.

In respect of the Group's borrowings, the Group has to comply with certain restrictive financial covenants.

As at 31 December 2023, bank borrowings of approximately RMB53.7 million (as at 31 December 2022: approximately RMB5.8 million) were secured by bank deposits with a net book amount of approximately RMB54.0 million (as at 31 December 2022: approximately RMB6.0 million), and bank borrowings of RMB200 million (as at 31 December 2022: approximately RMB200 million) were secured by export tax rebates entitled to be collected.

Foreign exchange risk

The Group mainly operates in the PRC and Vietnam. Most of the Group's transactions, assets and liabilities are denominated in Renminbi, US\$ and HK\$. Foreign exchange risk may arise from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's exposure to foreign exchange risk is mainly attributable to its borrowings and raw material procurement denominated in US\$ or HK\$. The Group manages its foreign exchange risks by performing regular reviews and closely monitoring its foreign exchange exposures.

To mitigate the depreciation risk of RMB, the Group has purchased certain amount of currency option contracts and currency swap contracts so that a significant part of its foreign currency exposure is hedged.

Capital expenditure

For the year ended 31 December 2023, the capital expenditure of the Group amounted to approximately RMB899.0 million (2022: approximately RMB2,391.0 million). It mainly related to the unfinished construction projects, equipment renovation in China, Vietnam and the Americas during the Year and the acquisition of certain assets from Texhong Industrial Park Vietnam Limited ("Texhong Industrial Park") in Vietnam. For further details of the acquisition of the above assets, please refer to the announcements of the Company dated 7 November 2022, 8 December 2022, 3 February 2023 and 15 March 2024.

Contingent liabilities

As at 31 December 2023, the Group had no material contingent liabilities.

財務回顧(續)

借貸(續)

於二零二三年十二月三十一日，本集團之流動銀行借貸約為人民幣41.457億元(於二零二二年十二月三十一日：約人民幣51.552億元)。流動銀行借貸降低主要是由於本集團償還短期銀行借貸以降低整體負債水平所致。

本集團須就其借貸遵守若干財務限制條款。

於二零二三年十二月三十一日，約人民幣5,370萬元的銀行借貸(於二零二二年十二月三十一日：約人民幣580萬元)以賬面淨值約為人民幣5,400萬元的銀行存款(於二零二二年十二月三十一日：約人民幣600萬元)作抵押，以及人民幣2億元(於二零二二年十二月三十一日：2億元)的銀行借貸以有權收取的出口退稅作抵押。

外匯風險

本集團主要在中國及越南營運。本集團大部分交易、資產及負債以人民幣、美元及港元計值。外匯風險可能來自於未來海外業務中的商業貿易、已確認資產及負債及投資淨額。本集團所面對的外匯風險主要來自其以美元或港元計值的借貸及原料採購貸款。本集團進行定期檢討及密切關注其外匯風險程度以管理其外匯風險。

為應對人民幣貶值風險，本集團透過購入若干的貨幣期權合同及貨幣掉期合同以令很大一部分的外幣敞口得以對沖。

資本開支

截至二零二三年十二月三十一日止年度，本集團之資本開支約為人民幣8.990億元(二零二二年：約人民幣23.910億元)，主要與本年度內於中國、越南、美洲未完工工程建設、設備更新改造和收購於越南天虹工業園區越南有限公司(「天虹工業園區」)若干資產相關。有關收購上述資產之進一步詳情，請參閱本公司日期為二零二二年十一月七日、二零二二年十二月八日、二零二三年二月三日及二零二四年三月十五日之公佈。

或然負債

於二零二三年十二月三十一日，本集團並無重大或然負債。

FINANCIAL REVIEW (Continued)

Human resources

As at 31 December 2023, the Group had a total workforce of 27,655 employees (as at 31 December 2022: 30,206), of whom 15,733 employees were based in the sales headquarters and manufacturing plants in Mainland China. The remaining 11,922 employees were stationed in regions outside Mainland China, including Vietnam, Turkey, the Americas, Hong Kong of China and Macao of China. The Group has a total of 14,454 female employees, accounted for 52.3% of the total number of employees as at 31 December 2023. During the Year, the Group incurred total staff costs of approximately RMB2.4 billion (2022: approximately RMB2.6 billion).

The Group will continue to optimize its human resources structure and offer a competitive remuneration package to its employees with reference to factors including the prevailing market conditions and the performance of the Group and the merits of the employees regardless of their gender, race, age or religion. As the Group's success is dependent on the contribution of a group of skillful and motivated employees who form functional departments, the Group is committed to creating a learning and sharing culture in the organization, and placing strong emphasis on the training and development of individual staff and team building.

Dividend policy

The Board intends to maintain a long term, stable dividend payout ratio of about 30% of the Group's net profit for the year attributable to owners of the Company, providing shareholders with an equitable return. In 2023, the Group's results were primarily affected by the continued weakening demand on textiles in overseas markets. The Board does not recommend a payment of final dividend for the year ended 31 December 2023.

Events after the reporting period

Reference is made to the announcements of the Company dated 7 November 2022, 8 December 2022, 3 February 2023 and 15 March 2024 in relation to, among others, the asset purchase agreement entered into between a wholly-owned subsidiary of the Company ("HK Co") and Texhong Industrial Park on 7 November 2022, pursuant to which HK Co agreed to purchase, and Texhong Industrial Park agreed to sell, certain plots of land and infrastructure and ancillary equipment thereon. Pursuant to the asset purchase agreement, Texhong Industrial Park had undertaken to HK Co that, among others, it shall complete the registration of the transfer of the legal title of the subject land (the "Registration") within 12 months from the completion date, which was 31 March 2023. As additional time was needed to, among others, liaise with the local authorities to understand the proper procedures for the Registration and make applications before proceeding with the transfer of the relevant land use rights, HK Co and Texhong Industrial Park, after arm's length negotiations, entered into a second supplemental agreement, pursuant to which Texhong Industrial Park has undertaken to complete the Registration by 31 March 2025.

財務回顧(續)

人力資源

於二零二三年十二月三十一日，本集團擁有 27,655 名僱員（於二零二二年十二月三十一日：30,206 名），其中 15,733 名僱員位於中國內地之銷售總部及生產工廠。其餘 11,922 名僱員駐於中國內地境外地區，包括越南、土耳其、美洲、中國香港及中國澳門。於二零二三年十二月三十一日，本集團共有女性員工 14,454 名，佔全部員工人數的 52.3%。於年內，本集團產生總員工成本約人民幣 24 億元（二零二二年：約人民幣 26 億元）。

本集團將繼續優化人力資源結構，並參考現行市況及本集團表現及僱員之優點等因素而不論性別、種族、年齡或信仰向僱員提供具競爭力的薪酬待遇。本集團的成功有賴由技巧純熟且士氣高昂的員工組成各職能部門，故此本集團致力於組織內建立學習及分享文化，重視員工的個人培訓及發展，以及建立團隊。

股息政策

董事會旨在維持長期、穩定的派息率，即本集團年內歸屬於本公司擁有人淨利潤約 30%，為股東提供合理回報。於二零二三年，本集團業績主要受海外市場紡織品需求持續疲弱影響，董事會並不建議派付截至二零二三年十二月三十一日止年度的末期股息。

報告期後事件

茲提述本公司日期為二零二二年十一月七日、二零二二年十二月八日、二零二三年二月三日及二零二四年三月十五日之公佈，內容有關（其中包括），本公司之全資附屬公司（「香港公司」）與天虹工業園區於二零二二年十一月七日訂立資產購買協議，據此，香港公司已同意購買而天虹工業園區已同意出售若干土地以及建於其上之基礎設施及配套設備。根據資產購買協議，天虹工業園區已向香港公司承諾（其中包括），其將於交割日期（二零二三年三月三十一日）起計 12 個月內，完成辦理該土地法定所有權之轉讓登記（「登記」）。由於需要額外時間（其中包括）在進行相關土地使用權轉讓前與地方當局聯絡，以了解登記之適當程序及作出申請，香港公司與天虹工業園區經公平磋商後訂立第二份補充協議，據此，天虹工業園區承諾於二零二五年三月三十一日前完成登記。

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP

The following are the key risks that we consider to be of great significance to the Group in its current status. These risks may have adverse effect on the Group's business.

For the possible impact of each risk on the Group should it occur, we have made a detail description and set down corresponding control measures and mitigation plan to manage the risk.

The impact of risk relating to the business of the Group will change over time. The size, complexity and coverage of our business and the changing environment in which the Group operates also mean that the list cannot be an exhaustive list of all material risks that could affect the Group.

本集團的重大風險

以下為我們認為對本集團就其現狀而言意義重大的主要風險。該等風險可能會對本集團的業務造成不利影響。

對於每一類風險發生時可能對本集團產生的影響，我們都作了詳細描述，並制訂了相應的監控措施和對策來管理該等風險。

與本集團業務有關的風險的影響將隨時間推移。我們業務的規模、複雜程度和覆蓋範圍以及經營環境的不斷變化也意味著此列表不可能包含所有影響本集團的重大風險。

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
Business concentration 業務集中	<ul style="list-style-type: none"> Enhance customer communication with an outstanding marketing team which thoroughly and promptly understands the requirements of customers Step up cooperation with raw material suppliers and monitor the market trend of change in new textile materials Boost input for research and development team and improve product functionality and develop new products in response to market demands Explore downstream industries and increase the contribution of downstream products Facilitate the development of import and export business continuously to tap into overseas markets Promote diversified development in the industry so as to survive under adverse macro-environment, in view of the fact that the textile industry is large in scale despite its vulnerability to the economic and social environment 	↔ Unchanged
產品集中：本集團已在市場建立其作為高附加值包芯紡織產品製造商的地位，包芯紗線為本集團主要盈利點。倘若時裝潮流有任何變化，客戶日後可能偏好其他紡織物料，又或者該市場的競爭突然變得更激烈，如果本集團未能迅速及有效回應變動，本集團的盈利能力或會受不利影響。	<ul style="list-style-type: none"> 透過優秀的市場營銷團隊，加強與客戶溝通，充分及時瞭解客戶需求 加強與原料供應商的合作，關注市場新紡織物料變動趨勢 加大研發團隊投入，應市場需求改善產品功能及開發新產品 拓展下游產業，增加下游產品的比重 不斷加強進出口業務的開發，開拓海外市場 雖然紡織行業容易受到經濟及社會環境影響，但由於其規模龐大，透過在行業內多元化發展將有利於企業在不利的宏觀環境中生存 	↔ 無變動
地域集中：本集團在中國內地擁有多個生產基地，並且中國內地為本集團主要市場，因此本集團受到中國經濟、政治和社會狀況以及本集團產品於中國國內需求的改變的影響。		

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p>Risk of fluctuation of cotton prices 棉花價格波動風險</p> <p>Cotton is the major production material of the Group and the fluctuation of cotton prices may not align with fluctuation of end-product prices at all times. In the event of intense fluctuation of cotton prices, the gross profit margin of the Group will be heavily affected.</p> <p>棉花是本集團主要的生產原料，棉花價格的波動幅度不一定與終端產品的價格波動完全同步。倘若棉花價格劇烈波動，將會對本集團毛利率造成巨大影響。</p>	<ul style="list-style-type: none"> • Closely monitor the dynamics of cotton futures and supply and demand balance and correlation in the spot market and hedge risks mainly through measures like maintaining stable procurement and inventory strategies • Diversify the development of the synthetic fiber category and reduce the Group's reliance on the cotton category • 密切關注棉花期貨動向以及現貨市場的供需平衡及相關性，主要以維持穩定的採購及存貨策略等措施來對沖風險 • 增加化纖產品品種開發，降低本集團對棉紗品種的依賴 	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> • Fluctuation of cotton market price has increased the difficulties of raw materials procurement of the Group • The continued weakening demand on textiles in overseas markets. If cotton prices increase, the risk of end product prices not rising simultaneously increases <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> • 棉花市場價格大幅波動增加了集團原材料採購的難度 • 海外紡織品市場需求低迷，若棉花價格的上漲，終端產品價格不能同步上漲的風險增加
<p>Foreign exchange and interest risk 外匯及利率風險</p> <p>Fluctuation of exchange rate may result in material losses on foreign currency and affect the raw material procurement costs and financing costs of the Group. In the event of intensified fluctuation of the exchange rate of USD/RMB, the profitability of the Group may be subject to material uncertainties.</p> <p>In the event of increase in prevailing interest rates of banks, liabilities at floating rates may cause an increase in financing costs of the Group.</p> <p>匯率波動可能導致重大外幣損失，影響本集團的原料採購成本以及融資成本。倘若美元/人民幣的匯率波動加劇，本集團的盈利能力可能將面臨重大不確定性。</p> <p>倘若銀行現行利率上升，浮動計息的負債或會導致本集團融資成本增加。</p>	<ul style="list-style-type: none"> • Foster communication with financial institutions and market analysis institutions to interpret the dynamics of financial market and make specific adjustments to financing structure • Increase loans in RMB to reduce the ratio of loans in USD to directly mitigate risks • Lock up exposure of liabilities in foreign currencies, including foreign liabilities arising from daily operation and financing, using foreign exchange financial products, such as forward contracts and options • Closely monitor various important economic data published by the People's Bank of China and the Federal Reserve and keep abreast with its interest rate policy • Obtain quotations for interest rate swap from financial institutions regularly and utilize financial instruments in a timely manner to switch from floating to fixed interest rate • 加強與金融機構及市場分析機構的溝通，瞭解金融市場動向，針對性的調整融資結構 • 增加人民幣貸款以減低美元貸款比例，直接降低風險 • 利用遠期合約、期權等外匯金融產品來鎖定外幣負債敞口，包括日常經營的外幣負債及融資性外幣負債 • 密切關注中國人民銀行及美聯儲的各項重要經濟數據，對其利率政策持續關注 • 與金融機構保持常規利率掉期報價，適時利用金融工具將浮動利率變為固定利率 	<p>↔</p> <p>Unchanged</p> <p>↔</p> <p>無變動</p>

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
Financing risk 融資風險	<ul style="list-style-type: none"> • Enhance the transparency of the Group's operation for banks' understanding and maintain good working relationship between the Group and financial institutions • Monitor various financing indicators in real-time and provide timely alerts to ensure compliance in respect of various indicators • Diversify the portfolio of financial institutions and financing products • Devise a reasonable spread for financing with different terms to strike a balance between financing costs and risks <ul style="list-style-type: none"> • 增強銀行對於集團運行狀況瞭解的透明度，維護好本集團與融資機構的合作關係 • 實時監控各項融資指標，及時預警，確保各項指標不違約 • 增加融資機構和融資產品組合的多樣性 • 合理配置不同期限的融資，兼顧融資成本及融資風險 	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> • Downturn in overseas market demand on textiles has affected the profitability of the Group's business <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> • 海外市場對紡織品需求低迷影響本集團業務的盈利能力
<p>The business scale of the Group is relatively large, but it also seizes the opportunities to increase its investment with higher financing needs. In the event that the financial institutions which provide the existing facilities cease to offer such financing to the Group or banking facilities on similar terms and the Group fails to obtain alternatives, the Group may not have sufficient funds for its commitment of capital projects and may restrict or hinder the business operation of the Group. In the event that the operating environment deteriorates, it may even affect the operation of the existing business of the Group.</p>		
<p>本集團業務規模較大，同時也會抓住一些機會增加投資，有較高的融資需要。倘若提供現有融資的金融機構停止向本集團提供有關融資或類似條款的銀行融資，而本集團亦未能另覓新的融資，則本集團或不能獲得足夠的資金用於資本項目投入，因而可能限制或阻礙本集團的業務營運。若經營環境惡化，甚至可能影響到本集團現有業務的營運。</p>		

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p>Customer credit management risk 客戶信用管理風險</p> <p>The Group focuses on producing a wide range of products and does not rely on a particular individual customer. The Group works with more than 5,000 customers from an enormous and widespread portfolio. Increasing business volume and business type lead to increasing total receivables.</p> <p>本集團以生產各式各樣的產品為重點，不依賴於某單一客戶。本集團擁有客戶逾5,000家，客戶眾多且地區分布分散。業務量及業務類型的不斷增加導致應收款總額增加。</p>	<ul style="list-style-type: none"> • Monitor and evaluate credit terms granted to customers regularly • Monitor the collectability of receivables in real-time and provide alerts and warnings for amount overdue and customers with abnormal business operation • Closely monitor market dynamics and operation of customers to devise plan for customer visit and collect the latest information of customers • Enhance customer reconciliation system • Adopt collectability of receivables as a criterion of staff performance assessment to promote staff members' awareness of payment demand • Arrange export credit insurance for all overseas customers with newly established relationship <ul style="list-style-type: none"> • 監察及定期評估客戶的賬期 • 實時監督應收款情況，對超期以及業務營運異常的客戶的應收賬款進行預警提示 • 密切關注市場動態和客戶經營情況，制定客戶拜訪的計劃，瞭解客戶最新信息 • 改善客戶對賬機制 • 將應收款的回收情況納入業務員績效考核，增強業務人員的催款意識 • 對於所有剛剛合作的海外客戶均辦理出口信用保險 	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> • Downturn in overseas market demand on textiles, higher operation risk for customers <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> • 海外紡織品市場需求低迷，客戶的經營風險增加

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p>Product liability risk 產品責任風險</p> <p>The Group offers a wide range of products and its portfolio is ever-expanding, creating a huge risk of product liability for the Group. Although the Group has not suffered any material losses from product liability claim, there have been individual claims from customers in respect of product quality.</p> <p>本集團產品品種繁多，且新品種日益增加，對本集團產品責任帶來了巨大的風險。雖然本集團尚未因產品責任導致任何重大損失，但是存在客戶對於產品質量的個別索賠事件。</p>	<ul style="list-style-type: none"> • Increase efforts on quality control and devise improvement solutions for quality fluctuation • Control production process using state-of-the-art measurement equipment and online quality control system • Improve production technology training for staff members and cultivate responsibility awareness of plant production staff and management members at each level • Actively reach out to customers for product liability incidents and coordinate for resolution and hold relevant staff accountable internally • 加大質量監控力度並針對出現的質量波動進行改進攻關 • 利用先進的檢測儀器及在線質量控制系統，對產品生產的過程進行控制 • 增加員工生產技術的培訓，提高工廠生產人員及各級管理人員的責任意識 • 就產品責任事件與客戶積極溝通，協調處理，對內追究相關人員責任 	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> • Downturn in overseas market demand on textiles, higher customer demand for product quality <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> • 海外紡織品市場需求低迷，客戶對於產品質量的要求更高
<p>Tax risk 稅務風險</p> <p>The operation presence of the Group covers various countries and regions, including the Mainland China, Hong Kong, Macau, Vietnam, Turkey and the Americas. In the course of tax planning and daily operation, we are subject to the following tax risks:</p> <ul style="list-style-type: none"> • Risk of tax incompliance caused by misunderstanding of regional tax policies; • The interpretation of tax policies and the legal conformity of tax preparation must be confirmed by the tax administration authority. In the course of such confirmation, the enforcement of tax administration may be different. <p>本集團目前經營區域涵蓋中國內地、香港、澳門、越南、土耳其及美洲等多個國家和地區，在稅務籌劃及日常運營過程中，我們面臨以下稅務風險：</p> <ul style="list-style-type: none"> • 對地區性稅務政策理解有誤而產生的稅務違規風險； • 稅務政策解讀與稅務籌劃的合法性需要得到稅務行政部門的確認。在這一確認過程中，稅務行政執法可能出現偏差。 	<ul style="list-style-type: none"> • Engage financial officers familiar with local tax policies and regulations to conduct tax audit and handle tax examination of the government • Engage professional local tax consultation institutions for consultations on tax compliance advices, tax incentive policies and tax preparation solutions • Liaise with local tax authority frequently to have thorough understanding of change in tax policies and policy interpretation, thereby reducing risks of tax incompliance and enforcement of tax administration • 聘請熟悉當地稅務政策法規的財務人員進行稅務核算，應對政府稅務檢查 • 聘請當地專業的稅務諮詢機構進行稅務合規建議、稅務優惠政策以及稅務籌劃方案諮詢 • 與當地稅務機關緊密溝通，全面掌握稅務政策變動及政策解讀，減少稅務違規風險以及稅務行政執法風險 	<p>↑</p> <p>Causes of the trend:</p> <ul style="list-style-type: none"> • Intensifying tax regulations in different countries • Increasing international coverage of operation presence, resulting in mounting overseas tax risk • The requested implementation of the minimum tax rate jointly by the OECD countries around the world will increase our tax burdens and risks <p>↑</p> <p>形成趨勢的原因：</p> <ul style="list-style-type: none"> • 各國稅收監管不斷增加 • 經營區域日益國際化，凸顯海外稅務風險 • 全球OECD國家聯合倡議最低稅率的實施，有關要求將增加稅務負擔及風險

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p>Legal and other regulatory risk 法律及其他監管風險</p> <p>As a listed company on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Group must comply with the "Securities and Futures Ordinance" and the Rules Governing the Listing of Securities on the Stock Exchange as well as the laws and regulations in places which the Group operates in. As social and economic environment evolves, many countries and relevant authorities continue to promulgate laws and rules to update economic matters, such as corporate governance, foreign investment, commerce, tax and trade. The introduction or amendments of these laws and regulations may adversely affect the business and prospects of the Group.</p>	<ul style="list-style-type: none"> Engage qualified legal advisors or consultation institutions to review and provide advice on relevant documents to ensure legal compliance The company secretary is responsible for offering advice to the board of directors and board committees in respect of the latest legal, regulatory and governance matters and ensuring their awareness of such matters 	<p>↔ Unchanged</p>
<p>本集團作為一所於香港聯合交易所有限公司(「聯交所」)上市公司，必須遵守《證券及期貨條例》和《聯交所證券上市規則》以及本集團經營所在地的法律及法規。隨著社會經濟環境的變化，各國以及相關機構會不斷頒布更新公司管治、海外投資、商業、稅務及貿易等經濟事務的法律及規例。這些法律及法規的新增或變更均可能對本集團業務及前景造成負面影響。</p>	<ul style="list-style-type: none"> 聘請合資格的法律顧問或諮詢機構審閱相關文書並提出意見，確保遵從法律合規要求 公司秘書負責向董事會及董事委員會就最新的法律、監管及管治事宜提供意見及確保他們得悉該等事宜 	<p>↔ 無變動</p>
<p>Energy supply risk 能源供應風險</p> <p>Electricity consumption of the Group's production process is huge and electricity shortage may adversely affect the operation of production facilities of the Group.</p>	<ul style="list-style-type: none"> Equip production factories subject to potential electricity shortage with generators to minimize the duration of electricity shortage Conduct technological renovation on equipment to reduce energy consumption Liaise with the government to seek permit for uninterrupted electricity supply 	<p>↓ Causes of the trend:</p> <ul style="list-style-type: none"> With the increase in capital investment of clean energy for factories by the Group, the Group's energy costs are expected to be effectively reduced
<p>本集團於製造過程中耗用大量的電力，電力供應短缺可能對本集團生產設施的運轉造成不利影響。</p>	<ul style="list-style-type: none"> 為可能出現電力短缺的生產工廠配備發電機，盡可能縮短電力供應短缺的時間 對設備進行技術改造，降低能源消耗 與政府溝通，盡可能獲取持續供應電力的許可 	<p>↓ 形成趨勢的原因：</p> <ul style="list-style-type: none"> 本集團增加工廠清潔能源的資金投入，預計能有效降低集團的能源成本

管理層討論及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p>Human resources risk 人力資源風險</p>	<ul style="list-style-type: none"> Commence effective performance-based unit count in recognition of the principle of 'better reward comes with greater contribution' Expand the scope of staff training to create a highly efficient and capable workforce Prepare and work further ahead on any decisions related to employees and that any issue which may arise will be promptly dealt with Address issue concerning the conditions of our canteen and staff quarters, enhance the quality of our employees' livelihood, and improve our backup supporting service Train up and enhance the management capability of our management staff, roll out skill and capability reinforcement programme, strengthen the sense of belonging and honour of our staff Improve staff retention through maintaining and expanding our presence in the locality 	<p>↔ Unchanged</p>
<p>本集團所處行業為勞動密集型行業，雖然新工廠配備了更為先進的生產設施，在一定程度上降低了勞工，但是相比其他行業，對於勞工的需求依然較高。若人員不足或人員生產技能不佳將導致生產設施利用效率降低，進而影響本集團的盈利能力。</p>	<ul style="list-style-type: none"> 高效開展績效計件，體現「多勞多得」的原則 擴大員工培訓範疇，使得每個員工都具備高效的工作能力 關係到員工方面的決策需提前做好預案，出現問題及時解決 改善食堂、宿舍問題，提高員工生活質素，做好後勤保障服務 培訓提升管理人員的管理水平，開展活動提升員工的質素，增強員工對企業的認同感、榮譽感 為提升員工保有率，維護並擴大公司在當地的影響力 	<p>↔ 無變動</p>
<p>本集團海外規模不斷擴大，海外員工與中國籍員工的文化差異可能為企業的正常運轉帶來風險。</p>		

管理層討論及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL RISKS OF THE GROUP (Continued)

本集團的重大風險(續)

Risks description 風險描述	Major control measures and risk mitigation 主要監控措施及風險對策	Changes of risk level from last year 風險水平較上年變化
<p>Environmental protection compliance risk 環保合規風險</p>	<ul style="list-style-type: none"> • Selectively pick our suppliers, enter into purchase agreements with suppliers which guarantee the raw materials supplied are in compliance with environmental protection standard (in particular dyestuff and chemicals) • Establish a factory internal check system and procedure in compliance with product-wise regular core environmental protection standard, set up a highly regulated control system and strictly implement it • Pay attention to news about development in environmental regulations, cause new factories to operate in strict compliance with any new regulations and existing factories to transform and upgrade their facilities in order to meet environmental protection standard 	<p>↔ Unchanged</p>
<p>Changes in existing environmental protection laws and regulations may require the Group to incur substantial expenditure to upgrade its existing environmental protection facilities and the profitability of the Group may be adversely affected.</p>	<ul style="list-style-type: none"> • 優選供應商，與供應商簽訂保證原料環保達標的供貨協議，尤其是染化料及化學品方面 • 建立產品常規核心環保指標的工廠自檢系統與流程，建立嚴格規範的管理制度並嚴格執行 • 關注環境法規方面的變動信息，對於新建工廠嚴格按照新法規執行，對於老工廠積極進行改造及設施升級，以達到新的環保合規標準 	<p>↔ 無變動</p>
<p>現有環保法律及條例出現轉變，可能令本集團產生龐大的開支，以提升其現有環境保護設施的環保等級，本集團的盈利能力可能受不利影響。</p>		

The Group is committed to maintaining a high level of corporate governance with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Company is committed to maintaining high levels of corporate governance and has steered its development and protected the interests of its shareholders in an enlightened and open manner. The Board currently comprises two executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). During the year ended 31 December 2023 (the "Year"), the Company had complied with the then applicable code provisions of the CG Code.

THE BOARD

The Board currently comprises five Directors and its composition is set out as follows:

Executive Directors:

Hong Tianzhu (*Chairman*)
Zhu Yongxiang (*Vice Chairman and Chief Executive Officer*)
Tang Daoping (resigned on 8 December 2023)

Independent non-executive Directors ("INEDs"):

Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING),
ACA, CTA (HK), FHKIoD
(retired on 25 May 2023)
Shu Wa Tung, Laurence (appointed on 25 May 2023)
Professor Tao Xiaoming
Professor Cheng Longdi

The brief biographical details of the Directors are set out in the "Directors and Senior Management" section on pages 57 to 60. There was no relationship (including financial, business, family or other material/relevant relationship) among members of the Board.

To ensure that the Board has access to independent views and input, various mechanisms are adopted: the Company has three INEDs representing more than one-third of the Board; at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules; the chairman of the Board meets with the independent non-executive Directors regularly without the presence of the other Directors to discuss matters relating to the Group; and Directors may seek advice from external independent professional advisors at the Company's expense to perform their duties. The Board has received from each of the INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

本集團致力維持高水平之企業管治，以強調高透明度、問責性及獨立性為原則。董事會相信優良之企業管治對本集團之成功及提升股東價值至為重要。

企業管治守則（「企業管治守則」）

本公司一直致力保持高水平企業管治，以開明和開放的理念維護本集團的發展及保障股東們的權益。董事會現由兩名執行董事及三名獨立非執行董事組成。董事會已採納載於聯交所證券上市規則（「上市規則」）附錄C1第二部分內企業管治守則的守則條文。截至二零二三年十二月三十一日止年度（「年內」），本公司已遵守當時適用的企業管治守則的守則條文。

董事會

董事會目前由五名董事組成，其成員載列如下：

執行董事：

洪天祝（主席）
朱永祥（副主席兼行政總裁）

湯道平（於二零二三年十二月八日辭任）

獨立非執行董事（「獨立非執行董事」）：

丁良輝 MH, FCCA, FCPA (PRACTISING),
ACA, CTA (HK), FHKIoD
(於二零二三年五月二十五日退休)
舒華東（於二零二三年五月二十五日委任）
陶肖明教授
程隆棟教授

董事之履歷詳情載於第57至60頁之「董事及高級管理層」一節內。董事會成員間概無任何關係（包括財務、業務、家庭或其他重大／相關關係）。

為確保董事會可獲得獨立意見及觀點，已採納多項機制：本公司之三名獨立非執行董事佔董事會人數多於三分之一；根據上市規則第3.10條，至少一名獨立非執行董事必須具備適當之專業資格或會計或相關財務管理專業知識；董事會主席定期在其他董事不在場的情況下與獨立非執行董事舉行會議，討論與本集團有關的事宜；董事可尋求外部獨立專業顧問的意見以履行其職責，費用由本公司承擔。董事會已接獲每名獨立非執行董事有關其獨立性之年度確認書，並認為所有獨立非執行董事均具備上市規則第3.13條所載之指引下之獨立性。

企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

THE BOARD (Continued)

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results. During the Year, six Board meetings and one general meeting was held and attendance of each Director at the Board meetings and the general meeting is set out as follows:

		Number of Board meetings attended/held 出席/ 舉行董事會 會議次數	Number of General meetings attended/held 出席/ 舉行股東 大會次數
Executive Directors:			
Hong Tianzhu (Chairman)	執行董事： 洪天祝(主席)	6/6	1/1
Zhu Yongxiang (Vice Chairman and Chief Executive Officer)	朱永祥(副主席兼行政總裁)	6/6	1/1
Tang Daoping (resigned on 8 December 2023)	湯道平 (於二零二三年十二月八日辭任)	5/6 (Note 1) (附註1)	1/1 (Note 1) (附註1)
Independent Non-Executive Directors:			
Cheng Longdi	獨立非執行董事： 程隆棣	6/6	1/1
Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD (retired on 25 May 2023)	丁良輝MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD (於二零二三年五月二十五日退休)	1/6 (Note 2) (附註2)	1/1 (Note 2) (附註2)
Tao Xiaoming	陶肖明	4/6	1/1
Shu Wa Tung, Laurence (appointed on 25 May 2023)	舒華東 (於二零二三年五月二十五日委任)	3/6 (Note 3) (附註3)	N/A (Note 3) (附註3)

The Board is responsible for considering and decision making for matters covering mainly the Group's overall strategy, investment plans, annual and interim results, recommendations on Directors' appointment or reappointment, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the day-to-day responsibility to the senior management under the supervision of the Board.

Notes:

- Mr. Tang Daoping ceased to be an executive Director on 8 December 2023, his attendance was stated by reference to the number of board meetings and general meetings held during his tenure in the year ended 31 December 2023.
- Mr. Ting Leung Huel, Stephen ceased to be an independent non-executive Director on 25 May 2023, his attendance was stated by reference to the number of board meetings and general meetings held during his tenure in the year ended 31 December 2023.
- Mr. Shu Wa Tung, Laurence was appointed as an independent non-executive Director on 25 May 2023, his attendance was stated by reference to the number of board meetings and general meetings held since his appointment.

董事會(續)

董事會定期召開會議，討論本集團之整體策略以及營運及財政表現，並審閱及批准本集團之全年及中期業績。於年內，已舉行六次董事會會議及一次股東大會，各董事出席董事會會議及股東大會之情況載列如下：

董事會負責考慮和決策之事宜包括本集團整體策略、投資計劃、全年及中期業績、董事委任或重新委任之建議、重大合約及交易，以及其他重大政策及財務等事宜。董事會已將日常職責委派予高級管理層，並由董事會監督。

附註：

- 湯道平先生於二零二三年十二月八日起不再擔任執行董事，其出席次數乃參考截至二零二三年十二月三十一日止年度其任期內舉行的董事會會議及股東大會次數列示。
- 丁良輝先生於二零二三年五月二十五日起不再擔任獨立非執行董事，其出席次數乃參考截至二零二三年十二月三十一日止年度其任期內舉行的董事會會議及股東大會次數列示。
- 舒華東先生於二零二三年五月二十五日起獲委任為獨立非執行董事，其出席次數乃參考自其獲委任以來舉行的董事會會議及股東大會次數列示。

THE BOARD (Continued)

Board meetings are scheduled to be held at approximately quarterly intervals and as required by business needs. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary assists the chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least three days before the intended date of a regular Board meeting (and so far as practicable for other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before the same will be tabled at the following Board meeting for approval. All minutes are kept by the company secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the company secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

During the year ended 31 December 2023, Mr. Hui Tsz Wai acted as company secretary from 1 January 2023 to 30 June 2023. With effect from 30 June 2023, Ms. Ng Sau Mei, an external service provider, has been appointed by the Company as the company secretary. Her primary contact person at the Company is Mr. Hong Tianzhu (an executive Director and chairman of the Board). In accordance with Rule 3.29 of the Listing Rules, Ms. Ng had taken no less than 15 hours of relevant professional training during the year.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure the Directors' contribution to the Board remains informed and relevant and in compliance with code provision C.1.4 of the CG Code, the Company would arrange and fund suitable continuous professional development for the Directors to participate in order to develop and refresh their knowledge and skills.

During the Year, the Company had provided all the Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct ("the Securities Code") regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code ("Model Code") for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules.

董事會(續)

董事會會議預定為約每季及按業務需要而舉行。召開董事會會議一般會給予全體董事至少十四天之通知，以便彼等皆有機會提出商討事項列入會議議程。公司秘書協助董事會主席編製會議議程，以及確保已遵守所有適用規則及規例。議程及隨附之董事會文件一般在舉行定期董事會會議(及就可行情況下，其他董事會會議)前至少三天發呈全體董事。每份董事會會議記錄之初稿於提交下一次董事會會議審批前，先供全體董事傳閱並提出意見。所有會議記錄均由公司秘書保存，並供任何董事於發出合理通知時，於任何合理時間內查閱。

每名董事有權查閱董事會文件及相關資料，及可向公司秘書尋求意見及服務。董事會及各董事亦可個別及獨立地接觸本公司之高級管理層。董事將獲持續提供上市規則及其他適用監管規定之最新發展之資料，以確保彼等遵守及秉持優秀企業管治常規。

截至二零二三年十二月三十一日止年度，許子慧先生於二零二三年一月一日至二零二三年六月三十日擔任公司秘書。自二零二三年六月三十日起，外部服務供應商伍秀薇女士獲本公司委任為公司秘書。彼於本公司的主要聯絡人為洪天祝先生(執行董事及董事會主席)。根據上市規則第3.29條，伍女士於年內已接受不少於15小時的相關專業培訓。

董事之持續專業發展

為確保董事在具備全面資訊及切合所需之情況下對董事會作出貢獻，符合企業管治守則第C.1.4條的規定，本集團為董事安排及出資支持適合之持續專業發展項目，供學習及更新知識及技能。

年內，本公司向全體董事提供有關本公司表現之定期更新，亦不時向全體董事提供有關上市規則以及其他相關法律及監管規定之最新修訂及發展的最新資料。

董事進行之證券交易

本公司已就有關董事及主要人員進行之證券交易採納一套操守守則(「《證券守則》」)，條款不遜於上市規則附錄C3上市發行人董事進行證券交易的標準守則(「《標準守則》」)所載之要求標準。

企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

DIRECTORS' SECURITIES TRANSACTIONS (Continued)

A copy of the Securities Code has been sent to each Director of the Company first on his/her appointment and thereafter twice annually, 30 days and 60 days before the date of the Board meetings to approve the Company's interim results and annual results respectively, with a reminder that the Director cannot deal in the securities and derivatives of the Company until after such results have been published, and that all his dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, the Directors are required to notify Mr. Hong Tianzhu or Mr. Zhu Yongxiang or a Director (other than himself/herself) designated by the Board for the specific purpose (each a "Designated Director") and receive a dated written acknowledgement from such Designated Director before dealing in the securities and derivatives of the Company.

The Company, having made specific enquiry on all the Directors, confirms that all the Directors have complied with the required standard set out in the Securities Code and the Model Code during the Year.

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Hong Tianzhu is the chairman of the Company. Mr. Zhu Yongxiang is the vice chairman and the chief executive officer of the Company.

TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. Shu Wa Tung, Laurence, Professor Cheng Longdi, Professor Tao Xiaoming has been appointed as an independent non-executive Director for an initial term of one year commencing from their respective date of appointment as an INED renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company expiring at the end of the initial term or at any time thereafter. Mr. Ting Leung Huel, Stephen ceased to be an independent non-executive Director on 25 May 2023. The Company has paid an annual director's fee of HKD125,000 to Mr. Ting Leung Huel Stephen, HKD150,000 to Professor Cheng Longdi, HKD180,000 to Professor Tao Xiaoming and HKD120,273.97 to Mr. Shu Wa Tung, Laurence for the year ended 31 December 2023. Save for the above directors' fees, none of the independent non-executive Directors has received any other remuneration for holding their office as an independent non-executive Director.

董事進行之證券交易(續)

《證券守則》之副本已於本公司每名董事首次獲委任時，及其後每年兩次(分別於批准本公司中期業績及全年業績而召開之董事會會議日期起30天及60天前)送交各董事，連同之備忘錄列明，在有關業績刊發前，董事不得買賣本公司證券及衍生工具，而一切買賣均須根據《證券守則》進行。

根據《證券守則》，董事在買賣本公司之證券及衍生工具前，須知會洪天祝先生或朱永祥先生或董事會就特定目的而指定之一名董事(各名「指定董事」)(除該董事本身外)，並接獲該指定董事發出具有日期之書面確認。

本公司經向全體董事作出特定查詢後，確認所有董事於年內已一直遵守《證券守則》及《標準守則》所載之標準。

主席及行政總裁之角色

守則條文第C.2.1條規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

洪天祝先生為本公司的主席。朱永祥先生為本公司的副主席兼行政總裁。

獨立非執行董事之委任任期

舒華東先生、程隆棣教授及陶肖明教授已獲委任為獨立非執行董事，首任年期為一年，由彼等各自獲委任為獨立非執行董事之日期開始，自當時委任任期屆滿翌日起自動連任一年，惟獨立非執行董事或本公司於首任到期時或之後任何時間以不少於三個月書面通知終止委任除外。丁良輝先生於二零二三年五月二十五日起不再擔任獨立非執行董事。本公司已就截至二零二三年十二月三十一日止年度分別向丁良輝先生、程隆棣教授、陶肖明教授及舒華東先生支付年度董事袍金125,000港元、150,000港元、180,000港元及120,273.97港元。除上述董事袍金外，並無任何獨立非執行董事可就擔任其獨立非執行董事的職位收取任何其他酬金。

BOARD COMMITTEES

The Board has established a remuneration committee (the "Remuneration Committee"), an audit committee (the "Audit Committee"), a nomination committee (the "Nomination Committee") and an environmental, social and governance committee (the "ESG Committee"), each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the company secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on page 29 in the section "The Board" above, have been adopted for the committee meetings so far as practicable.

Remuneration Committee

The Company has established the Remuneration Committee since November 2004, which currently comprises three independent non-executive Directors of the Company, namely Mr. Shu Wa Tung, Laurence, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the Remuneration Committee is Mr. Shu Wa Tung, Laurence. Mr. Ting Leung Huel, Stephen ceased to be the chairman of the Remuneration Committee on 25 May 2023. The Remuneration Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (c) to make recommendations to the board on the remuneration packages of individual executive Directors and senior management, this should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

董事委員會

董事會已成立薪酬委員會(「薪酬委員會」)、審核委員會(「審核委員會」)、提名委員會(「提名委員會」)以及環境、社會及管治委員會(「ESG委員會」)，並以書面具體列明其職權範圍。所有委員會之會議記錄及決議案均由公司秘書保存，並提供副本予全體董事會成員傳閱，而各委員會需按其決定及建議(倘適合)向董事會匯報。董事會會議之程序及安排(於上文第29頁「董事會」一節提述)已按可行情況在每次委員會會議上採納。

薪酬委員會

本公司自二零零四年十一月起已成立薪酬委員會，現時該委員會由本公司三名獨立非執行董事組成，即舒華東先生、陶肖明教授及程隆棣教授。薪酬委員會主席為舒華東先生。丁良輝先生於二零二三年五月二十五日起不再為薪酬委員會主席。薪酬委員會已採納符合企業管治守則守則條文的職權範圍。薪酬委員會獲提供充裕資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會之主要角色及職能如下：

- (a) 就本公司全體董事及高級管理人員的薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
- (b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
- (c) 就個別執行董事及高級管理人員的薪酬待遇向董事會提供推薦建議。此應包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)；
- (d) 就非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件；

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee shall meet at least once a year. Two committee meetings were held during the Year to review and discuss the existing policy and structure for the remuneration of Directors, and make recommendations to the Board on the remuneration packages of both the executive Directors and senior management and the attendance of each member is set out as follows:

Committee members	委員會成員	Number of committee meeting attended/held 出席/舉行委員會會議之次數
Ting Leung Huel, Stephen (retired on 25 May 2023)	丁良輝 (於二零二三年五月二十五日退休)	2/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2
Shu Wa Tung, Laurence (appointed on 25 May 2023)	舒華東 (於二零二三年五月二十五日委任)	0/2

In addition to the Committee meetings, the Remuneration Committee also dealt with matters by way of circulation during the Year. The remuneration payable to Directors will depend on their respective contractual terms under their employment or service contracts as approved by the Board on the recommendation of the Remuneration Committee.

In order to attract, retain and motivate the senior executives and key employees of the Group, including the executive Directors, the Company adopted a share option scheme (the "Share Option Scheme") in April 2014 for a term of ten years. Details of the share option scheme are set out in the Directors' Report on pages 66 to 68 and note 20 to the financial statements.

董事委員會 (續)

薪酬委員會 (續)

- (f) 檢討及批准向執行董事及高級管理人員就其喪失或終止職位或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (g) 檢討及批准因董事行為失當而遭解僱或罷免所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；
- (h) 確保任何董事或其任何聯繫人不得參與釐定他自己的薪酬；及
- (i) 審閱及/或批准有關上市規則第17章項下股份計劃的事宜。

薪酬委員會每年須至少召開一次會議。年內已舉行兩次委員會會議，以審議及討論董事之現行薪酬政策及架構，並就執行董事及高級管理層之薪酬待遇向董事會提供建議，而各成員之出席情況載列如下：

除委員會會議外，薪酬委員會亦於年內透過傳閱方式處理事宜。應付董事之薪酬將視乎薪酬委員會向董事會提供之建議獲批准後，並按各自之僱傭或服務合約內之條款而釐定。

本公司已於二零一四年四月採納一項購股權計劃(「購股權計劃」)以吸引、延攬及推動本集團高級行政人員及主要僱員(包括執行董事)，為期十年。購股權計劃詳情載於董事會報告第66至68頁及財務報表附註20。

BOARD COMMITTEES (Continued)

Audit Committee

The Audit Committee has been established since November 2004, the current members of the Audit Committee are Mr. Shu Wa Tung, Laurence, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the Audit Committee is Mr. Shu Wa Tung, Laurence. Mr. Ting Leung Huel, Stephen ceased to be the chairman of the Audit Committee on 25 May 2023. To retain independence and objectivity, the Audit Committee has been chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The Audit Committee has adopted terms of reference, which are in line with the code provisions of the CG Code. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

The major roles and functions of the Audit Committee are:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (c) to develop and implement policy on the engagement of an external auditor to supply non-audit services;
- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them, and to review the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports before submission to the Board;
- (e) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss;
- (f) to review the Company's financial controls, risk management and internal control systems;
- (g) to discuss with the management the risk management and internal control systems and ensure that management has discharged its duty to have effective systems;

董事委員會(續)

審核委員會

審核委員會自二零零四年十一月成立，現有成員為舒華東先生、陶肖明教授及程隆棣教授。審核委員會主席為舒華東先生。丁良輝先生於二零二三年五月二十五日起不再為審核委員會主席。為保持獨立性及客觀性，審核委員會由一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事擔任主席。審核委員會已採納符合企業管治守則之守則條文的職權範圍。審核委員會獲提供充裕資源以履行其職務，並可按本公司之政策在有需要時尋求獨立專業意見。

審核委員會之主要角色及職能：

- (a) 主要負責向董事會就委任、重新委任及罷免外聘核數師提出建議，以及批准外聘核數師之薪酬及聘用條款，並處理任何有關該核數師辭任或辭退該核數師之問題；
- (b) 根據適用準則檢討及監察外聘核數師之獨立性及客觀性及審核程序之效率；
- (c) 研究及實施委任外聘核數師提供非審核服務的政策；
- (d) 監察本公司財務報表及本公司年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)的完整性，並審核其中的重大財務報告判斷，及於本公司的年度報告及賬目、中期報告及季度報告(倘編製供刊發之用)呈交董事會之前先行審核；
- (e) 商議就中期審核及年終審核而產生之任何問題及保留事項，及核數師擬商討之任何事宜；
- (f) 檢討本公司之財務監控、風險管理及內部監控系統；
- (g) 與管理層討論風險管理及內部監控系統及確保管理層已盡其職責以達至有效之系統；

企業管治報告 (續)

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

- (h) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) to review the Group's financial and accounting policies and practices; and
- (j) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response.

The Audit Committee shall meet at least twice a year. Two committee meetings were held during the Year and the attendance of each member is set out as follows:

董事委員會 (續)

審核委員會 (續)

- (h) 考慮董事會授予或自發進行之風險管理內部監控事項之主要調查之任何結果以及管理層之回應；
- (i) 審核本集團的財務及會計政策及常規；及
- (j) 審核外聘核數師的管理函件、核數師就會計記錄、財務賬目或控制系統向管理層提出的任何重大提問，及管理層的回應。

審核委員會每年須至少召開兩次會議。年內已舉行兩次委員會會議，而各成員之出席情況載列如下：

Committee members	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Ting Leung Huel, Stephen (retired on 25 May 2023)	丁良輝 (於二零二三年五月二十五日退休)	1/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2
Shu Wa Tung, Laurence (appointed on 25 May 2023)	舒華東 (於二零二三年五月二十五日委任)	1/2

During the meetings held in the Year, the Audit Committee had performed the work as summarised below:

年內舉行之會議，審核委員會已履行之工作概述如下：

- (i) reviewed and approved the audit scope and fees proposed by the external auditor regarding the final audit of the Group for the year ended 31 December 2022 (the "2022 Final Audit");
 - (ii) reviewed the external auditor's report of findings in relation to the 2022 Final Audit;
 - (iii) reviewed the financial reports for the year ended 31 December 2022 and for the six months ended 30 June 2023; and
 - (iv) reviewed the effectiveness of internal control system of the Group including financial, operational and compliance control and risk management functions of the Group.
- (i) 檢討及批准外聘核數師建議之本集團截至二零二二年十二月三十一日止年度之年終審核(「二零二二年年終審核」)之核數範圍及費用；
 - (ii) 檢討外聘核數師之二零二二年年終審核結果之報告；
 - (iii) 檢討截至二零二二年十二月三十一日止年度及截至二零二三年六月三十日止六個月之財務報告；及
 - (iv) 檢討本集團內部監控制度，包括本集團的財務、營運及合規控制情況及風險管理功能的有效性。

BOARD COMMITTEES (Continued)

Nomination Committee

On 19 March 2012, the Board has approved the establishment of the Nomination Committee which became effective on 1 April 2012. The current members of Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Shu Wa Tung, Laurence. Mr. Ting Leung Huel, Stephen ceased to be a member of the Nomination Committee on 25 May 2023. The chairman of the Nomination Committee is Mr. Hong Tianzhu. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Nomination Committee are:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of the independent non-executive Directors;
- (d) to make recommendations to the Board on:
 - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
 - (ii) the policy on the terms of employment of non-executive Directors;
 - (iii) the composition of the Audit Committee, Remuneration Committee and other board committees of the Company;
 - (iv) proposed changes to the structure, size and composition of the Board;
 - (v) candidates suitably qualified to become members of the Board;
 - (vi) the selection of individuals nominated for directorship;

董事委員會(續)

提名委員會

於二零一二年三月十九日，董事會批准成立提名委員會，於二零一二年四月一日生效。提名委員會現任成員包括執行董事兼本公司主席洪天祝先生，及三名獨立非執行董事，即陶肖明教授、程隆棣教授及舒華東先生。丁良輝先生於二零二三年五月二十五日起不再為提名委員會成員。提名委員會主席為洪天祝先生。提名委員會已採納與企業管治守則的守則條文一致的職權範圍。提名委員會獲提供足夠資源履行職務，並已考慮在適當情況下，根據本公司政策尋求獨立專業意見。

提名委員會的主要職位及功能如下：

- (a) 至少每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並為配合本公司的企業策略而擬對董事會作出調整向董事會提出建議；
- (b) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；
- (c) 評估獨立非執行董事的獨立性；
- (d) 向董事會就下列事宜作出推薦建議：
 - (i) 作為董事會成員所應有的角色、責任、能力、技能、知識及經驗；
 - (ii) 委聘非執行董事條件的政策；
 - (iii) 本公司審核委員會、薪酬委員會及其他董事委員會的組成；
 - (iv) 董事會的架構、人數及組成擬作出的變動；
 - (v) 具備合適資格擔任董事的候選人；
 - (vi) 挑選被提名人士出任董事；

企業管治報告(續)

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

- (d) to make recommendations to the Board on: (Continued)
 - (vii) the re-election by shareholders of the Company of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;
 - (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
 - (ix) the appointment or re-appointment of Directors;
 - (x) succession planning for Directors in particular the chairman and the chief executive; and
 - (xi) the policy concerning diversity of Board members;
- (e) to give full consideration to the following in the discharge of its duties as mentioned above or elsewhere in these terms of reference:
 - (i) succession planning of Directors;
 - (ii) leadership needs of the Group with a view of maintaining or fostering the competitive edge of the Group over others;
 - (iii) changes in market environment and commercial needs of the market in which the Group operates;
 - (iv) the skills and expertise required from members of the Board;
 - (v) the Board's policy concerning diversity of Board members adopted from time to time; and
 - (vi) the relevant requirements of the Listing Rules with regard to directors of a listed issuer;

董事委員會(續)

提名委員會(續)

- (d) 向董事會就下列事宜作出推薦建議：(續)
 - (vii) 由本公司股東重選輪流退任董事，於此，須考慮其工作表現及對董事會繼續作出貢獻的能力；
 - (viii) 在任多於九年的獨立非執行董事的去留問題，並就是否贊成批准該等獨立非執行董事連任的決議案向本公司股東提供建議；
 - (ix) 委任或重新委任董事；
 - (x) 董事接替計劃(尤其是主席及行政總裁)；及
 - (xi) 有關董事會成員多元化的政策；
- (e) 在履行上述責任或本職權範圍項下的其他責任，對下列各項給予充分考慮：
 - (i) 董事繼任計劃；
 - (ii) 本集團為保持或加強本集團的競爭優勢所需要的領導才能；
 - (iii) 市場環境的轉變及本集團營運市場的商業需要；
 - (iv) 董事會成員所須具備的技能及專才；
 - (v) 董事會不時採納有關董事會成員多元化的政策；及
 - (vi) 上市規則對上市發行人的董事的相關要求；

企業管治報告(續)

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

- (f) in respect of any proposed service contracts to be entered into by any members of the Group with its director or proposed director, which require the prior approval of the shareholders of the Company at general meeting under rule 13.68 of the Listing Rules, to review and provide recommendations to the shareholders of the Company (other than shareholders who are directors with a material interest in the relevant service contracts and their respective associates) as to whether the terms of the service contracts are fair and reasonable and whether such service contracts are in the interests of the Company and the shareholders as a whole, and to advise shareholders on how to vote;
- (g) to ensure upon the appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside meetings of the Board;
- (h) to conduct interviews with any Director upon their resignation in order to ascertain the reasons for his departure; and
- (i) to consider other matters, as defined or assigned by the Board from time to time.

The Nomination Committee shall meet at least once a year. Two committee meetings were held during the Year to review the structure and composition of the Board and the re-election of the retiring Directors and the attendance of each member is set out as follows:

董事委員會(續)

提名委員會(續)

- (f) 檢討及就所有按上市規則第13.68條須事先取得本公司股東於股東大會上批准的現董事或建議委任董事與本集團任何成員的擬定服務合約，就該議定服務合約條款的公平及合理性、服務合約對本公司及股東而言是否整體有利及本公司股東應怎樣作出表決，向本公司股東(而身為董事並在該等服務合約中有重大利益的股東和彼等各自聯繫人除外)提呈建議；
- (g) 確保非執行董事獲邀加入董事會時收到正式的聘書，其中列明公司期望非執行董事投入的時間、應盡的服務和在董事會會議以外的參與；
- (h) 會見辭去董事職責的董事並了解其離職原因；及
- (i) 考慮董事會不時確定或委派的其他事項。

提名委員會每年須至少召開一次會議。年內已舉行兩次委員會會議，以檢討董事會的架構及組織，以及重選退任董事，而各成員之出席情況載列如下：

Committee members	委員會成員	Number of committee meeting attended/held 出席/舉行委員會會議之次數
Hong Tianzhu	洪天祝	2/2
Tao Xiaoming	陶肖明	2/2
Cheng Longdi	程隆棣	2/2
Ting Leung Huel, Stephen (retired on 25 May 2023)	丁良輝 (於二零二三年五月二十五日退休)	1/2
Shu Wa Tung, Laurence (appointed on 25 May 2023)	舒華東 (於二零二三年五月二十五日委任)	1/2

BOARD COMMITTEES (Continued)

Environmental, Social and Governance Committee

The Company has established the ESG Committee since 23 August 2021, which currently comprises executive Director of the Company, namely Mr. Zhu Yongxiang and three independent non-executive Directors of the Company, namely Mr. Shu Wa Tung, Laurence, Professor Tao Xiaoming and Professor Cheng Longdi. The chairman of the ESG Committee is Mr. Zhu Yongxiang. Mr. Ting Leung Huel, Stephen ceased to be a member of the ESG Committee on 25 May 2023 and Mr. Tang Daoping ceased to be a chairman and member of the ESG Committee on 8 December 2023. The ESG Committee has adopted written terms of reference. The ESG Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the ESG Committee are:

- (i) to formulate and review the Company's concepts, strategies, frameworks, principles and policies in respect of environmental protection, corporate governance and corporate social responsibility, make relevant recommendations to the Board and implement the environmental protection, corporate governance and corporate social responsibility policies formulated by the Board;
- (ii) to review and monitor the Company's environmental protection, corporate governance and corporate social responsibility policies and practices to ensure compliance with legal and regulatory requirements;
- (iii) to take measures to promote the Company's environmental protection, corporate governance and corporate social responsibility, and formulate corporate objectives, goals, key performance indicators and measures to ensure performance in response to the areas of environmental protection, corporate governance and corporate social responsibility (as appropriate);
- (iv) to monitor expenditures arising from Company's environmental protection, corporate governance and corporate social responsibility work; and
- (v) to review the annual "Environmental, Social and Governance Report" and make recommendations to the Board for approval.

董事委員會(續)

環境、社會及管治委員會

本公司已於二零二一年八月二十三日成立ESG委員會，其目前由本公司執行董事朱永祥先生，以及本公司三名獨立非執行董事舒華東先生、陶肖明教授及程隆棣教授組成。ESG委員會主席為朱永祥先生。而丁良輝先生於二零二三年五月二十五日起不再為ESG委員會成員，湯道平先生於二零二三年十二月八日起不再為ESG委員會主席和成員。ESG委員會已採納書面職權範圍。ESG委員會獲提供足夠資源履行職務，並在適當情況下，可根據本公司政策尋求獨立專業意見。

ESG委員會的主要角色及職能為：

- (i) 制定及檢討本公司在環境保護、企業管治及企業社會責任方面的理念、策略、框架、原則及政策，向董事會提出相關推薦建議，並執行董事會制定的環境保護、企業管治及企業社會責任政策；
- (ii) 檢討及監察本公司的環境保護、企業管治及企業社會責任政策及常規，以確保遵守法律及監管規定；
- (iii) 採取措施促進本公司的環境保護、企業管治及企業社會責任，並制定企業方針、目標、關鍵績效指標及措施，以確保在環境保護、企業管治及企業社會責任(如適用)方面的表現；
- (iv) 監察本公司環境保護、企業管治及企業社會責任工作產生的開支；及
- (v) 審閱年度《環境、社會及管治報告》，並向董事會提出推薦建議供其批准。

企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES (Continued)

Environmental, Social and Governance Committee (Continued)

The ESG Committee shall meet at least once a year. One committee meeting was held during the Year and the attendance of each member is set out as follows:

董事委員會(續)

環境、社會及管治委員會(續)

ESG委員會每年須至少舉行一次會議。年內已舉行一次委員會會議，而各成員之出席情況載列如下：

Committee members	委員會成員	Number of committee meeting attended/held 出席／舉行委員會會議之次數
Zhu Yongxiang (appointed on 8 December 2023)	朱永祥 (於二零二三年十二月八日委任)	0/1
Tang Daoping (resigned on 8 December 2023)	湯道平 (於二零二三年十二月八日辭任)	1/1
Tao Xiaoming	陶肖明	1/1
Cheng Longdi	程隆棣	1/1
Ting Leung Huel, Stephen (retired on 25 May 2023)	丁良輝 (於二零二三年五月二十五日退休)	1/1
Shu Wa Tung, Laurence (appointed on 25 May 2023)	舒華東 (於二零二三年五月二十五日委任)	0/1

DIRECTOR NOMINATION POLICY

The director nomination policy (the "Director Nomination Policy") of the Company aims to set out the criteria and process in the nomination and appointment of directors of the Company; ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and ensure the Board continuity and appropriate leadership at Board level.

董事提名政策

本公司董事提名政策(「董事提名政策」)旨在載列本公司提名及委任董事的準則及程序；確保董事會具備切合本公司業務所需的技能、經驗及多元觀點；及確保董事會的持續性及維持其領導角色。

Criteria for nomination and appointment of Directors

The criteria for selecting any candidate for directorship are set out as follows:

董事提名及委任標準

甄選董事候選人的標準如下：

- bringing an independent view and judgment and make constructive recommendation on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for Non-Executive Director) and other relevant Board Committees, if invited;
- devoting sufficient time to the Board and/or any Committee(s) on which he or she serves so as to allow them to benefit from his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board;
- 就策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立的觀點和判斷及提供建設性建議；
- 於發生潛在利益衝突時發揮領導作用；
- 服務於審核委員會、薪酬委員會及提名委員會(如為非執行董事候選人)以及其他相關董事委員會(如獲邀請)；
- 對董事會及／或所服務的任何委員會投入充足時間，從而透過出席及參與董事會而令董事會及任何委員會受惠於其技能、專長、各種背景及資格以及多元觀點；

DIRECTOR NOMINATION POLICY (Continued)

Criteria for nomination and appointment of Directors (Continued)

- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the Nomination Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

Nomination process

(a) Appointment of New Director

- (i) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (ii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iii) The Nomination Committee should then, assess based on the relevant information available to it, recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

董事提名政策(續)

董事提名及委任標準(續)

- 監察本公司在達致議定企業宗旨及目標方面的表現以及監督相關表現的申報情況；
- 確保所服務的提名委員會履行董事會授予的權力及職能；及
- 遵守董事會不時訂定或本公司章程文件不時所載或法例或上市規則不時施加的任何規定、指示及規例(如適用)。

如建議委任候選人為獨立非執行董事，則須根據(其中包括)上市規則第3.13條(經聯交所可能不時作出修訂)所載的因素評估其獨立性。如適用，則亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮其是否具備合適的專業資格或會計或相關財務管理專長(即上市規則第3.10(2)條所規定的相關資格或專長)以擔任獨立非執行董事。

提名程序

(a) 委任新董事

- (i) 提名委員會及/或董事會應在收到委任新董事的建議及候選人的履歷資料(或相關詳情)後，依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。
- (ii) 如過程涉及一個或多個合意的候選人，提名委員會及/或董事會應根據本公司的需要及各候選人的履歷審查(如適用)排列彼等的優先次序。
- (iii) 提名委員會隨後應根據其可得的相關資料進行評估，就委任合適人選擔任董事一事向董事會提出推薦意見(如適用)。

DIRECTOR NOMINATION POLICY (Continued)

Nomination process (Continued)

(a) Appointment of New Director (Continued)

- (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

(c) Re-election of INED at General Meeting

Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting:

- (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent;

董事提名政策(續)

提名程序(續)

(a) 委任新董事(續)

- (iv) 就任何經由股東提名於本公司股東大會上選舉為董事的人士，提名委員會及／或董事會應依據上述準則評估該候選人，以判斷該候選人是否合資格擔任董事。

倘適合，提名委員會及董事會應就於股東大會上選舉董事的提案向股東提出推薦意見。

(b) 於股東大會上重選董事

- (i) 提名委員會及／或董事會應檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現。
- (ii) 提名委員會及／或董事會亦應檢討及確定退任董事是否仍然符合上文所載標準。
- (iii) 提名委員會及／或董事會其後應就於股東大會上重選董事的提案向股東提出推薦意見。

若董事會擬於股東大會上提呈決議案選舉或重選某候選人為董事，隨附有關股東大會通告的致股東通函及／或說明函件中，將會按上市規則及／或適用法律及法規要求披露候選人的相關資料。

(c) 於股東大會上重選獨立非執行董事

倘董事會提呈一項決議案於股東大會上選任某人士為獨立非執行董事，則須於相關股東大會通告隨附的致股東通函及／或說明函件內載明：

- (i) 用以物色該名人士的流程，董事會認為應選任該名人士的理由以及認為該名人士屬獨立人士的原因；

DIRECTOR NOMINATION POLICY (Continued)

Nomination process (Continued)

(c) Re-election of INED at General Meeting (Continued)

- (ii) if the proposed INED will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board;
- (iii) the perspectives, skills and experience that the individual can bring to the Board; and
- (iv) how the individual contributes to diversity (including gender diversity) of the Board.

The Nomination Committee will conduct regular review on the structure, size and composition of the Board and the Director Nomination Policy and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs, to comply with all applicable laws and regulations from time to time and maintain good corporate governance practice.

BOARD DIVERSITY POLICY

On 5 August 2013, the Board adopted a board diversity policy (the "Board Diversity Policy") which aims to set out the approach to achieve diversity on the Board. All Board appointments will be based on merit while taking into account diversity including gender diversity. The Nomination Committee will regularly review the measurable objectives to ensure its effectiveness to achieve diversity on the Board. The following measurable objectives have been set for implementing the Board Diversity Policy:

- inclusion of candidates for Board members with overseas working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors and there shall be at least one female member on the Board;
- inclusion of candidates for Board members with working experience in other industries; and
- inclusion of candidates for Board members with knowledge and skills in different aspects.

董事提名政策(續)

提名程序(續)

(c) 於股東大會上重選獨立非執行董事(續)

- (ii) 如建議獨立非執行董事將出任第七家(或以上)上市公司的董事,董事會認為該名人士仍可投入足夠時間履行董事責任的原因;
- (iii) 該名人士可為董事會帶來的觀點與角度、技能及經驗;及
- (iv) 該名人士如何促進董事會成員多元化(包括性別多元化)。

提名委員會將會定期為董事會的架構、規模及組成及董事提名政策舉行檢討,並在有需要時向董事會提出修訂建議,以完善本公司的企業策略及切合本公司的業務需要,以不時遵守所有適用的法律及法規以及維持良好企業管治常規。

董事會成員多元化政策

董事會於二零一三年八月五日採納董事會成員多元化政策(「董事會多元化政策」),旨在羅列達成董事會成員多元化的方法。董事會內任命的原則是任人唯才,亦考慮到多元性,包括性別多元。提名委員會將定期審閱可計量目標,確保有效達成董事會多元化。已就執行董事會多元化政策而訂立以下可計量目標:

- 董事會的候選董事應包括具備海外(中國境外)工作經驗者;
- 應確保不限性別地選任董事,且董事會應至少有一名女性成員;
- 董事會的候選董事應包括具備其他行業工作經驗者;及
- 董事會的候選董事應具備不同領域的知識及技術。

BOARD DIVERSITY POLICY (Continued)

As at the date of this annual report, the above objectives have been achieved. 5 out of 5 members of the Board have overseas working experience and 1 out of 5 members of the Board have accounting or other professional qualifications. The Board is also a mixed-gender board with female representation brought by Professor Tao Xiaoming, an independent non-executive Director. The Board recognises the importance and benefits of gender diversity at Board level and shall continue to take initiatives to identify suitable female candidates for board succession planning and enhancement of gender diversity in the Board. To increase gender diversity on the Board, the Board has actively sought out candidates who are qualified and suitable. At present, the Nomination Committee considers that an appropriate balance of gender and skills diversity of the Board is maintained. The Nomination Committee will monitor the Group's business needs and consider further appointment of female directors as appropriate. In order to build a pipeline of potential successors for the Board to increase gender diversity in the Board in the upcoming years, the Group will also proactively provide trainings to our senior managements to create an inclusive workplace and may also work with human resources firms to identify potential successors for the Board.

The Nomination Committee has adopted a written nomination procedure (the "Nomination Procedure") specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company. The Nomination Committee shall, based on those criteria as set out in the Nomination Procedure (such as appropriate experience, personal skills and time commitment etc.), identify and recommend the proposed candidate to the Board for approval of an appointment.

Set forth below are the gender ratio in the Group's workforce as at 31 December 2023:

		Male (%) 男性 (%)	Female (%) 女性 (%)
Directors	董事	80.0	20.0
Workforce (including senior management)	工作團隊(包括高級管理層)	49.7	50.3

Based on the existing composition of the workforce, the management has deemed that the workforce has more or less achieved gender parity and no targets have been set. The targets will be revisited periodically based on a range of criteria, including current and expected size of each department in the future, changes in the number of female staff members in each department, and the needs of each department with reference to the Group's business development plans.

董事會成員多元化政策(續)

於本年報日期，上述目標已達成。五名董事會成員中有五名具備海外工作經驗及五名董事會成員中有一名具備會計或其他專業資格。董事會成員亦由兩種性別組成，女性代表為獨立非執行董事陶肖明教授。董事會明白董事會層面性別多元化的重要性及好處，並將繼續採取措施物色合適的女性人選，作董事會繼任計劃用途，亦用以提升董事會性別多元化。為增加董事會性別多元性，董事會已積極尋求符合資格及適合的人選。目前，提名委員會認為董事會已維持適合性別及技能多元性平衡。提名委員會將監察本集團的業務需要，並考慮於適合時進一步委任女性董事。為建立董事會潛在繼任人管道以於未來年度增加董事會性別多元性，本集團亦將積極培訓高級管理層以創造包容工作空間，亦可能會與人力資源公司合作識別董事會的潛在繼任人。

提名委員會已採納一套以書面列載之提名程序(「提名程序」)，具體列明本公司董事候選人之挑選及推薦程序及準則。提名委員會會根據提名程序所載之該等準則(如恰當資歷、個人專長及投放時間等)向董事會物色及建議人選以予批准委任。

以下載列本集團工作團隊於二零二三年十二月三十一日的性別比率：

基於現有工作團隊構成，管理層已視工作團隊已經大致上達致性別平等，且未有制定任何目標。該等目標將定期按多項準則重新審視，包括各部門的目前及日後預期規模、各部門女性員工人數變動及各部分的需要，並參照本集團的業務發展計劃進行。

企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD DIVERSITY POLICY (Continued)

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a Director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. The senior management will subsequently conduct such briefing as is necessary to give the new Directors more detailed information on the Group's businesses and activities.

CORPORATE GOVERNANCE PRACTICES AND ESG COMMITTEE

The Board is mainly responsible for keeping the effectiveness of the corporate governance and system of internal non-financial controls of the Group. The Board shall introduce and propose relevant principles concerning corporate governance and to review and determine the corporate governance policy, so as to enhance and to ensure a high standard of corporate governance practices in the Group.

During the Year, the Board regularly reviewed and monitored the training and continuous professional development of the Directors, and the Company's policies and practices on compliance with legal and regulatory requirements the Board has also reviewed the Company's compliance with the CG Code and the disclosures in this Corporate Governance Report. In August 2021, the Company established the ESG Committee to oversee and report to the Board on matters relating to environmental, social and governance ("ESG") practices of the Group and to ensure compliance with legal and regulatory requirements on ESG including corporate governance principles applicable to the Company. For details, please refer to the paragraph headed "Board Committees" above.

董事會成員多元化政策(續)

新董事在獲委任後將會取得一套入職資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公佈之財務報告及董事會採納之企業管治常規文件。高級管理層其後將於有需要時提供說明，並為新董事提供本集團業務及活動之詳細資料。

企業管治常規及ESG委員會

董事會主要負責維持本集團的企業管治及內部非財務監控系統的有效性。董事會將就企業管治引用及建議相關守則，並審閱及釐定企業管治政策，以提高及確保本集團的高標準企業管治常規。

年內，董事會定期檢討並監察董事的培訓及持續專業發展，以及本公司遵行法定及監管要求的政策及常規。董事會亦審閱本公司遵守企業管治守則的情況及本企業管治報告內的披露。於二零二一年八月，本公司成立ESG委員會，以監督並向董事會報告有關本集團環境、社會及管治(「ESG」)常規的事宜，並確保遵守ESG方面的法律及監管規定，當中包括適用於本公司的企業管治原則。有關詳情，請參閱上文「董事委員會」一段。

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from finance department, the financial statements of the Group. In preparing the financial statements for the Year, the requirements of the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with.

The reporting responsibilities of the Company's external auditor, Messrs. PricewaterhouseCoopers, are set out in the Auditor's Report on pages 84 to 92.

Risk Management and Internal Control

Framework

The risk management and internal controls system will assist the Group to fully achieve its strategic objective by identifying and assessing all the risk exposure of the Group and setting down corresponding control measures, with a view to attain the long-term vision of the Group. We believe that effective risk management and internal controls system will enhance shareholders' value in the long term. The risk faced by the Group directly relates to its control measures and mitigation plan.

問責及核數

財務匯報

於財務部之協助下，董事確認彼等編製本集團財務報表之責任。年內之財務報表已按照香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋，以及上市規則及公司條例之適用披露規定而編製。

本公司外聘核數師羅兵咸永道會計師事務所之匯報責任載於第84至92頁之核數師報告。

風險管理及內部監控

框架

風險管理及內部監控系統藉著識別和評估本集團所面臨的各項風險敞口，並制定相關的監控措施，協助本集團全面實現戰略目標，進而達成本集團的長期願景。我們相信有效的風險管理及內部監控系統能提升長遠的股東價值。本集團所面對的風險與其監控措施及對策有直接關聯。

企業管治報告 (續)

CORPORATE GOVERNANCE REPORT (CONTINUED)

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

Framework (Continued)

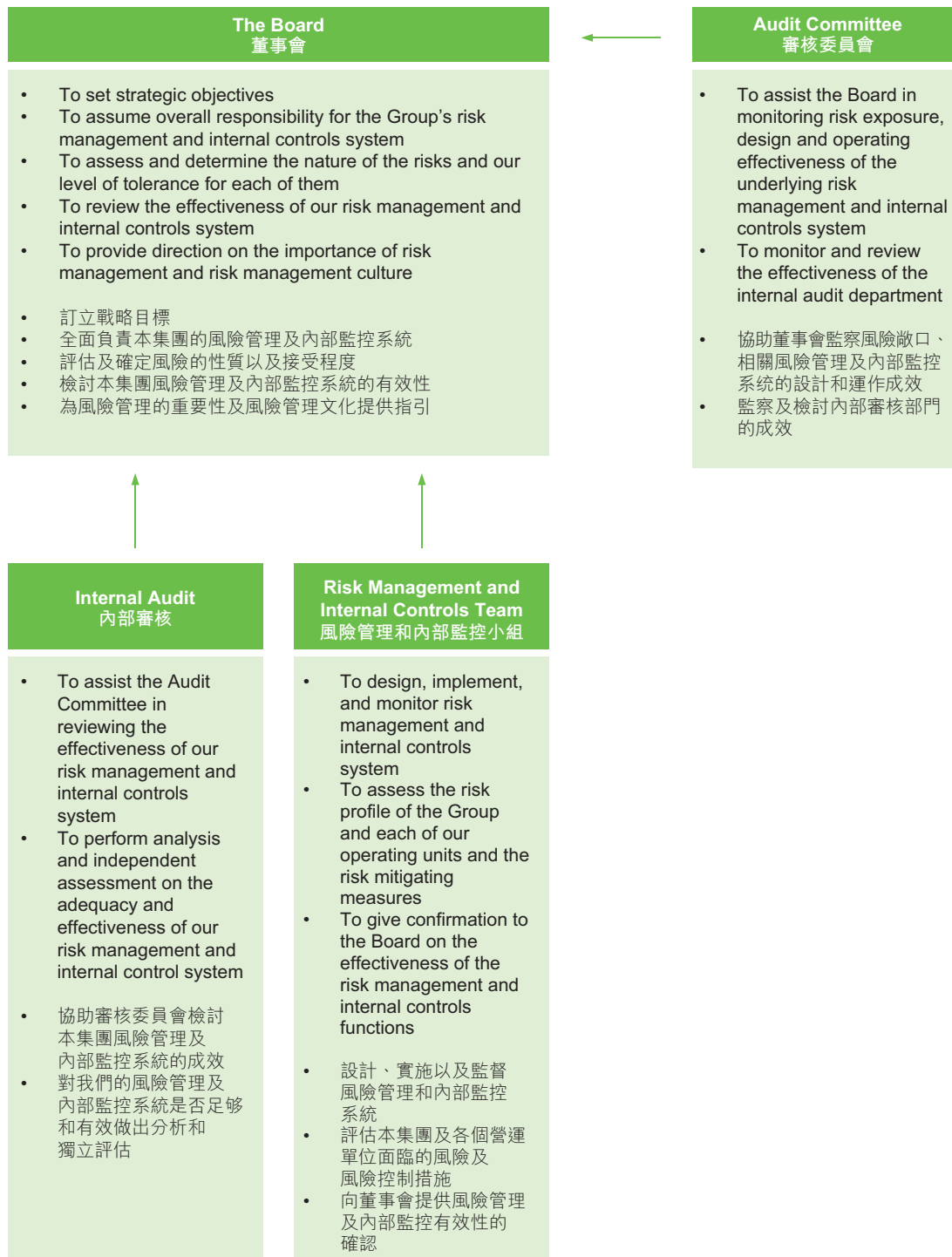
Accordingly, the risk management and internal controls framework of our Group is as follows:

問責及核數 (續)

風險管理及內部監控 (續)

框架 (續)

由此，本集團的風險管理及內部監控框架如下：



ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

Framework (Continued)

The operating model of the Group's risk management and internal control framework conforms to the internal controls framework of COSO (the Committee of Sponsoring Organizations of the Treadway Commission) in the following five aspects:

- **Control Environment**

The Group has established a clear organization structure and delegated powers necessary to perform different business functions to management at different levels but it is subject to the limit set by the Board. The Board meets regularly to discuss and approve the business strategies and working plans set by each operating units. The Group will report our financial performance to the Board on monthly basis.

Our governance rules and requirements are very transparent to employees. We hope to build up risk awareness and internal controls responsibility in our corporate culture by creating an internal organizational environment driven by the management operating philosophy, risk awareness, integrity and ethical values.

- **Risk Assessment**

The Group identifies, assesses and grades the risks that are most relevant to the success of the Group based on the possibility of occurrence and the impact on the financial result of the risk. Risk management and internal controls team is responsible for setting the appropriate tone from the top, performing risk assessment, as well as taking care of the design, implementation and maintenance of internal controls. Meanwhile, it requires department heads from each of the operating units to identify operating risks from the bottom in order to determine the major risks and the risk levels of the Group.

- **Control Activities**

The Group has policy and procedure in place for all business functions, including authorization, approval and audit, recommendation, performance review, asset protection and division of duty, to ensure effective execution of organization objectives and mitigation of risk activities.

問責及核數(續)

風險管理及內部監控(續)

框架(續)

本集團風險管理及內部監控框架運作方式與 COSO委員會(the Committee of Sponsoring Organizations of the Treadway Commission)內部監控框架一致，包括下列五方面內容：

- **監控環境**

本集團已建立清晰的組織架構，授予各級管理層經營不同業務職能所需的權力，惟其權力範圍受到董事會設定的限制。董事會定期開會討論及通過各營運單位所制定的業務策略及工作計劃。本集團的財務表現亦會每月向董事會報告。

公司管治守則及制度規定對僱員均非常透明，我們希望在企業文化中建立風險意識及內部監控責任感，營造以管理運作理念、風險意識、誠信及道德價值驅動的內部組織環境。

- **風險評估**

本集團識別、評估、並就與本集團成功與否最為有關的風險進行評級(根據該等風險發生的可能性及其對財務結果的影響)。風險管理及內部監控小組負責「自上而下」為監控定調、風險評估及設計、執行、維護內部控制，同時「自下而上」要求各營運單位主管參與識別營運風險，從而釐定本集團的主要風險及風險等級。

- **監控活動**

本集團為各業務功能設定政策及程序，包括授權、批准及審核、建議、表現檢討、資產保障及職責分工，確保有效執行組織目標及減低風險活動。

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

Framework (Continued)

- **Information and Communication**

The risk management and internal controls team performs risk assessment and prepare the “Annual Report of Risk Management” on a semi-annual basis, which sets out the identified risks and related control procedures. The report will be submitted to the Board and reviewed by the Audit Committee annually.

- **Monitoring**

The Group self-assesses its controls and risks by internal review and circulating major control procedures to its employees to maintain continuous monitoring of the internal control procedures. Rectification will be made according to findings of the control procedures in order to improve internal monitoring.

Risk Management and Internal Controls Team

Composition

A risk management and internal controls team has been set up by the Group in 2016, which comprises Mr. Zhu Yongxiang (executive Director, vice chairman of the Board and chief executive officer), and members including general manager and department head from each of our operating units, and general managers and department head of finance and human resources department of our subsidiaries. Mr. Hong Tianzhu, an executive Director and chairman of the Board as the advisor of the working team.

Major Tasks

Set out below are the major responsibilities of our risk management and internal control team:

- The team shall formulate proposal and plan for building and promotion of corporate culture in risk awareness and to lead in providing risk management training.
- The team shall prepare and conduct annual and interim reviews on risk profile and formulate mitigating measures.

問責及核數(續)

風險管理及內部監控(續)

框架(續)

- **資訊及溝通**

風險管理及內部監控小組每半年進行一次風險評估工作，編製《風險管理年度報告》，載明所識別的風險及其相關監控程序，報告將提交董事會，並由審核委員會每年審閱。

- **監察工作**

本集團實行自我評估監控及風險，透過內部評審及向僱員傳達關鍵的監控程序，以持續監控內部控制流程。因應監控過程的結果作出修正，以改善內部監控活動。

風險管理和內部監控小組

成員構成

本集團於二零一六年成立風險管理和內部監控小組，小組包括執行董事、董事會副主席及行政總裁朱永祥先生，小組成員包括各營運單位總經理及主要負責人、各附屬公司總經理以及財務和人事部門主要負責人。執行董事兼董事會主席洪天祝先生出任工作小組顧問。

主要工作內容

下文列載風險管理及內部監控團隊之主要職責：

- 制定公司風險文化培育與宣貫工作方案和計劃，組織風險管理培訓。
- 組織開展年度或階段性風險評估及應對工作。

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

Risk Management and Internal Controls Team (Continued)

Major Tasks (Continued)

- The team shall summarize and analyze the findings of the review exercise, to advise any modification to the risk management strategy, to lead and assist relevant departments in formulating counter measures in addressing any material risks.
- It shall conduct annual internal evaluation on its own risk management function, to lead and mobilize the establishment and modification of risk management and internal controls system, to give guidance to subsidiaries on initiation of setting up of risk management system.
- It shall prepare the “Annual Report on Risk Management” and submit the same to our Audit Committee for review and approval.
- It shall be responsible to formulate or modify the relevant risk management and internal controls system and to oversee its implementation, to give guidance and assist the subsidiaries on setting up and optimizing their risk management practical measures.
- It shall be responsible for the organization, compiling of minutes and oversight of implementation of relevant resolutions concerning the risk management function in the meetings of the Audit Committee and Board meetings.
- It shall strictly comply its plan to counter risks by implementing the measures stipulated therein and to monitor the work rate and efficiency of such implementation on an ongoing basis, and advise on remedy in a timely manner.
- It shall monitor the status and development of any risk events and formulate and devise contingency plan in a timely manner, to forthwith report or inform the Audit Committee on such matters.

問責及核數 (續)

風險管理及內部監控 (續)

風險管理和內部監控小組 (續)

主要工作內容 (續)

- 對評估結果匯總分析，提出風險管理策略調整建議，組織並協助相關部門制定重大風險應對方案。
- 對年度風險管理工作情況進行自評估，組織推動風險管理及內部監控體系的建設和改進提升，指導附屬公司開展風險管理體系建設。
- 編製《風險管理年度報告》，並提交本集團審核委員會審核。
- 負責擬定或修訂風險管理及內部監控相關制度並監督落實，指導和協助附屬公司制定完善具體風險的管理辦法。
- 負責審核委員會會議及董事會會議有關風險管理部分的組織、會議紀要的整理和決議事項的督促落實。
- 嚴格根據風險應對計劃，實施應對措施，並持續監控應對計劃的執行效率和效果，及時提請修正。
- 監控風險事件的變化狀態，適時制定和啟動應急預案，並及時向審核委員會通報或備案。

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

Risk Management and Internal Controls Team (Continued)

Work Accomplished During the Year

Our risk management and internal controls team held two meetings during the Year, and reported twice to the Audit Committee and the Board on the annual risk assessment and findings of internal controls review. The team accomplished the following work during the Year:

1. issued relevant documents on risk assessment and internal controls within the Group to enhance its risk management culture;
2. performed a general review on the major risk exposure of the Group, especially in areas relating to raw material purchase, foreign exchange and exchange rate, credit management and taxation;
3. discussed the possible risk and impact on operating result with department heads from each of our operating units;
4. reviewed and improved corresponding internal controls measure; and
5. prepared and submitted the annual report on risk assessment and internal controls to the Audit Committee and the Board.

Details of the major risks of the Group are set out in the "Management Discussion and Analysis" section on pages 20 to 27.

Review of Internal Controls Effectiveness

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. For the Year, our Board had conducted its annual review of the representations made by the management in respect of risk management and internal controls, and considered that our Group's risk management and internal controls system effective and adequate. No significant areas of weaknesses and deficiency that might have affected the financial, operational, compliance controls and risk management functions of the Group were identified. The Board is of the view that the resources, qualification and experience of staff of the Group's accounting, internal audit and financial reporting functions, as well as those relating to the Company's ESG performance and reporting and their training and budget are adequate.

問責及核數(續)

風險管理及內部監控(續)

風險管理和內部監控小組(續)

年內已完成工作

風險管理和內部監控小組於年內舉行了兩次會議，並就年度風險評估及內部監控檢討結果向審核委員會和董事會匯報兩次。該小組於年內已完成工作包括：

1. 本集團內部下刊發風險評估及內部監控相關文件，增強了本集團的風險管理文化；
2. 全面審視本集團面對的重大風險敞口，尤其是有關原料採購、外匯及匯率、信用管理及稅務方面所涉及的風險；
3. 與各營運單位主管討論風險發生的可能性及對經營結果的影響；
4. 檢討及完善相應的內部監控措施；及
5. 編製風險評估及內部監控年度報告，提報審核委員會及董事會。

有關本集團主要風險的詳情載列於第20至27頁之「管理層討論及分析」一節內。

檢討內部監控成效

董事會負責風險管理及內部監控系統並檢討其有效性。年內，董事會已就管理層關於風險管理及內部監控有效性的聲明進行其年度審閱，認為本集團風險管理及內部監控系統有效及足夠，未發現任何可能影響集團財務監控、運作監控、合規監控以及風險管理職能的重要風險監控缺失事項。董事會認為本集團會計、內部審核和財務匯報及有關本公司ESG表現及報告職能方面的資源、員工資歷及經驗，以及員工所接受的培訓及預算是足夠的。

ACCOUNTABILITY AND AUDIT (Continued)

Risk Management and Internal Control (Continued)

Review of Internal Controls Effectiveness (Continued)

The risk management and internal controls system is designed to manage rather than eliminate the risk of failure to achieve our business objectives. Like all other systems, it could not entirely eliminate the impact of all unforeseeable risks and events beyond our control that might emerge and occur during the course of our operation. Consequently, the Board may only provide reasonable, but not absolute, assurance that there was no significant misrepresentation or deficiency as to the completeness and effectiveness of our Group's risk management and internal controls.

Disclosure of Inside Information

Regarding procedures and measures of internal controls for the handling and dissemination of inside information, the Group:

1. is aware of its obligation under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that inside information should be announced on a timely manner;
2. conducts its affairs in strict compliance with the applicable laws and regulations prevailing in Hong Kong;
3. has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, announcements and its website;
4. has included in the Code of Conduct a strict prohibition on the unauthorized use of non-public or inside information; and
5. has communicated to all relevant staff regarding the implementation of the Continuous Disclosures Policy and relevant trainings are also provided.

問責及核數(續)

風險管理及內部監控(續)

檢討內部監控成效(續)

風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。與所有其他系統一樣，該系統並不能完全排除經營過程中遇到的不可預測風險及不可控事件等因素的影響。因此，董事會只能對本集團風險管理及內部監控的完整及有效性不會有重大的失實陳述或損失作出合理而非絕對的保證。

內幕消息的披露

有關處理及發佈內幕消息的程序及內部監控措施，本集團：

1. 知悉根據證券及期貨條例、上市規則以及首要原則，其有責任及時公佈內幕消息；
2. 嚴格遵照香港現行適用法律及法規執行本公司事務；
3. 透過財務報告、公佈及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
4. 已將嚴格禁止非授權使用保密及內幕消息的規定納入其行為操守守則；及
5. 已向所有相關人員傳達有關實施持續披露政策的執行情況並提供相關培訓。

企業管治報告(續) CORPORATE GOVERNANCE REPORT (CONTINUED)

ACCOUNTABILITY AND AUDIT (Continued)

External Auditor's Remuneration

During the Year, the remuneration paid and payable to the Company's external auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

Services rendered to the Group	向本集團提供之服務	Paid/Payable 已付/應付費用 RMB'000 人民幣千元
Annual audit service	年度審核服務	3,500
Non-audit services (including consulting service for transfer pricing and tax and preliminary announcement of results)	非審核服務(包括轉移定價和稅務的諮詢服務及初步業績公佈的協定程序)	1,400
Total:	合計:	4,900

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders. Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars that are posted on the websites of the Company and the Stock Exchange.

The Company's annual general meeting (the "AGM") is a valuable forum for the Board to communicate directly with the shareholders. The chairman actively participated in the AGM held during the year and personally chaired the meeting to answer any questions from the shareholders. A separate resolution had been proposed by the chairman in respect of each issue to be considered at the AGM. An AGM circular and AGM notice had been distributed to all shareholders in accordance with the requirements of the Articles of Association of the Company (the "Articles") and the Listing Rules, setting out details of each proposed resolution, voting procedures and other relevant information. The chairman explained the procedures for conducting a poll at the beginning of the AGM, and answered any questions from shareholders regarding voting by way of poll.

問責及核數(續)

外聘核數師之酬金

於年內，已付及應付本公司外聘核數師羅兵咸永道會計師事務所之酬金載列如下：

與股東之溝通

董事會了解與股東保持良好聯繫之重要性。有關本集團之資料乃按時透過多種正式途徑向股東傳達，包括於本公司及聯交所網站登載之中期報告及年報、公佈及通函。

本公司股東週年大會(「股東週年大會」)乃董事會直接與股東聯繫之寶貴機會。主席於年內舉行之股東週年大會上積極回應任何股東之查詢。主席已就每項在股東週年大會上審議之議題提呈個別之決議案。股東週年大會通函及通告已根據本公司組織章程細則(「細則」)及上市規則之規定發送予全體股東，該通函及通告載列每項擬提呈決議案之詳情、投票程序及其他相關資料。主席於股東週年大會開始時，已解釋以投票方式進行表決之程序，已回答股東就按股數投票之任何提問。

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting

The following procedures for shareholders (the "Shareholders", each a "Shareholder") of the Company to convene an extraordinary general meeting (the "EGM") of the Company are prepared in accordance with Article 64 of the Articles:

1. One or more Shareholders (the "Requisitionist(s)") holding, at the date of deposit of the requisition, not less than 8% of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice (the "Requisition"), to require an EGM to be called by the Directors for the transaction of any business specified therein.
2. Such Requisition shall be made in writing to the Board or the company secretary of the Company via email at the email address of the Company at main@texhong.com.
3. The EGM shall be held within two months after the deposit of such Requisition.
4. If the Directors fail to proceed to convene such meeting within 21 days of the deposit of such Requisition, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

Procedures for raising enquiries

1. Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividend to the Company's branch share registrar in Hong Kong, details of which are set out in the section headed "Corporate Information" of this annual report.
2. Shareholders may at any time raise any enquiry in respect of the Company via email at the email address of the Company at main@texhong.com.
3. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

股東權利

股東召開股東特別大會之程序

下列本公司股東(「股東」, 各為一名「股東」)召開股東特別大會(「股東特別大會」)之程序, 乃根據細則第64條所編製:

1. 於遞呈要求日期持有不少於本公司繳足股本8%的任何一名或多名有權於股東大會上投票的股東(「呈請人」)通過書面通知有權要求董事會召開股東特別大會(「呈請」), 以處理有關要求中指明的任何事項。
2. 有關呈請須以書面形式並透過發送電郵至本公司電郵地址main@texhong.com向本公司董事會或公司秘書提出。
3. 股東特別大會將於遞呈呈請後兩個月內召開。
4. 倘董事未能在呈請遞交後21天內召開股東特別大會, 則呈請人以同樣方式可自行召開股東特別大會, 而因董事未能召開該大會令呈請人產生的所有合理費用, 本公司須向呈請人進行償付。

提出查詢的程序

1. 股東如對名下股權、股份轉讓、登記及派付股息有任何疑問, 應向本公司香港股份過戶登記分處提出, 其詳情載於本年報「公司資料」一節內。
2. 股東可隨時透過發送電郵至本公司電郵地址main@texhong.com提出任何有關本公司的查詢。
3. 倘股東提出問題時, 務請留下彼等詳細聯絡資料以便本公司適時迅速回應。

SHAREHOLDERS' RIGHTS (Continued)

Procedures and contact details for putting forward proposals at shareholders' meetings

1. To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal (the "Proposal") with his/her/its detailed contact information via email at the email address of the Company at main@texhong.com.
2. The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order and made by a Shareholder, the Board determines whether to include the Proposal in the agenda for the general meeting to be set out in the notice of meeting.
3. The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:
 - (i) Notice of not less than 21 clear days in writing if the Proposal requires approval in an annual general meeting;
 - (ii) Notice of not less than 14 clear days in writing if the Proposal requires approval in meeting other than an annual general meeting.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. Through the communication with Shareholders via various channels as outlined above, the Board was able to receive invaluable feedback and opinion from Shareholders. The Board reviewed the implementation and effectiveness of the above shareholders' communication policy during the Year and, based on the Shareholder engagement through the communication channels available, concluded that it was effective. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and development. Any views and suggestions from our Shareholders are also welcome to enhance our transparency.

股東權利(續)

於股東大會提呈建議的程序及詳細聯絡資料

1. 為於本公司股東大會上提呈建議，股東須以書面提交該建議(「建議」)，連同詳細聯絡資料，透過電郵傳送至本公司電郵地址main@texhong.com。
2. 本公司會向本公司之香港股份過戶登記分處核實股東身份及其要求，於獲得股份過戶登記分處確認股東作出的要求為恰當及適當後，董事會釐定是否在大會通告內將建議加入股東大會的議程內。
3. 就上述股東提出於股東大會考慮之建議而向全體股東發出通告之通知期因應建議之性質有所不同，詳情如下：
 - (i) 倘建議須於股東週年大會上批准，則須不少於21足日之書面通知；
 - (ii) 倘建議須於本公司大會而非於股東週年大會上獲得批准，則須不少於14足日之書面通知。

提升企業管治水平

提升企業管治水平並非只為應用及遵守企業管治守則，乃為推動及建立道德與健全之企業文化為依歸。董事會能透過上述不同渠道與股東溝通，獲到股東寶貴之反饋及意見。董事會於本年度檢討上述股東溝通政策之執行情況及有效性，並根據股東通過現有溝通渠道的參與情況，總括認為其有效。吾等將不斷檢討並按經驗、監管變動及發展，於適當時候改善現行常規。本公司歡迎股東提供任何意見及建議以提高本公司之透明度。

CHANGE OF COMPANY NAME AND STOCK SHORT NAME AND AMENDMENT TO CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution passed at an extraordinary general meeting held on 28 December 2022, the issue of the Certificate of Incorporation on Change of Name issued by the Registrar of companies in the Cayman Islands on 4 January 2023, the English name of the Company has been changed from "Texhong Textile Group Limited" to "Texhong International Group Limited" and the dual foreign name of the Company in Chinese has been changed from "天虹紡織集團有限公司" to "天虹國際集團有限公司" with effect from 4 January 2023. The memorandum of association and the Articles (collectively, the "Memorandum and Articles of Association") were amended and a new set of Memorandum and Articles of Association was adopted to reflect such change of name of the Company with effect from 4 January 2023.

The stock short name for trading in the Shares on the Stock Exchange has been changed from "TEXHONG TEXTILE" to "TEXHONG INTL GP" in English, and from "天虹紡織" to "天虹國際集團" in Chinese with effect from 9:00 a.m. on 2 February 2023. The stock code of the Company remains unchanged as "2678".

For further details of the change of company name and stock short name, please refer to the announcement of the Company dated 7 November 2022 and 30 January 2023.

On behalf of the Board

Hong Tianzhu
Chairman

Hong Kong, 25 March 2024

更改公司名稱及股份簡稱及修訂章程文件

根據於二零二二年十二月二十八日舉行之股東特別大會上通過之特別決議案、開曼群島公司註冊處處長於二零二三年一月四日發出之更改名稱註冊證書，本公司之英文名稱已由「Texhong Textile Group Limited」改為「Texhong International Group Limited」，而本公司之中文雙重外文名稱則已由「天虹紡織集團有限公司」改為「天虹國際集團有限公司」，自二零二三年一月四日起生效。組織章程大綱及章程細則（統稱「組織章程大綱及細則」）已予修訂，並採納一套新的組織章程大綱及細則，以反映本公司名稱的有關變更，自二零二三年一月四日起生效。

股份在聯交所買賣的英文股份簡稱將由「TEXHONG TEXTILE」改為「TEXHONG INTL GP」，中文股份簡稱則由「天虹紡織」改為「天虹國際集團」，自二零二三年二月二日上午九時正起生效。本公司的股份代號維持不變，即「2678」。

有關更改公司名稱及股份簡稱之進一步詳情，請參閱本公司日期為二零二二年十一月七日及二零二三年一月三十日之公佈。

代表董事會

洪天祝
主席

香港，二零二四年三月二十五日

董事及高級管理層 DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Hong Tianzhu, aged 56, is an executive Director and chairman of the Group. He is the founder of the Group and was appointed as executive Director on 27 July 2004. He is responsible for the strategic development and strategic deployment, project investment and decision-making for major issues, leadership and policy decision-making for establishment of corporate culture of the Group. He has over 20 years of experience in the textile industry. Prior to establishing the Group, Mr. Hong was a vice general manager of 晉江藝豐服裝織造有限公司 (Jinjiang Yifeng Garment Weaving Company Limited). Mr. Hong's interest in the shares of HK\$0.10 each in the share capital of the Company ("Shares") is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executive's interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporations" in this annual report.

Mr. Zhu Yongxiang, aged 57, is an executive Director, vice chairman and chief executive officer of the Group. He was appointed as executive Director on 27 July 2004. He is responsible for the strategy implementation, operational planning and decision-making, decision-making for major issues and organizational implementation of the Group. Mr. Zhu graduated from the 南通紡織工學院 (Nantong Textile Industry College) in 1987. Prior to joining the Group in 1997, Mr. Zhu was an assistant to the general manager of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory). Mr. Zhu's interest in the Shares of the Company is disclosed under the paragraph headed "Report of the Directors — Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations" in this annual report.

Mr. Tang Daoping, aged 58, was an executive Director and chief operation officer of the Group and resigned from such positions on 8 December 2023. Prior to his resignation, he had been responsible for the operation management of the Group. Mr. Tang graduated from 徐州廣播電視大學 (Xuzhou Radio and TV University) in 1996 majoring in accounting and administrative management. Mr. Tang has over 30 years of experience in the textile industry. He was a workshop manager of 睢寧棉紡織廠 (Suining Cotton Textile Factory) prior to joining the Group in 1998 as a vice general manager. Mr. Tang was promoted and became a director of Jiangsu Century Texhong in September 2002.

董事

執行董事

洪天祝先生，56歲，本集團的執行董事及主席。洪先生是本集團創始人及於二零零四年七月二十七日獲委任為執行董事。彼負責本集團的戰略發展和戰略布局、項目投資和重要工作決策、企業文化建設的引領和決策。彼於紡織業擁有逾二十年經驗。在成立本集團前，彼曾任晉江藝豐服裝織造有限公司的副總經理。洪先生於本公司股本中每股面值0.10港元之股份（「股份」）之權益在本年報「董事會報告 — 董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

朱永祥先生，57歲，本集團的執行董事、副主席兼行政總裁。彼於二零零四年七月二十七日獲委任為執行董事。彼負責本集團的戰略實施、營運策劃和決策、重要工作決策與組織實施。朱先生於一九八七年畢業於南通紡織工學院。於一九九七年加入本集團前，朱先生曾任南通第二棉紡織廠的總經理助理。朱先生於本公司股份的權益在本年報「董事會報告 — 董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉」一段披露。

湯道平先生，58歲，本集團執行董事兼營運總裁及於二零二三年十二月八日辭任相關職位。在彼辭任前，彼負責本集團的營運管理。湯先生於一九九六年畢業於徐州廣播電視大學，主修會計及行政管理，並於紡織業擁有逾三十年經驗。彼曾於睢寧棉紡織廠出任工廠經理，後於一九九八年加入本集團為副總經理。湯先生於二零零二年九月晉升為江蘇世紀天虹的董事。

DIRECTORS (Continued)

Independent Non-executive Directors

Professor Tao Xiaoming, aged 66, was appointed as an independent non-executive Director on 3 March 2014. Professor Tao is an elected fellow of The Textile Institute, the American Society of Mechanical Engineers, the Royal Academy of Arts and Design and Commerce of the United Kingdom, and has been the chair professor in Textile Technology at the Institute of Textiles and Clothing of the Hong Kong Polytechnic University since April 2002. She was elected as the world president of The Textile Institute for a tenure of three years from May 2007. Professor Tao received a bachelor's degree in textile engineering from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學) of the PRC in January 1982 and a doctorate degree in textile physics from University of New South Wales in August 1987. From September 1987 to September 1988 and from October 1990 to September 1994, she had been a scientist of the Commonwealth Scientific and Industrial Research Organisation of Australia. From October 1988 to January 1990, she had been a lecturer of Donghua University. Professor Tao was a recipient of prestigious individual awards of the field: the honorary fellowship of the Textile Institute in 2010, the founder award of the Fiber Society of the United States in 2013, and Guanghua Engineering Scientific and Technological Award of Chinese Academy of Engineering in 2020. With seven academic monographs, over 800 research papers published and over 41 patents granted, she has been internationally recognised in particular for her pioneering work on smart textiles and clothing and textile engineering such as low-twist yarns, solospun yarns and fabric sensing technology which have been widely applied in the textile industry.

董事(續)

獨立非執行董事

陶肖明教授，66歲，於二零一四年三月三日獲委任為獨立非執行董事。陶教授為國際紡織學會會士、美國機械工程師學會會士以及英國皇家藝術、設計及商業研究院(Royal Academy of Arts and Design and Commerce of the United Kingdom)會士，並由二零零二年四月起，擔任香港理工大學紡織及製衣學系紡織技術講座教授。自二零零七年五月起，陶教授獲選為國際紡織學會世界會長，任期三年。陶教授於一九八二年一月獲中國紡織大學(現稱為東華大學)頒授紡織工程學士學位，並於一九八七年八月獲頒新南威爾士大學紡織物理學博士學位。由一九八七年九月至一九八八年九月，以及由一九九零年十月至一九九四年九月，彼為澳洲聯邦科學及工業研究組織之科研人員。由一九八八年十月至一九九零年一月期間，陶教授為東華大學講師。陶教授曾獲頒授業內多個地位崇高的個人獎項：於二零一零年獲國際紡織學會頒授榮譽會士、二零一三年獲美國纖維學會頒授奠基者獎、及二零二零年獲中國工程院頒授光華工程科技獎。彼曾出版七部學術專著，發表超過800篇研究論文，並獲得超過41項專利，成就廣受國際認同，尤其以其於智能紡織品及服裝與纖維工程方面的創舉(例如低捻紗、分束紡紗及織物傳感技術)最為突出，而該等技術已廣泛應用於紡織業內。

董事及高級管理層(續) DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Professor Cheng Longdi, aged 64, was appointed as an independent non-executive Director on 21 November 2004. Professor Cheng obtained his doctorate degree in textile engineering from Donghua University in 2002 and has obtained the membership of the China Textile Engineering Society. He is currently a professor (2nd grade) in College of Textiles and a deputy director of the Key Laboratory of Textile Science and Technology of Donghua University. Professor Cheng is a member of the expert committee of each of the following institutions: the China Cotton Textile Association of New Technology (as a deputy director), the China Knitting Industrial Association, the China Bast and Leaf Fibers Textile Association and the China Textile Machinery Association. Professor Cheng was an engineer of the China Textile Academy (formerly known as Textile Academy of Textile Ministry).

Mr. Ting Leung Huel, Stephen, MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 70, was appointed as independent non-executive Director on 21 November 2004 and retired as independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 25 May 2023. Mr. Ting is an accountant in public practice and has more than 30 years' experience in this field. Currently he is a partner and director of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) and Ting Ho Kwan & Chan CPA Limited respectively. He is currently an independent non-executive director of six other listed companies in Hong Kong, namely China SCE Group Holdings Limited (stock code: 01966), Computer and Technologies Holdings Limited (stock code: 00046), Dongyue Group Limited (stock code: 00189), New Silkroad Culturaltainment Limited (stock code: 00472), Tong Ren Tang Technologies Co., Ltd. (stock code: 01666) and Tongda Group Holdings Limited (stock code: 00698) respectively. He is also a non-executive director of Chow Sang Sang Holdings International Limited (stock code: 00116).

董事(續)

獨立非執行董事(續)

程隆棟教授，64歲，於二零零四年十一月二十一日獲委任為獨立非執行董事。程教授於二零零二年取得東華大學的紡織工程博士學位，另取得中國紡織工程學會會士。彼現為東華大學紡織學院二級教授、紡織面料技術教育部重點實驗室常務副主任。程教授為中國棉紡織行業協會新技術專家委員會副主任委員、中國針織行業協會專家委員會委員、中國麻紡織行業協會專家委員會委員、中國紡織機械與器材行業協會專家委員會委員等。程教授曾為中國紡織科學研究院（前稱紡織工業部紡織科學研究院）的工程師。

丁良輝先生，MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD，70歲，於二零零四年十一月二十一日獲委任為獨立非執行董事及退任獨立非執行董事，自本公司於二零二三年五月二十五日舉行之股東週年大會結束起生效。丁先生為執業會計師，於該行業積逾三十年經驗。彼現為丁何關陳會計師行及丁何關陳會計師事務所有限公司之合夥人及董事。現為其他六家香港上市公司之獨立非執行董事，分別為中駿集團控股有限公司（股份代號：01966）、科聯系統集團有限公司（股份代號：00046）、東岳集團有限公司（股份代號：00189）、新絲路文旅有限公司（股份代號：00472）、北京同仁堂科技發展股份有限公司（股份代號：01666）及通達集團控股有限公司（股份代號：00698）。彼亦擔任周生生集團國際有限公司（股份代號：00116）之非執行董事。

董事及高級管理層(續)

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Mr. Shu Wa Tung, Laurence, aged 51, was appointed as independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 25 May 2023. He has over 20 years of experience in audit, corporate finance and financial management. He was an independent non-executive Director of Chengdu Expressway Co., Ltd. (a company listed on the Stock Exchange, stock code: 1785) from November 2016 to September 2022, Riverine China Holdings Limited (a company listed on the Stock Exchange, stock code: 1417) since November 2017, Twintek Investment Holdings Limited (a company listed on the Stock Exchange, stock code: 6182) since December 2017, Goldstream Investment Limited (a company listed on the Stock Exchange, stock code: 1328) since December 2019 and Termbray Industries International (Holdings) Limited (a company listed on the Stock Exchange, stock code: 0093) since April 2022. Mr. Shu was accountant, semi-senior accountant of assurance & advisory department, senior accountant of corporate advisory services department, and senior accountant, associate manager and manager of reorganization services group of Deloitte Touche Tohmatsu from March 1994 to October 2000. Mr. Shu was a manager of Deloitte & Touche Corporate Finance Ltd. (a corporate finance service company of Deloitte Touche Tohmatsu) from July 2001 to November 2002. Mr. Shu was an associate director of Goldbond Capital (Asia) Limited from November 2002 to April 2005. Mr. Shu was the chief financial officer and the company secretary of the Company from May 2005 to July 2008, overseeing the group's financial management functions. Mr. Shu served as the chief financial officer of Jiangsu Rongsheng Heavy Industries Holding Co., Ltd. (江蘇熔盛重工控股有限公司) from July 2008 to June 2010. Mr. Shu served as the chief financial officer of Petro-king Oilfield Services Limited (a company listed on the Stock Exchange, stock code: 2178) from July 2010 to July 2018. From August 2018 to November 2019, Mr. Shu was the chief financial officer of Brainhole Technology Limited (formerly known as Top Dynamic International Holdings Limited) (a company listed on the Stock Exchange, stock code: 2203). Mr. Shu joined ContiOcean Environment Tech Co., Ltd. as the chief financial officer since September 2020. Mr. Shu graduated from Deakin University, Australia in September 1994 and obtained his bachelor's degree in business majoring in accounting, and completed his CFO Programme at China Europe International Business School (中歐國際工商學院) in November 2009. Mr. Shu was accredited as a certified public accountant associate by Hong Kong Institute of Certified Public Accountants in September 1997. Mr. Shu was admitted as a member to the Hong Kong Independent Non-executive Director Association in May 2019.

董事(續)

獨立非執行董事(續)

舒華東先生，51歲，獲委任為獨立非執行董事，自本公司於二零二三年五月二十五日舉行之股東週年大會結束起生效。彼於審計、企業融資及財務管理方面擁有逾二十年經驗。彼自二零一六年十一月至二零二二年九月為成都高速公路股份有限公司(一間於聯交所上市的公司，股份代號：1785)的獨立非執行董事、自二零一七年十一月起為浦江中國控股有限公司(一間於聯交所上市的公司，股份代號：1417)的獨立非執行董事、自二零一七年十二月起為乙德投資控股有限公司(一間於聯交所上市的公司，股份代號：6182)的獨立非執行董事、自二零一九年十二月起為金涌投資有限公司(一間於聯交所上市的公司，股份代號：1328)的獨立非執行董事及自二零二二年四月起為添利工業國際(集團)有限公司(一間於聯交所上市的公司，股份代號：0093)的獨立非執行董事。於一九九四年三月至二零零零年十月，舒先生曾任德勤·關黃陳方會計師事務所會計師、鑑證與諮詢部中級會計師、企業諮詢服務部高級會計師、以及重組服務部高級會計師、聯席經理及經理。舒先生於二零零一年七月至二零零二年十一月擔任德勤企業財務顧問有限公司(德勤·關黃陳方會計師事務所的一家企業融資服務公司)經理。於二零零二年十一月至二零零五年四月，舒先生擔任金榜融資(亞洲)有限公司之聯席董事。於二零零五年五月至二零零八年七月，其擔任本公司之首席財務官兼公司秘書，並負責監督該集團的財務管理職能。舒先生於二零零八年七月至二零一零年六月擔任江蘇熔盛重工控股有限公司之首席財務官。舒先生於二零一零年七月至二零一八年七月擔任百勤油田服務有限公司(一間於聯交所上市的公司，股份代號：2178)之首席財務官。二零一八年八月至二零一九年十一月，舒先生擔任腦洞科技有限公司(前稱泰邦集團國際控股有限公司)(一間於聯交所上市的公司，股份代號：2203)之首席財務官。舒先生於二零二零年九月擔任上海匯舸環保科技有限公司之首席財務官。舒先生於一九九四年九月畢業於澳洲迪肯大學，取得會計專業、商業學士學位，並於二零零九年十一月在中歐國際工商學院完成首席財務官課程。舒先生於一九九七年九月獲香港會計師公會認可為註冊會計師。彼於二零一九年五月獲接納為香港獨立非執行董事協會會員。

董事及高級管理層(續) DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

SENIOR MANAGEMENT

Mr. Sha Tao, aged 58, is a vice president of the Group and director of our grey fabric production and management center. Mr. Sha obtained his bachelor's degree in textile from 無錫輕工業學院 (Wuxi Light Industry University) in 1986. Mr. Sha has over 30 years of experience in the textile industry. Prior to joining the Group in 1998, he was a factory manager of one of the factories of 南通第二棉紡織廠 (Nantong No. 2 Cotton Textile Factory).

Mr. Hu Zhiping, aged 60, is a vice president of the Group and general manager of Taizhou business segment. Mr. Hu graduated from 無錫職業大學 (Wuxi Professional University) in textile in 1984. Mr. Hu has over 30 years of experience in the textile industry. He was a vice general manager of 無錫協達織造有限公司 (Wuxi Xieda Weaving Company Limited) prior to joining the Group in 1998.

Mr. Cao Youchang, aged 55, is a vice president of the Group and director of the yarn production and management center of the Group. He is responsible for the yarn production of the Group. Mr. Cao graduated from 南通紡織工學院 (Nantong Textile Industry College) with a bachelor's degree in textile engineering in 1994. Mr. Cao has over 26 years of experience in the textile industry. He joined the Group in 2000, and served as the director of yarn technology of the Group.

高級管理層

沙淘先生，58歲，本集團副總裁兼坯布生產管理中心總監。沙先生於一九八六年畢業自無錫輕工業學院紡工系，並取得學士學位。沙先生於紡織業擁有逾三十年經驗。彼於一九九八年加入本集團前，曾出任南通第二棉紡織廠其中一家廠房的廠長。

胡志平先生，60歲，本集團副總裁兼泰州業務部總經理。胡先生於一九八四年自無錫職業大學紡織系畢業。彼於紡織業擁有逾三十年經驗。於一九九八年加入本集團前，胡先生曾出任無錫協達織造有限公司的副總經理。

曹友常先生，55歲，本集團副總裁兼集團紗線生產管理中心總監，並負責本集團的紗線生產。曹先生於一九九四年畢業自南通紡織工學院紡織工程系，並取得學士學位。曹先生於紡織業擁有逾二十六年經驗。彼於二零零零年加入本集團，曾出任本集團紗線技術總監。

公司資料 CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Hong Tianzhu (*Chairman*)
Mr. Zhu Yongxiang (*Vice chairman and chief executive officer*)
Mr. Tang Daoping (resigned on 8 December 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ting Leung Huel, Stephen
MH, FCCA, FCPA (Practising), ACA, FTIHK, FHKIoD (*Chairman*)
(retired on 25 May 2023)
Mr. Shu Wa Tung, Laurence (*Chairman*) (appointed on 25 May 2023)

Professor Tao Xiaoming
Professor Cheng Longdi

REMUNERATION COMMITTEE

Mr. Ting Leung Huel, Stephen
MH, FCCA, FCPA (Practising), ACA, FTIHK, FHKIoD (*Chairman*)
(retired on 25 May 2023)
Mr. Shu Wa Tung, Laurence (*Chairman*) (appointed on 25 May 2023)

Professor Tao Xiaoming
Professor Cheng Longdi

NOMINATION COMMITTEE

Mr. Hong Tianzhu (*Chairman*)
Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (Practising),
ACA, FTIHK, FHKIoD (retired on 25 May 2023)
Mr. Shu Wa Tung, Laurence (appointed on 25 May 2023)
Professor Tao Xiaoming
Professor Cheng Longdi

ESG COMMITTEE

Mr. Zhu Yongxiang (*Chairman*) (appointed on 8 December 2023)
Mr. Tang Daoping (*Chairman*) (resigned on 8 December 2023)

Professor Tao Xiaoming
Professor Cheng Longdi
Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (Practising),
ACA, FTIHK, FHKIoD (ceased to be a member on 25 May 2023)
Mr. Shu Wa Tung, Laurence
(appointed as a member on 25 May 2023)

COMPANY SECRETARY

Mr. Hui Tsz Wai (resigned on 30 June 2023)
Ms. Ng Sau Mei (appointed on 30 June 2023)

AUTHORISED REPRESENTATIVES

Mr. Hong Tianzhu
Mr. Hui Tsz Wai (resigned on 30 June 2023)
Ms. Ng Sau Mei (appointed on 30 June 2023)

HEAD OFFICE

Room 03, 37/F
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
Hong Kong

執行董事

洪天祝先生 (*主席*)
朱永祥先生 (*副主席兼行政總裁*)
湯道平先生 (於二零二三年十二月八日辭任)

獨立非執行董事及審核委員會

丁良輝先生 MH, FCCA, FCPA (Practising), ACA, FTIHK, FHKIoD
(*主席*) (於二零二三年五月二十五日退休)

舒華東先生 (*主席*)
(於二零二三年五月二十五日委任)
陶肖明教授
程隆棣教授

薪酬委員會

丁良輝先生 MH, FCCA, FCPA (Practising), ACA, FTIHK, FHKIoD
(*主席*) (於二零二三年五月二十五日退休)

舒華東先生 (*主席*)
(於二零二三年五月二十五日委任)
陶肖明教授
程隆棣教授

提名委員會

洪天祝先生 (*主席*)
丁良輝先生 MH, FCCA, FCPA (Practising), ACA, FTIHK, FHKIoD
(於二零二三年五月二十五日退休)
舒華東先生 (於二零二三年五月二十五日委任)
陶肖明教授
程隆棣教授

ESG委員會

朱永祥先生 (*主席*)
(於二零二三年十二月八日委任)
湯道平先生 (*主席*)
(於二零二三年十二月八日辭任)
陶肖明教授
程隆棣教授
丁良輝先生 MH, FCCA, FCPA (Practising), ACA, FTIHK, FHKIoD
(於二零二三年五月二十五日不再為成員)
舒華東先生 (於二零二三年五月二十五日
委任為成員)

公司秘書

許子慧先生 (於二零二三年六月三十日辭任)
伍秀薇女士 (於二零二三年六月三十日委任)

授權代表

洪天祝先生
許子慧先生 (於二零二三年六月三十日辭任)
伍秀薇女士 (於二零二三年六月三十日委任)

總辦事處

香港
荃灣
海盛路9號
有線電視大樓
37樓03室

公司資料(續) CORPORATE INFORMATION (CONTINUED)

REGISTERED OFFICE

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
Citibank
Bank of Communications
United Overseas Bank
Industrial and Commercial Bank of China
China Merchants Bank
DBS Bank
Hang Seng Bank Limited

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

LEGAL ADVISORS AS TO HONG KONG LAW

Chiu & Partners

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B
21st Floor
148 Electric Road
North Point
Hong Kong

WEBSITE

www.texhong.com

STOCK CODE

2678

註冊辦事處

Cricket Square
Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
渣打銀行
花旗銀行
交通銀行
大華銀行
中國工商銀行
招商銀行
星展銀行
恒生銀行有限公司

核數師

羅兵咸永道會計師事務所
執業會計師及認可公眾利益實體核數師

法律顧問(香港法律)

趙不渝馬國強律師事務所

主要股份過戶登記處

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
21樓
2103B

互聯網址

www.texhong.com

股份代號

2678

董事會報告

REPORT OF THE DIRECTORS

The board (the “Board”) of directors of the Company (the “Directors”) submit their report together with the audited financial statements of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of yarns, grey fabrics, non-woven fabrics and garment fabrics. The principal activities of the principal subsidiaries of the Company are set out in note 41 to the accompanying financial statements.

Business segments

The Group is engaged in the manufacturing and sale of yarns, grey fabrics, non-woven fabrics and garment fabrics. Business analysis of revenue, segment results, total assets and capital expenditure are set out in note 5 to the accompanying financial statements.

Geographical segments

The Group mainly operates its business in China, Southeast Asia and the Americas. Geographical analysis of revenue, segment results, total assets, and capital expenditure are set out in note 5 to the accompanying financial statements.

BUSINESS REVIEW

For details of business review in relation to the development, performance, position and likely future development of the Company's business as well as principal risks facing the Company, please refer to the section headed “Management Discussion and Analysis” of this annual report.

The Group recognises the importance of compliance with rules and regulations and the impact of non-compliance of such rules and regulations on the business. During the year ended 31 December 2023, to the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group understands that a better future depends on everyone's participation and contribution in environmental protection. All employees are encouraged to participate in environmental and social activities which benefit the community as a whole.

本公司董事（「董事」）會（「董事會」）同寅將其截至二零二三年十二月三十一日止年度之報告連同經已審核之本公司財務報表呈覽。

主要業務及營運地區分析

本公司為一間投資控股公司。本集團主要從事生產及銷售紗線、坯布、無紡布及面料。本公司主要附屬公司之主要業務活動載於隨附之財務報表附註41。

業務分類

本集團從事製造及銷售紗線、坯布、無紡布及面料。收入、分部業績、資產總額及資本開支之業務分析載於隨附之財務報表附註5。

地區分類

本集團主要於中國、東南亞及美洲等地區經營業務。收入、分部業績、資產總額及資本開支之地區分析載於隨附之財務報表附註5。

業務回顧

關於本公司業務發展、表現、狀況及可能未來發展以及本公司所面臨主要風險之業務回顧詳情，請參閱本年報「管理層討論及分析」一節。

本集團知悉遵守規則及法規之重要性及不遵守該等規則及法規對業務之影響。於截至二零二三年十二月三十一日止年度，據董事所知，本集團已遵守所有與其業務有關有重大影響的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦鼓勵所有僱員參與環境及社會活動，惠及整個社區。

董事會報告(續)

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (Continued)

The Group advocates cleaner production and pursues both environmental and economic benefits through means such as reducing pollutant emissions, improving energy efficiency and reducing material consumption. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

Details of the Group's environmental policies and performance can be found in the Environmental, Social and Governance Report of the Group dated 25 March 2024.

RELATIONSHIP WITH STAKEHOLDERS

The Company recognises that employees are its valuable assets. Thus, the Group provides competitive remuneration packages to attract and motivate its employees. The Group regularly reviews the remuneration packages of its employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its business partners to achieve its long-term goals. Accordingly, the Directors or senior management have maintained good communication, exchanged feedback and shared business updates with them when appropriate. During the year ended 31 December 2023, there was no material and significant dispute between the Group and its business partners.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated income statement on page 95 of this annual report.

The Board does not recommend a payment of final dividend for the year ended 31 December 2023.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2023 are set out in note 21 to the accompanying financial statements.

業務回顧(續)

本集團主張清潔生產，通過減少污染物排放、提高能源利用率、減少物料消耗等手段，追求環境與經濟雙收益。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。

本集團的環境政策及表現詳情載於本集團日期為二零二四年三月二十五日之環境、社會及管治報告。

與持份者的關係

本公司視僱員為其寶貴資產。因此，本集團提供具競爭力的薪酬待遇吸引及激勵僱員。本集團定期檢討其僱員薪酬待遇，並作出必要調整以配合市場標準。

本集團亦明白到與其業務夥伴維持良好關係對達成其長期目標而言實屬重要。因此，董事或高級管理層已於適當時候與彼等維持良好溝通、交換回饋及分享業務最新消息。截至二零二三年十二月三十一日止年度，本集團與其業務夥伴之間並無重大及顯著糾紛。

業績及分派

本集團於截至二零二三年十二月三十一日止年度之業績載列於本年報第95頁之綜合收益表。

董事會並不建議派付截至二零二三年十二月三十一日止年度之末期股息。

儲備

本集團截至二零二三年十二月三十一日止年度之儲備變動詳情載於隨附之財務報表附註21。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2023 are set out in note 7 to the accompanying financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 19 to the accompanying financial statements.

DISTRIBUTABLE RESERVES

The Company's distributable reserves as at 31 December 2023 is set out in note 39 to the accompanying financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 2 of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

SHARE OPTIONS

The Shareholders of the Company adopted a share option scheme (the "Share Option Scheme") at the annual general meeting held on 7 April 2014 (the "Adoption Date"). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All directors, employees and other eligible participants under Chapter 17 of the Listing Rules are eligible to participate in the Share Option Scheme. The Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date, with remaining life of approximately less than one month as at the date approval of this financial report, due to expire on 6 April 2024.

物業、廠房及設備

本集團截至二零二三年十二月三十一日止年度之物業、廠房及設備變動詳情載於隨附之財務報表附註7。

股本

本公司之股本變動詳情載於隨附之財務報表附註19。

可供分派儲備

本公司於二零二三年十二月三十一日之可供分派儲備詳情載於隨附之財務報表附註39。

優先購買權

細則中並無優先購股權之條文，而開曼群島之法例亦無規定本公司須按比例向現有股東發售新股的限制。

稅務減免

本公司並不知悉任何因持有本公司證券而提供予本公司股東之稅務寬減或減免。

財務概要

本集團過去五個財政年度之業績及資產負債摘要載於本年報第2頁。

購買、出售或購回上市證券

截至二零二三年十二月三十一日止年度，本公司或其附屬公司概無購買、出售或購回本公司上市證券。

購股權

本公司股東於二零一四年四月七日(「採納日期」)之股東週年大會上採納一項購股權計劃(「購股權計劃」)。購股權計劃之目的乃讓本集團向指定參與者授予購股權，作為向此等人士對本集團作出之貢獻予以嘉獎或酬謝。所有董事、僱員及其他上市規則第十七章項下之其他合資格參與者均合資格參與現有購股權計劃。購股權計劃自採納日期後十年內有效，於本財務報告批准日期，剩餘年期約少於一個月，並將於二零二四年四月六日屆滿。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

SHARE OPTIONS (Continued)

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the shares in issue of HK\$0.10 each in the share capital of the Company ("Shares") on the Adoption Date (the "General Scheme Limit"). The Company may renew the General Scheme Limit with Shareholders' approval provided that each such renewal may not exceed 10% of the Shares in the Company in issue as at the date of the Shareholders' approval.

As at 1 January 2023, the number of options available for grant under the Share Option Scheme was 81,968,117. As at 31 December 2023, the number of options available for grant under the Share Option Scheme was 85,468,117. As at the date of this report, the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme was 85,468,117 Shares, representing approximately 9.31% of the Shares in issue as at the date of this report.

Unless approved by Shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-months period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit").

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option, subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

購股權(續)

於購股權計劃及獲本集團採納之任何其他購股權計劃項下授出之全部購股權倘獲行使而可予配發及發行之本公司股本中每股面值0.10港元之股份(「股份」)總數合共不得超過採納日期已發行股份之10%(「一般計劃上限」)。本公司可於獲得股東批准下重訂該一般計劃上限，惟該重訂不得超過於獲股東批准之日已發行股份之10%。

於二零二三年一月一日，購股權計劃項下可予授出的購股權數目為81,968,117股。於二零二三年十二月三十一日，根據購股權計劃可供授出之購股權數目為85,468,117股股份。於本報告日期，根據購股權計劃將予授出的所有購股權獲行使後可能配發及發行的股份總數為85,468,117股股份，相當於本報告日期已發行股份約9.31%。

除獲得本公司股東批准外，於購股權計劃及本集團之任何其他購股權計劃項下於任何十二個月內向各參與者授出之購股權(包括已行使或尚未行使者)倘獲行使而發行或可予發行之股份總數不得超過當時本公司已發行股本之1%(「個人上限」)。

參與者可於授出購股權要約日期起二十一日內接納購股權。於接納授出之購股權時，須繳付1港元之象徵代價。購股權可按照購股權計劃之條款由董事釐定及通知各承授人之期限(期限由授出購股權要約當日之後一日開始，惟無論如何不得遲於購股權授出日期起計十年結束，並受購股權有關提早終止之條文限制)內隨時行使。除董事另有釐定並於向承授人發出之要約函件註明外，購股權計劃並無規定其行使前必須持有之最短時限。

根據購股權計劃，股份之認購價將由董事釐定，惟不得少於(以較高者為準)(i)授出購股權要約日期(須為營業日)在聯交所每日報價表上所示股份之收市價；(ii)緊接授出購股權要約日期前之五個交易日在聯交所每日報價表上所示股份之平均收市價；及(iii)股份之面值。

董事會報告(續)

REPORT OF THE DIRECTORS (CONTINUED)

SHARE OPTIONS (Continued)

Further details of the Share Option Scheme as to the fair value of the share options granted are disclosed in note 22 to the financial statements. The fair values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The fair value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

During the year ended 31 December 2023, movements of the share options granted under the Share Option Scheme are summarised as follows:

List of grantees	Date of grant (Note)	Exercise period	Number of share options					Outstanding as at 31 December 2023	Weighted average closing price immediately before the date(s) of exercise		
			Closing price per Share immediately before the date of grant	Exercise price per share	Outstanding as at 1 January 2023	Granted during the year ended 31 December 2023	Exercised during the year ended 31 December 2023			Lapsed during the year ended 31 December 2023	Cancelled during the year ended 31 December 2023
承授人名單	授出日期(附註)	行使期	緊接授出日期前之每股收市價 HKS 港元	每股行使價 HKS 港元	於二零二三年一月一日未行使	於二零二三年十二月三十一日止年度授出	於二零二三年十二月三十一日止年度行使	於二零二三年十二月三十一日止年度失效	於二零二三年十二月三十一日止年度註銷	於二零二三年十二月三十一日未行使	緊接行使日期前加權平均收市價 HKS 港元
Employee participant											
僱員參與者											
Mr. Hui Tsz Wai (resignation effective from 30 June 2023) (Note 1)	23 March 2015 二零一五年三月二十三日	1 January 2016 to 22 March 2025 二零一六年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	—	—	1,000,000	—	—	—
許子慧先生 (於二零二三年六月三十日辭任)(附註1)	23 March 2015 二零一五年三月二十三日	1 January 2017 to 22 March 2025 二零一七年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	—	—	1,000,000	—	—	—
	23 March 2015 二零一五年三月二十三日	1 January 2018 to 22 March 2025 二零一八年一月一日至二零二五年三月二十二日	8.27	8.70	1,000,000	—	—	1,000,000	—	—	—
	28 December 2015 二零一五年十二月二十八日	1 January 2020 to 27 December 2025 二零二零年一月一日至二零二五年十二月二十七日	5.84	5.70	200,000	—	—	200,000	—	—	—
	28 December 2015 二零一五年十二月二十八日	1 January 2021 to 27 December 2025 二零二一年一月一日至二零二五年十二月二十七日	5.84	5.70	300,000	—	—	300,000	—	—	—
Total					3,500,000	—	—	3,500,000	—	—	—

Notes:

- On 30 June 2023, Mr. Hui Tsz Wai resigned as company secretary of the Company, authorised representative of the Company and director of other subsidiaries of the Group, and the 3,500,000 options granted to him were lapsed on the same date.
- The vesting period of the share options is from the date of grant until the commencement of the exercise period.

As at the date of this report, no share options were outstanding under the Share Option Scheme.

購股權(續)

購股權計劃有關所授出購股權公平值的進一步詳情於財務報表附註22披露。由於模型的預期未來表現輸入數據之多項假設的主觀性質及不確定性，以及模型本身的若干固有限制使然，使用二項式模型計算的購股權公平值受若干基本限制所規限。購股權公平值隨若干主觀假設的不同變量而變化。所使用變量出現任何變動均可能對購股權公平值估計產生重大影響。

於截至二零二三年十二月三十一日止年度，根據購股權計劃授出的購股權的變動概述如下：

附註：

- 於二零二三年六月三十日，許子慧先生辭任本公司公司秘書、本公司授權代表及本集團其他附屬公司董事，而已向彼授出之3,500,000份購股權於同日已告失效。
- 購股權之歸屬期由授出日期起直至行使期開始為止。

於本報告日期，購股權計劃項下並無購股權尚未行使。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The Directors during the year ended 31 December 2023 and up to the date of this report were:

Mr. Hong Tianzhu
Mr. Zhu Yongxiang
Mr. Tang Daoping (resigned on 8 December 2023)
Mr. Ting Leung Huel, Stephen* (retired on 25 May 2023)
Professor Cheng Longdi*
Professor Tao Xiaoming*
Mr. Shu Wa Tung, Laurence* (appointed on 25 May 2023)

* Independent non-executive Directors

In accordance with Articles 108(A) and 108(B) of the Articles, Mr. Zhu Yongxiang and Professor Cheng Longdi will retire as Directors by rotation and they, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Hong Tianzhu and Mr. Zhu Yongxiang, all being executive Directors, has entered into a service contract with the Company for an initial term of one year, and will continue thereafter for successive terms of one year until terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or at any time thereafter.

Each of Mr. Shu Wa Tung, Laurence, Professor Tao Xiaoming and Professor Cheng Longdi, all being independent non-executive Directors, has been appointed for an initial term of one year commencing from their respective dates of appointment as an INED renewable automatically for a successive term of one year each commencing from the next day after the expiry of the then current term, unless terminated by not less than three months' notice in writing at the end of the initial term or at any time thereafter.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事

截至二零二三年十二月三十一日止年度及直至本報告日期，在任之董事如下：

洪天祝先生
朱永祥先生
湯道平先生(於二零二三年十二月八日辭任)
丁良輝先生*(於二零二三年五月二十五日退休)
程隆棣教授*
陶肖明教授*
舒華東先生*(於二零二三年五月二十五日委任)

* 獨立非執行董事

根據細則第108(A)及108(B)條，朱永祥先生和程隆棣教授將輪值退任董事職務，彼等符合資格並願意於應屆股東週年大會上重選連任。

董事服務合約

執行董事洪天祝先生及朱永祥先生已各自與本公司訂立服務合約，由二零一五年十一月二十一日起計，初步為期一年，其後將繼續續期一年，直至於初始期間結束時或其後任何時間，其中一方向另一方發出不少於三個月之書面通知終止為止。

舒華東先生、陶肖明教授及程隆棣教授均為獨立非執行董事，分別獲委以一年初步任期，由獲委任為獨立非執行董事之日期起計，可於現有委任期屆滿後翌日自動續約一年，直至任何一方於初步年期屆滿前或其後任何時間向另一方發出不少於三個月之書面通知終止合約。

概無董事與本公司或其任何附屬公司訂立服務合約，而有關服務合約在未有支付法定賠償以外之賠償則不得由本集團於一年內予以終止。

PERMITTED INDEMNITY PROVISION

The service contracts entered into by the Company with each of the Directors, which are currently in force and were in force during the year ended 31 December 2023, contain indemnity provisions which are permitted indemnity provisions under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) subject to the limitations specified in sections 468 and 469 thereof, for the benefit of the executive Directors. Pursuant to such provisions, the Company shall indemnify and hold harmless any Directors on demand from and against any and all losses, claims, damages, liabilities, and expenses, including without limitation, any proceedings brought against such Directors, arising from the performance of his duties pursuant to his appointment under the service contracts, so far as permitted by law, except in any case where the matter in respect of which indemnification is sought was caused by the default, neglect, omission or fraud of the executive Directors. The Company has also taken out and maintained appropriate insurance cover to indemnify the Directors for liabilities that may arise out of corporate activities. The insurance coverage is reviewed on an annual basis. During the year ended 31 December 2023, no claims were made against the Directors.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

EMOLUMENTS OF DIRECTORS, FIVE HIGHEST PAID DIRECTORS/EMPLOYEES AND SENIOR MANAGEMENT

Details of the emoluments of the Directors on a named basis during the year ended 31 December 2023 are set out in note 40 to the accompanying financial statements.

Details of the five highest paid individuals during the year ended 31 December 2023 are set out in note 30 to the accompanying financial statements.

獲准許的彌償條文

本公司與各董事訂立之服務合約(目前生效及於截至二零二三年十二月三十一日止年度生效)載有的彌償條文，屬香港法例第622章公司條例的獲准許彌償條文，惟受當中第468及469條列明的若干限制所限，並以執行董事為受益人。根據該等條文，本公司應就任何董事在法律允許情況下，根據服務合約下的委任履行職務所產生的任何及所有損失、申索、損害、責任及開支，包括但不限於向該董事提出的任何訴訟，向該董事作出彌償及應要求使該董事免受其損害，惟倘因執行董事違約、疏忽、遺漏或欺詐而索取彌償的任何情況，則作別論。本公司亦已投購及維持適當保險，保障董事不承擔公司活動可能產生的責任。保險保障獲每年檢討。於截至二零二三年十二月三十一日止年度，概無對董事作出申索。

獨立非執行董事之獨立性

本公司已獲得各獨立非執行董事確認其獨立性，而根據上市規則第3.13條所載指引，本公司認為其各人均為獨立。

董事、五位最高薪之董事／僱員及高級管理層之酬金

截至二零二三年十二月三十一日止年度內根據指名基準之董事酬金詳情載於隨附之財務報表附註40。

截至二零二三年十二月三十一日止年度內之五位最高薪人士之詳情載於隨附之財務報表附註30。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

EMOLUMENTS OF DIRECTORS, FIVE HIGHEST PAID DIRECTORS/EMPLOYEES AND SENIOR MANAGEMENT (Continued)

During the year ended 31 December 2023, the remuneration of the senior management by band is set out as follows:

Remuneration bands 薪酬範圍		Number of senior management 高級管理層人數
Below RMB1,000,000	人民幣1,000,000元以下	1
RMB1,000,001 to RMB2,000,000	人民幣1,000,001元至人民幣2,000,000元	1
RMB2,000,001 to RMB3,000,000	人民幣2,000,001元至人民幣3,000,000元	1
RMB3,000,001 to RMB4,000,000	人民幣3,000,001元至人民幣4,000,000元	0
RMB4,000,001 to RMB5,000,000	人民幣4,000,001元至人民幣5,000,000元	0
Above RMB5,000,000	人民幣5,000,000元以上	0

REMUNERATION POLICY

Remuneration policy of the Group is reviewed regularly, making reference to the legal framework, market condition and performance of the Group and individual staff including the Directors. The remuneration policy and remuneration packages of the executive Directors and the senior management of the Group are reviewed by the Remuneration Committee, which are contained in the paragraph headed "Remuneration Committee" under the section headed "Corporate Governance Report" of this annual report.

RETIREMENT BENEFIT SCHEMES

Particulars of the Group's retirement benefit schemes are set out in note 30 to the accompanying financial statements.

All of the Group's retirement benefit schemes are defined contribution schemes. All contributions are vested immediately when contributed and no contribution may be forfeited to reduce the existing levels of contributions by the Group.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "SHARE OPTIONS" above, there was no equity-linked agreement entered into by the Company, or which subsisted, during or at the end of the year ended 31 December 2023.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management as at the date of this annual report are set out on pages 57 to 61 of this annual report.

董事、五位最高薪之董事／僱員及高級管理層之酬金(續)

以下為截至二零二三年十二月三十一日止年度高級管理層之薪酬範圍分析：

薪酬政策

本集團參考法定架構、市場狀況及本集團及個別員工(包括董事)之表現，定期檢討其薪酬政策。薪酬委員會負責檢討本集團執行董事及高級管理層之薪酬政策及薪酬組合，詳情載於本年度報告「企業管治報告」一節「薪酬委員會」一段內。

退休福利計劃

本集團退休福利計劃之詳情載於隨附之財務報表附註30。

本集團所有退休福利計劃均為界定供款計劃。所有供款在供款時即時歸屬，不得就降低本集團現有供款水平放棄供款。

股權掛鈎協議

除上文「購股權」一節所披露者外，於截至二零二三年十二月三十一日止年度內或該日結束時，本公司概無訂立任何股權掛鈎協議或有關協議存續。

董事及高級管理人員之個人簡歷

董事及高級管理人員於本年報日期之個人簡歷載於本年報第57至61頁。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

CHANGES OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES UNDER RULE 13.51B(1) OF THE LISTING RULES

Below is the information relating to the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

- Mr. Ting Leung Huel, Stephen ceased to be an independent non-executive Director, chairman of each of the remuneration committee and audit committee of the Board, and member of each of the nomination committee and the environmental, social and governance committee of the Board with effect from the conclusion of the annual general meeting of the Company held on 25 May 2023. For further information regarding the retirement of Mr. Ting Leung Huel, Stephen, please refer to the circular of the Company dated 21 April 2023 (the "Circular") and the announcement of the Company dated 25 May 2023 (the "Announcement").
- Mr. Shu Wa Tung, Laurence has been elected as an independent non-executive Director by the Shareholders at the annual general meeting of the Company with effect from the conclusion thereof held on 25 May 2023, and was appointed as the chairman of each of the audit committee and remuneration committee of the Board, and member of each of the nomination committee and the environmental, social and governance committee of the Board on the same date. For further information regarding Mr. Shu Wa Tung, Laurence and his appointment, please refer to the Circular and the Announcement.
- Mr. Tang Daoping ceased to be an executive Director and chairman of the environmental, social and governance committee of the Company (the "ESG Committee") with effect from 8 December 2023.
- Mr. Zhu Yongxiang was appointed as the chairman of the ESG Committee with effect from 8 December 2023.
- The terms of remuneration of Mr. Hong Tianzhu, Mr. Zhu Yongxiang and Mr. Tang Daoping were amended to allow them a special bonus for a particular financial year to be determined by the Board in its absolute discretion with reference to their performance.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

上市規則第13.51B(1)條項下之董事及主要行政人員資料變動

以下為根據上市規則第13.51B(1)條須予披露之有關董事資料：

- 丁良輝先生不再擔任獨立非執行董事、董事會薪酬委員會及審核委員會各自之主席以及董事會提名委員會及環境、社會及管治委員會各自之成員，自本公司於二零二三年五月二十五日舉行之股東週年大會結束起生效。有關丁良輝先生退任之進一步資料，請參閱本公司日期為二零二三年四月二十一日之通函(「該通函」)及本公司日期為二零二三年五月二十五日之公告(「該公告」)。
- 舒華東先生已獲股東在本公司股東週年大會上選舉為獨立非執行董事，自於二零二三年五月二十五日舉行之股東週年大會結束起生效，並於同日獲委任為董事會審核委員會及薪酬委員會各自之主席，以及董事會提名委員會及環境、社會及管治委員會各自之成員。有關舒華東先生及其委任之進一步資料，請參閱該通函及該公告。
- 湯道平先生不再擔任執行董事及本公司環境、社會及管治委員會(「ESG委員會」)之主席，自二零二三年十二月八日起生效。
- 朱永祥先生獲委任為ESG委員會之主席，自二零二三年十二月八日起生效。
- 洪天祝先生、朱永祥先生及湯道平先生之薪酬條款已作修訂，以允許彼等於特定財政年度獲得特別花紅，金額由董事會參考彼等之表現全權酌情釐定。

除上文所披露者外，概無其他根據上市規則第13.51B(1)條須予披露之資料。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

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

As at 31 December 2023, the interests and short positions of each Director 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 Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零二三年十二月三十一日，本公司各董事及主要行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第352條，紀錄於本公司須予存置之登記冊內之權益及淡倉，或根據上市規則所載的標準守則規定須以其他方式通知本公司及聯交所之權益及淡倉如下：

Name of directors of the Company 本公司董事姓名	Name of Group member/ associated corporation 本集團成員公司/ 相聯法團名稱	Nature of interest 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage 概約百分比
Mr. Hong Tianzhu 洪天祝先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Note 2) (附註2)	59.34%
	the Company 本公司	Beneficial owner 實益擁有人	5,400,000 (L)	0.59%
			550,142,400 (L)	59.93%
Mr. Zhu Yongxiang 朱永祥先生	the Company 本公司	Interest of controlled corporation(s) 所控制法人權益	219,900,000 (L) (Note 3) (附註3)	23.95%

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

(Continued)

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. Among these 544,742,400 Shares, as to 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly owned by Mr. Hong Tianzhu and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited. Under the SFO, Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited and Trade Partner Investments Limited. Mr. Hong Tianzhu is a director of Texhong Group Holdings Limited, New Green Group Limited and Trade Partner Investments Limited.
3. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Mr. Zhu Yongxiang is a director of Wisdom Grace Investments Limited and Trade Partner Investments Limited.

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

So far as the Directors are aware, as at 31 December 2023, the interests or short position of the persons other than a Director or chief executive of the Company in the Shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉(續)

附註：

1. 「L」代表該人士於股份之好倉。
2. 該等544,742,400股股份中392,842,400股以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有，洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited(洪天祝先生透過New Green Group Limited實益擁有其全部已發行股份的57.44%權益)名義及作為實益擁有人登記。根據證券及期貨條例，洪天祝先生被視為於New Green Group Limited及Trade Partner Investments Limited持有之所有股份佔有權益。洪天祝先生為Texhong Group Holdings Limited、New Green Group Limited及Trade Partner Investments Limited之董事。
3. 該等219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記；151,900,000股以Trade Partner Investments Limited(朱永祥先生透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。朱永祥先生為Wisdom Grace Investments Limited及Trade Partner Investments Limited之董事。

主要股東在本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零二三年十二月三十一日，於本公司或其相聯法團股份、相關股份或債權證中擁有根據證券及期貨條例第336條紀錄於本公司須予存置之登記冊內之權益或淡倉的人士(惟本公司之董事或行政總裁除外)如下：

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

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

(Continued)

主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

Ordinary Shares of the Company:

本公司之普通股：

Name of the substantial shareholders 主要股東姓名／名稱	Nature of interests 權益性質	Number of ordinary shares (Note 1) 普通股數目 (附註1)	Approximate percentage 概約百分比
New Green Group Limited	Beneficial owner 實益擁有人	392,842,400 (L) (Note 2) (附註2)	42.79%
	Interest of controlled corporation(s) 所控制法人權益	151,900,000 (L) (Note 3) (附註3)	16.55%
Trade Partner Investments Limited	Beneficial owner 實益擁有人	544,742,400 (L) 151,900,000 (L) (Note 3) (附註3)	59.34%
	Beneficial owner 實益擁有人	68,000,000 (L) (Note 4) (附註4)	7.41%
Wisdom Grace Investments Limited	Beneficial owner 實益擁有人	151,900,000 (L) (Note 3) (附註3)	16.55%
	Interest of controlled corporation(s) 所控制法人權益	219,900,000 (L)	23.95%
Texhong Group Holdings Limited	Interest of controlled corporation(s) 所控制法人權益	544,742,400 (L) (Notes 2 and 3) (附註2及3)	59.34%
Ms. Ke Luping 柯綠萍女士	Interest of spouse 配偶權益	550,142,400 (L) (Note 5) (附註5)	59.93%
Ms. Zhao Zhiyang 趙志楊女士	Interest of spouse 配偶權益	219,900,000 (L) (Note 6) (附註6)	23.95%
Mr. Hui Ching Lau 許清流先生	Interest of controlled corporation(s) 所控制法人權益	64,200,000 (L) (Note 7) (附註7)	6.99%
Event Star Limited	Beneficial owner 實益擁有人	64,200,000 (L) (Note 7) (附註7)	6.99%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY*(Continued)*

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. These 392,842,400 Shares are registered in the name of and beneficially owned by New Green Group Limited, the entire issued share capital of which is beneficially owned by Texhong Group Holdings Limited, a company wholly beneficially owned by Mr. Hong Tianzhu. Under the SFO, each of Texhong Group Holdings Limited and Mr. Hong Tianzhu is deemed to be interested in all the Shares held by New Green Group Limited.
3. These 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 57.44% by Mr. Hong Tianzhu through New Green Group Limited and 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Under the SFO, each of Mr. Hong Tianzhu, Texhong Group Holdings Limited, Mr. Zhu Yongxiang, New Green Group Limited and Wisdom Grace Investments Limited is deemed to be interested in all the Shares held by Trade Partner Investments Limited.
4. These 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang. Under the SFO, Mr. Zhu Yongxiang is deemed to be interested in all the Shares held by Wisdom Grace Investments Limited.
5. Ms. Ke Luping is the spouse of Mr. Hong Tianzhu. Under the SFO, Ms. Ke Luping is deemed to be interested in the same number of Shares in which Mr. Hong Tianzhu is interested.
6. Among these 219,900,000 Shares, as to 68,000,000 Shares are registered in the name of and beneficially owned by Wisdom Grace Investments Limited, the entire issued share capital of which is beneficially owned by Mr. Zhu Yongxiang and as to 151,900,000 Shares are registered in the name of and beneficially owned by Trade Partner Investments Limited, the entire issued share capital of which is beneficially owned as to 42.56% by Mr. Zhu Yongxiang through Wisdom Grace Investments Limited. Ms. Zhao Zhiyang is the spouse of Mr. Zhu Yongxiang. Under the SFO, Ms. Zhao Zhiyang is deemed to be interested in the same number of shares in which Mr. Zhu Yongxiang is interested.
7. These 64,200,000 Shares are registered in the name of and beneficially owned by Event Star Limited, a company which is 100% controlled by Mr. Hui Ching Lau. Under the SFO, Mr. Hui Ching Lau is deemed to be interested in all the Shares held by Event Star Limited.

主要股東在本公司股份、相關股份及債權證之權益及淡倉(續)

附註:

1. 「L」代表該人士於股份之好倉。
2. 該等392,842,400股股份以New Green Group Limited(其全部已發行股本由Texhong Group Holdings Limited實益擁有,洪天祝先生實益擁有後者100%權益)名義及作為實益擁有人登記。根據證券及期貨條例, Texhong Group Holdings Limited及洪天祝先生均被視為於New Green Group Limited持有之所有股份佔有權益。
3. 該等151,900,000股股份以Trade Partner Investments Limited(其全部已發行股本由洪天祝先生(透過New Green Group Limited)及朱永祥先生(透過Wisdom Grace Investments Limited)分別實益擁有57.44%及42.56%)名義及作為實益擁有人登記。根據證券及期貨條例,洪天祝先生、Texhong Group Holdings Limited、朱永祥先生、New Green Group Limited及Wisdom Grace Investments Limited分別被視為於Trade Partner Investments Limited持有之所有股份佔有權益。
4. 該等68,000,000股股份以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記。根據證券及期貨條例,朱永祥先生被視為於Wisdom Grace Investments Limited持有之所有股份佔有權益。
5. 柯綠萍女士為洪天祝先生之配偶。根據證券及期貨條例,柯綠萍女士被視為於洪天祝先生佔有權益之同樣數目股份佔有權益。
6. 該等219,900,000股股份中68,000,000股以Wisdom Grace Investments Limited(其全部已發行股本由朱永祥先生實益擁有)名義及作為實益擁有人登記;151,900,000股以Trade Partner Investments Limited(朱永祥先生透過Wisdom Grace Investments Limited實益擁有其全部已發行股份的42.56%權益)名義及作為實益擁有人登記。趙志揚女士為朱永祥先生之配偶。根據證券及期貨條例,趙志揚女士被視為於朱永祥先生佔有權益之同樣數目股份佔有權益。
7. 該等64,200,000股股份以Event Star Limited之名義登記及由其實益擁有,而該公司完全由許清流先生控制。根據證券及期貨條例,許清流先生被視為於Event Star Limited持有之所有股份中擁有權益。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed “Share Options” above, at no time during or at the end of the year ended 31 December 2023 was the Company, its holding company or its subsidiaries a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of Shares in or debenture of the Company or any of its subsidiaries.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in the related party transactions as set out in note 38 of the financial statements and in the section headed “Connected transactions” in this annual report, no Director nor an entity connected with such director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, subsisting at the end of the year or at any time during the year.

Save as disclosed in the related party transactions as set out in note 38 of the financial statements and in the section headed “Connected transactions” in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

In addition, no contract of significance for the provision of services to the Company or any of its subsidiaries was entered into between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company which were not contracts of service with any Director or any person engaged in full time employment of the Company were entered into or subsisted during the year ended 31 December 2023.

購買股份或債權證之安排

除上述「購股權」一節披露者外，截至二零二三年十二月三十一日止年度內或於該日結束時，本公司、其控股公司或其附屬公司概無參與訂立安排讓董事(包括其配偶或未滿十八歲之子女)以透過收購本公司或其任何附屬公司之股份或債權證之方法獲得利益。

重大合約

除本年報財務報表附註38及「關連交易」一節所載之關聯方交易所披露之外，概無董事或與該董事有關連之實體於任何就本集團業務而言屬重大且本公司或其任何附屬公司為訂約方並於年終或年內任何時間存在的交易、安排或合約中擁有重大權益(不論直接或間接)。

除本年報財務報表附註38及「關連交易」一節所載之關聯方交易所披露之外，本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東(定義見上市規則)之間概無訂立重大合約。

此外，本公司或其任何附屬公司與控股股東或其任何附屬公司並無訂立向本公司或其任何附屬公司提供服務之重大合約。

管理層合約

截至二零二三年十二月三十一日止年度，概無有關本公司整體或任何重大部分業務之管理及行政之合約(並非與任何董事或獲本公司委聘擔任全職工作之任何人士)獲訂立或存續。

董事會報告(續)

REPORT OF THE DIRECTORS (CONTINUED)

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2023, the percentages of purchases and sales attributable to the Group's major suppliers and customers are as follows:

Purchases	
— the largest supplier	10.6%
— five largest suppliers combined	25.0%
Sales	
— the largest customer	2.7%
— five largest customers combined	9.4%

None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers of the Group noted above.

CONNECTED TRANSACTIONS

During the year ended 31 December 2023, the Group had conducted the following connected transactions which were required to be disclosed pursuant to Rule 14A.71 of the Listing Rules:

Continuing connected transaction — Utilities Supply Framework Agreement

On 25 August 2021, Texhong Industrial Park Vietnam Limited ("Texhong Industrial Park") and the Company entered into a master supply agreement (the "Master Supply Agreement") pursuant to which Texhong Industrial Park agreed to provide and supply utilities, wastewater treatment service and administrative services to the Group for its uses at the production facilities operated by the Group at the Hai Ha Industrial Park (the "Industrial Park") with effect from 1 January 2022 to 31 December 2022.

As mentioned in the section headed "Events after the reporting period", on 7 November 2022, HK Co and Texhong Industrial Park entered into an asset purchase agreement ("the Asset Purchase Agreement"), pursuant to which HK Co agreed to purchase, and Texhong Industrial Park agreed to sell, certain plots of land and infrastructure and ancillary equipment thereon (the "Acquisition"). Since the completion of the Acquisition had been expected to take place on or around 31 March 2023, in the meantime, to secure continual supply of utilities by Texhong Industrial Park to the Group for its operations at the Industrial Park and to ensure compliance with Listing Rules for setting an annual cap for continuing connected transactions, on 3 February 2023, Texhong Industrial Park and the Company entered into an agreement (the "Utilities Supply Framework Agreement") pursuant to which Texhong Industrial Park supplied utilities to the Group for its production facilities at the Industrial Park with effect from 1 January 2023 up to the completion date of the Acquisition.

主要客戶及供應商

截至二零二三年十二月三十一日止年度，本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額	
— 最大供應商	10.6%
— 五位最大供應商合計	25.0%
銷售額	
— 最大客戶	2.7%
— 五位最大客戶合計	9.4%

董事、彼等之緊密聯繫人或任何股東(指據董事所知擁有本公司5%以上股本權益之股東)並無於上述之本集團主要供應商或客戶中擁有任何權益。

關連交易

於截至二零二三年十二月三十一日止年度，本集團已進行以下關連交易，須根據上市規則第14A.71條披露：

持續關連交易 — 能源用水供應框架協議

於二零二一年八月二十五日，天虹工業園區越南有限公司(「天虹工業園區」)與本公司訂立供應總協議(「供應總協議」)，據此，天虹工業園區同意向本集團提供並供應水電、廢水處理服務及行政服務，於二零二二年一月一日至二零二二年十二月三十一日期間供本集團於海河工業園(「工業園區」)所營運生產設施使用。

誠如「報告期後事件」一節所述，香港公司與天虹工業園區於二零二二年十一月七日訂立資產購買協議(「資產購買協議」)，據此，香港公司已同意購買而天虹工業園區已同意出售若干土地以及建於其上之基礎設施及配套設備(「收購事項」)。由於收購事項預期將於二零二三年三月三十一日或前後完成，同時，為確保天虹工業園區向本集團持續供應能源用水以供其於工業園營運之用，並確保遵守上市規則有關設定持續關連交易之年度上限之規定，於二零二三年二月三日，天虹工業園區與本公司訂立協議(「能源用水供應框架協議」)，據此，天虹工業園區將向本集團供應能源用水以供其於工業園區之生產設施之用，自二零二三年一月一日起至收購事項完成日期止生效。

董事會報告(續)

REPORT OF THE DIRECTORS (CONTINUED)

CONNECTED TRANSACTIONS (Continued)

Continuing connected transaction — Utilities Supply Framework Agreement (Continued)

Consideration for the utilities were determined with reference to operating costs attributable to supply of the utilities incurred by Texhong Industrial Park, and/or additional factors where applicable, such as government-prescribed prices (in the case of supply of water), the prevailing market price of coal (in the case of supply of thermal oil and steam) and procurement costs at which Texhong Industrial Park sourced from the ultimate supplier (in the case of liquefied petroleum gas).

The annual cap for the Utilities Supply Framework Agreement the year ending 31 December 2023 was set at RMB26.0 million. The annual cap had been determined by the Directors with reference to the Group's estimated demand for supply of utilities for production for the year ending 31 December 2023 assuming the completion of the Acquisition took place on or around 31 March 2023. The actual transaction amount under the Utilities Supply Framework Agreement for the year ended 31 December 2023 was approximately RMB20.7 million.

Completion of the Acquisition took place on 31 March 2023 and consequently, the continuing connected transactions contemplated under the Utilities Supply Framework Agreement also ceased immediately upon completion of the Acquisition on 31 March 2023.

Please refer to the announcement of the Company dated 3 February 2023 for further details of the Utilities Supply Framework Agreement and Master Supply Agreement.

Listing Rules implications

Texhong Industrial Park is a connected person of the Company by virtue of its being an associate of Mr. Hong Tianzhu, the chairman of the Company and an executive Director and Mr. Zhu Yongxiang, the chief executive officer of the Group and an executive Director. Therefore, the transactions contemplated under the Master Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Continuing connected transaction — Wastewater Treatment and Administrative Services Framework Agreement

As the Master Supply Agreement had expired on 31 December 2022, to ensure continual provision of wastewater treatment services and administrative services by Texhong Industrial Park to the Group, on 17 January 2023, Texhong Industrial Park and the Company entered into a framework agreement (the "Wastewater Treatment and Administrative Services Framework Agreement") pursuant to which Texhong Industrial Park shall provide wastewater treatment services and administrative services (the "Services") to the Group with effect from 1 January 2023 to 31 December 2025.

關連交易(續)

持續關連交易 — 能源用水供應框架協議(續)

能源用水之代價乃參考天虹工業園區就供應能源所產生之經營成本及／或額外因素(如適用)釐定，如政府定價(就供水而言)、煤炭之現行市價(就供應熱油及蒸汽而言)及天虹工業園區向最終供應商採購之採購成本(就液化石油氣而言)。

截至二零二三年十二月三十一日止年度，能源用水供應框架協議之年度上限為人民幣2,600萬元。該年度上限乃由董事經參考本集團於截至二零二三年十二月三十一日止年度就供應用於生產之能源用水之估計需求，並假設將於二零二三年三月三十一日或前後根據收購事項完成而釐定。截至二零二三年十二月三十一日止年度，能源用水供應框架協議項下之實際交易金額約為人民幣2,070萬元。

收購事項已於二零二三年三月三十一日完成，故能源用水供應框架協議項下擬進行之持續關連交易亦緊隨於二零二三年三月三十一日完成收購事項後終止。

有關能源用水供應框架協議及供應總協議的進一步詳情，請參閱本公司日期為二零二三年二月三日之公佈。

上市規則之涵義

天虹工業園區為本公司主席兼執行董事洪天祝先生及本集團行政總裁兼執行董事朱永祥先生之聯繫人，故屬本公司之關連人士。因此，供應總協議項下擬進行交易構成上市規則第14A章項下本公司之持續關連交易。

持續關連交易 — 污水處理及行政服務框架協議

由於供應總協議已於二零二二年十二月三十一日屆滿，為確保天虹工業園區繼續向本集團提供污水處理服務及行政服務，於二零二三年一月十七日，天虹工業園區與本公司訂立框架協議(「污水處理及行政服務框架協議」)，據此，天虹工業園區將自二零二三年一月一日起至二零二五年十二月三十一日向本集團提供污水處理服務及行政服務(「服務」)。

CONNECTED TRANSACTIONS (Continued)

Continuing connected transaction — Wastewater Treatment and Administrative Services Framework Agreement

(Continued)

Consideration for the Services was determined with reference to operating costs attributable to supply of the Services incurred by Texhong Industrial Park, and/or additional factors where applicable, such as the grade of the production wastewater which depends on its components such as colour, acidity and solids content (in the case of production wastewater treatment services), and prevailing market prices for comparable services (in the case of domestic wastewater treatment services).

The annual caps for the Wastewater Treatment and Administrative Services Framework Agreement for the three years ending 31 December 2025 were set at RMB29 million, RMB33 million and RMB36 million, respectively. The annual caps were determined by the Directors with reference to the Group's estimated demand for wastewater treatment services and administrative services for the three years ending 31 December 2025, which have been assessed with reference to the estimated output from the available production capacity of the Group's production facilities at the Industrial Park and the business development needs of the Group, respectively. The actual transaction amount under the Utilities Wastewater Treatment and Administrative Services Framework Agreement for the year ended 31 December 2023 was approximately RMB18.7 million.

Please refer to the announcement of the Company dated 17 January 2023 and the section headed "Connected Transactions" for further details of the Wastewater Treatment and Administrative Services Framework Agreement and Master Supply Agreement, respectively.

For the connected relationship between Texhong Industrial Park and the Company, please refer to section headed "Continuing connected transaction — Utilities Supply Framework Agreement" above.

The independent non-executive Directors have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed and confirmed that the aforementioned continuing connected transactions undertaken by the Group were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. PricewaterhouseCoopers, the auditors of the Company, has issued a letter to the Company to confirm the matters stated in Rule 14A.56 of the Listing Rules.

關連交易(續)

持續關連交易 — 污水處理及行政服務框架協議(續)

服務之代價乃參考天虹工業園區就供應該等服務所產生之經營成本及/或額外因素(如適用)釐定,例如視乎其成分(如顏色、酸度及固體含量)而定之生產廢水級別(就生產污水處理服務而言)及可資比較服務之現行市價(就生活污水處理服務而言)。

截至二零二五年十二月三十一日止三個年度,污水處理及行政服務框架協議之年度上限分別為人民幣2,900萬元、人民幣3,300萬元及人民幣3,600萬元。該等年度上限乃由董事經參考本集團截至二零二五年十二月三十一日止三個年度就污水處理服務及行政服務的估計需求(已分別參考本集團於工業園區之生產設施的可用產能的估計產量及本集團的業務發展需求進行評估)而釐定。截至二零二三年十二月三十一日止年度,污水處理及行政服務框架協議項下之實際交易金額約為人民幣1,870萬元。

有關污水處理及行政服務框架協議及供應總協議的進一步詳情,請參閱本公司日期為二零二三年一月十七日之公佈及「關連交易」一節。

有關天虹工業園區與本公司之間的關連關係,請參閱上文「持續關連交易 — 能源供水供應框架協議」一節。

就上市規則第14A.55條而言,獨立非執行董事已檢討及確認本集團上述持續關連交易(i)乃於本集團日常及一般業務過程中;(ii)按正常或更佳商業條款;及(iii)根據規範交易的相關協議按公平合理條款訂立,符合本公司股東整體利益。本公司核數師羅兵咸永道會計師事務所已向本公司發出函件,確認上市規則第14A.56條所述事項。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

CONNECTED TRANSACTIONS (Continued)

Connected transaction — Acquisition in Vietnam

As mentioned in the section headed “Events after the reporting period” in this annual report, on 15 March 2024, HK Co and Texhong Industrial Park entered into a supplemental agreement to the Asset Purchase Agreement to allow Texhong Industrial Park a further 12 months to complete the Registration as more time was needed to, among others, liaise with the local authorities to understand the proper procedures.

For the connected relationship between Texhong Industrial Park and the Company, please refer to section headed “Continuing connected transaction — Utilities Supply Framework Agreement” above.

Please also refer to the announcements of the Company dated 7 November 2022, 8 December 2022, 3 February 2023 and 15 March 2024 for further details on the above supplemental agreement.

Related-party transactions disclosed in note 38 to the consolidated financial statements constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules.

MATERIAL ACQUISITION AND DISPOSAL

Reference is made to the announcements of the Company dated 4 August 2023, 28 September 2023, 31 October 2023 and 30 November 2023 in relation to the disposal of the entire equity interests in Fashion Time Viet Nam Limited (時針越南有限公司) (the “Target Company”) and the assignment of a loan owing by the Target Company. On 4 August 2023, Fashion Time Vietnam Holdings Limited (時針越南控股有限公司) (“FTVN”) as vendor entered into the conditional equity transfer agreement with Nice View Dyeing & Bleaching Limited (永景實業有限公司) (“Nice View”) as purchaser, pursuant to which Nice View agreed to acquire the entire equity interests in the Target Company and take up the assignment of a loan owed by the Target Company to FTVN (the “Vietnam Disposal”) from FTVN. The consideration for the Vietnam Disposal was approximately USD78,591,942 (subject to adjustment). Completion of the Vietnam Disposal took place on 30 November 2023.

Save as disclosed, there was no other material acquisition and disposal of subsidiaries or, associates and joint ventures by the Company during the year ended 31 December 2023.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held during the year ended 31 December 2023, and the Company does not have any future plan for material investments or capital assets as at the date of this report.

關連交易(續)

關連交易 — 越南收購事項

誠如本年報內「報告期後事件」一節所述，於二零二四年三月十五日，香港公司與天虹工業園區就資產購買協議訂立補充協議，以使天虹工業園可再有12個月完成登記，原因為需要額外時間(其中包括)與地方當局聯絡以了解適當程序。

有關天虹工業園區與本公司之間的關連關係，請參閱上文「持續關連交易 — 能源用水供應樞架協議」一節。

有關上述補充協議的進一步詳請，請參閱本公司日期為二零二二年十一月七日、二零二二年十二月八日、二零二三年二月三日及二零二四年三月十五日之公佈。

綜合財務報表附註38披露的關聯方交易構成上市規則第14A章項下關連交易或持續關連交易。本公司已根據上市規則第14A章遵守適用的披露規定。

重大收購及出售事項

茲提述本公司日期為二零二三年八月四日、二零二三年九月二十八日、二零二三年十月三十一日和二零二三年十一月三十日之公佈，內容有關出售時針越南有限公司(「目標公司」)之全部股權及轉讓目標公司之結欠貸款。於二零二三年八月四日，時針越南控股有限公司(「FTVN」)(作為賣方)與永景實業有限公司(「永景」)(作為買方)訂立有條件股權轉讓協議，據此，永景同意向FTVN收購目標公司之全部股權及承接目標公司結欠FTVN之轉讓貸款(「越南出售事項」)。越南出售事項之代價約為78,591,942美元(可予調整)。越南出售事項已於二零二三年十一月三十日完成。

除所披露者外，本公司於截至二零二三年十二月三十一日止年度無其他重大收購及出售附屬公司或聯營公司和合營公司事項。

所持重大投資及有關重大投資或資本資產的未來計劃

截至二零二三年十二月三十一日止年度並無重大投資，於本報告日期，本公司並無有關重大投資或資本資產的未來計劃。

董事會報告(續)

REPORT OF THE DIRECTORS (CONTINUED)

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the financial year ended 31 December 2023.

AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Audit Committee comprises three independent non-executive Directors, namely Mr. Shu Wa Tung, Laurence, Professor Tao Xiaoming and Professor Cheng Longdi. Mr. Shu Wa Tung, Laurence, is the chairman of the Audit Committee. Mr. Ting Leung Huel, Stephen ceased to be the chairman of the Audit Committee on 25 May 2023. The rights and duties of the Audit Committee comply with the code provisions of the CG Code. The Audit Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board.

The Audit Committee had reviewed the audited results of the Group for the year ended 31 December 2023.

NOMINATION COMMITTEE

The Company has established the Nomination Committee pursuant to a resolution of the Directors passed on 19 March 2012. The Nomination Committee comprises an executive Director and the chairman of the Company, Mr. Hong Tianzhu and three independent non-executive Directors, namely Professor Tao Xiaoming, Professor Cheng Longdi and Mr. Shu Wa Tung, Laurence. The chairman of the Nomination Committee is Mr. Hong Tianzhu. On 25 May 2023, Mr. Ting Leung Huel, Stephen ceased to be a member of the Nomination Committee. The Nomination Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee pursuant to a resolution of the Directors passed on 21 November 2004. The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Shu Wa Tung, Laurence, Professor Tao Xiaoming and Professor Cheng Longdi. Mr. Shu Wa Tung, Laurence is the chairman of the Remuneration Committee. On 25 May 2023, Mr. Ting Leung Huel, Stephen ceased to be a chairman and a member of the Remuneration Committee. The Remuneration Committee has rights and duties consistent with those set out in the code provisions of the CG Code. The Remuneration Committee is principally responsible for formulating the Group's policy and structure for all remunerations of the Directors and senior management and providing advice and recommendations to the Board.

公眾持股量

根據於本年報刊發前之最後實際可行日期本公司獲得之公開資料及據董事所知，本公司於截至二零二三年十二月三十一日止財政年度任何時間已發行股份均有充分之指定公眾持股量，符合上市規則。

審核委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立審核委員會。審核委員會由三名獨立非執行董事組成，包括舒華東先生、陶肖明教授及程隆棣教授，舒華東先生為審核委員會主席。丁良輝先生於二零二三年五月二十五日起不再為審核委員會主席。審核委員會所採納的權力及職責符合企業管治守則之守則條文。審核委員會負責審閱及監督本集團之財務匯報程序及內部監控制度，並向董事會提供意見及推薦建議。

審核委員會已審閱本集團截至二零二三年十二月三十一日止年度之經審核業績。

提名委員會

根據董事於二零一二年三月十九日通過的一項決議案，本公司已成立提名委員會。提名委員會由執行董事兼本公司主席洪天祝先生及三名獨立非執行董事組成，該三名獨立非執行董事分別為陶肖明教授、程隆棣教授及舒華東先生。洪天祝先生為提名委員會主席。於二零二三年五月二十五日起，丁良輝先生不再為提名委員會成員。提名委員會所採納的職權範圍符合企業管治守則之守則條文。提名委員會獲提供充分資源以履行其職務，並可按本公司政策在有需要時尋求獨立專業意見。

薪酬委員會

根據董事於二零零四年十一月二十一日通過的一項決議案，本公司已成立薪酬委員會。薪酬委員會由三名獨立非執行董事舒華東先生、陶肖明教授及程隆棣教授組成。舒華東先生為薪酬委員會主席。於二零二三年五月二十五日起，丁良輝先生不再為薪酬委員會主席和成員。薪酬委員會已採納與企業管治守則之守則條文一致的權力及職責。薪酬委員會主要負責擬訂本集團董事及高級管理層的所有酬金政策及架構，向董事會提供意見及建議。

董事會報告(續) REPORT OF THE DIRECTORS (CONTINUED)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Company has established the ESG Committee on 23 August 2021. The ESG Committee currently comprises four members, namely, Mr. Zhu Yongxiang (chairman), Prof. Tao Xiaoming, Prof. Cheng Longdi and Mr. Shu Wa Tung, Laurence. Mr. Ting Leung Huel, Stephen ceased to be a member of the ESG Committee on 25 May 2023 and Mr. Tang Daoping ceased to be a chairman and a member of the ESG Committee on 8 December 2023. The ESG Committee is mainly responsible for overseeing and reporting to the Board on matters relating to ESG of the Group and ensuring compliance with legal and regulatory requirements on ESG including corporate governance principles applicable to the Company.

CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2023, the Group made charitable contributions amounted to approximately RMB371,000.

LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries that would have a material adverse effect on the financial condition or results of operation of the Group during the year ended 31 December 2023.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Hong Tianzhu
Chairman

Hong Kong, 25 March 2024

環境、社會及管治委員會

本公司於二零二一年八月二十三日成立ESG委員會。ESG委員會目前由四名成員組成，分別為朱永祥先生(主席)、陶肖明教授、程隆棣教授及舒華東先生。丁良輝先生於二零二三年五月二十五日起不再為ESG委員會成員，湯道平先生於二零二三年十二月八日起不再為ESG委員會主席和成員。ESG委員會主要負責監督並向董事會彙報與本集團ESG有關之事宜，並負責確保遵守包括適用於本公司企業管治原則在內有關ESG之法律及監管規定。

慈善捐款

截至二零二三年十二月三十一日止年度，本集團作出慈善捐款約人民幣371,000元。

訴訟

於截至二零二三年十二月三十一日止年度，本公司或其任何附屬公司概無牽涉於任何重大訴訟或仲裁，而據董事所知，本公司或其任何附屬公司並無涉及任何會對本集團財務狀況或經營業績構成重大不利影響之待決或面臨威脅之重大訴訟或索償。

核數師

財務報表已經由羅兵咸永道會計師事務所審核。該核數師將任滿告退，其合資格並願意於即將舉行的股東週年大會上獲續聘。

承董事會命

洪天祝
主席

香港，二零二四年三月二十五日



To the Shareholders of Texhong International Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Texhong International Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 93 to 224, comprise:

- the consolidated balance sheet as at 31 December 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 cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information 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 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

羅兵咸永道

致天虹國際集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核

列載於第93至224頁天虹國際集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，其中包括：

- 於二零二三年十二月三十一日的綜合資產負債表；
- 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，其中包括重要會計政策資料及其他說明資料。

我們的意見

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二三年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。



羅兵咸永道

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 MATTER

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.

意見基準

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」)進行審核。我們於該等準則下的責任於我們的報告的核數師就審核綜合財務報表須承擔的責任一節內詳述。

我們相信，我們所獲得的審核憑證能充分和適當地為我們的意見提供基礎。

獨立性

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

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核於本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。



羅兵咸永道

Key audit matters identified in our audit are summarised as follows: 我們在審核中識別出關鍵審核事項概述如下：

- Revenue recognition: Sales of goods
- Impairment provision for inventories
- 收入確認：商品銷售
- 存貨減值撥備

Key Audit Matter 關鍵審核事項	How our audit addressed the Key Audit Matter 我們在審核中處理關鍵審核事項的方法
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Revenue recognition: Sales of goods
收入確認：商品銷售

Refer to Note 5 to the consolidated financial statements
請參閱綜合財務報表附註5

During the year ended 31 December 2023, the Group recognised RMB22,493,469,000 of revenue from sales of goods.
於截至二零二三年十二月三十一日止年度，貴集團已確認商品銷售收入為人民幣22,493,469,000元。

Revenue is recognised when control of the underlying products has been transferred to the customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract.
收入於相關產品的控制權已轉嫁予客戶時確認。當產品船運至指定地點、陳舊風險及損失已轉移至客戶，且客戶已根據銷售合同接納產品，則發生交付。

We understood, evaluated and validated management's key controls in respect of the Group's process of recognition of sales transactions, including contract approval, recording of sales based on contract terms, and reconciliations with cash receipts and customers' goods receipt notes.
我們就貴集團確認銷售交易之程序，包括合約批准、記錄按合約條款之銷售及已收現金及客戶商品收據對賬，理解、評估及核實管理層之關鍵控制。

We tested the revenue derived from different customers and different locations on a sample basis by examination of the relevant supporting documents, including sales orders, invoices, goods delivery notes and customers' receipt notes to revenue recorded.
透過檢查銷售訂單、發票及已記賬收入之送貨單及客戶收據等相關證明文件，我們抽樣測試不同客戶及不同地點產生的收入。

We confirmed selected trade receivables balances as at the balance sheet date. The items tested were selected on a sample basis by considering the amount, nature and characteristics of the customers.
我們詢證經挑選的於資產負債表日的應收貿易款項結餘。測試項目經考慮客戶的數額、性質及特點後抽樣選擇。



Key Audit Matter
關鍵審核事項

How our audit addressed the Key Audit Matter
我們在審核中處理關鍵審核事項的方法

We focused on this area due to the huge volume of sales transactions generated in various locations and from decentralised customers, and thus significant audit time and resources were devoted in this area, in particular relating to the occurrence, accuracy and timely recording of such transactions.

由於自不同地區及分散的客戶產生大量銷售交易，故我們著重此方面，並投入大量審核時間與資源到此領域中，尤其是與有關交易的發生、準確性及及時記錄相關的事宜。

We tested sales transactions that took place shortly before and after the balance sheet date to assess whether revenue was recognised in the correct reporting periods. 我們測試資產負債表日前後不久發生的銷售交易，以評估收入是否在正確的報告期內確認。

We tested post balance sheet date sales return, on a sample basis, by tracing to the relevant supporting documents of the original sales and the sales return. 我們透過追蹤原始銷售及銷售退貨的相關證明文件，抽樣測試資產負債表日期後的銷售退貨。

Based on our audit procedures, we found the Group's revenue recognition in relation to sales of goods was supported by the relevant evidences that we have gathered. 基於審核程序，我們發現貴集團關於商品銷售的收入確認得到所收集相關證據支持。

Impairment provision for inventories
存貨減值撥備

Refer to Note 4.1 and Note 13 to the consolidated financial statements.
請參閱綜合財務報表附註4.1及附註13。

We understood, evaluated and validated management's key controls and assessment process of impairment provision for inventories and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud.

我們透過計量估計不確定性的程度及其他固有風險因素的水平，例如複雜性、主觀性、變動及對管理層偏見或欺詐的敏感度，以理解、評估及核實管理層的存貨減值撥備關鍵控制及評估流程，並評估重大錯報的固有風險。

As at 31 December 2023, the Group's balance of gross inventories was RMB5,586,878,000, against which a provision of RMB342,295,000 was made.

於二零二三年十二月三十一日，貴集團的總存貨結餘為人民幣5,586,878,000元，並就此作出人民幣342,295,000元的撥備。

We discussed with management and evaluated the appropriateness of the method and assumptions used in impairment provision for inventories.

我們已與管理層進行討論，並評估存貨減值撥備所使用的方法及假設的適當性。

Inventories are stated at the lower of cost and net realisable value. 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.

存貨以成本及可變現淨值的較低者列賬。可變現淨值為日常業務過程中估計售價(扣除估計完成成本及銷售所需的估計成本)。

We evaluated the outcome of prior period assessment to assess the effectiveness of management's estimation process. 我們評價過往期間評估的結果，以衡量管理層估計過程的有效性。



羅兵咸永道

Key Audit Matter
關鍵審核事項

How our audit addressed the Key Audit Matter
我們在審核中處理關鍵審核事項的方法

The estimation of impairment provision for inventories involves significant management judgements based on the consideration of key factors such as aging profile, prior experiences, estimated future selling prices and selling expenses.

存貨減值撥備估算涉及管理層根據關鍵因素考量的重大判斷，例如賬齡狀況、過往經驗、預計未來售價及銷售費用。

We focused on this area due to the size of the balances, the significance of the provision to the consolidated financial statements and the judgement exercised by management in determining the net realisable value of the inventories.

我們專注於此範疇乃基於該等結餘的規模、綜合財務報表撥備的重要性及管理層在釐定存貨的可變現淨值時作出的判斷。

We tested the aging profile of inventories items on a sample basis by checking to relevant documents including goods receipt notes.

我們通過核對相關文件(包括收貨單)，按抽樣基準對存貨項目的賬齡狀況進行測試。

We checked the mathematical accuracy of the calculation of the provision for inventories.

我們已檢查存貨撥備計算在數理上的準確性。

We compared the selling price used in the determination of net realisable value to actual selling price subsequent to year end. We assessed the reasonableness and the accuracy of the estimated selling expenses, estimated costs to completion and other costs necessary to make the sale by comparing with the historical selling expenses, costs to completion, and other costs necessary to make the sale for the similar inventories.

我們比較用以釐定可變現淨值的售價與年末以後的實際售價。我們評估估計銷售開支、完成的估計成本及作出銷售所需的其他成本的合理性及準確性，方式為比較類似存貨的歷史銷售開支、完成成本及作出銷售所需的其他成本。

We observed the physical condition of inventories during stocktake to identify if any inventories were damaged and inquired management if appropriate inventories provision has been made.

我們在存貨盤點期間觀察存貨的實際狀況，以確定存貨是否出現損壞，並詢問管理層是否已作出適當的存貨撥備。

Based on our audit procedures, we found the assumptions adopted and judgement applied by management in the determination of impairment provision for inventories were supported by the relevant evidences that we have gathered.

根據我們的審計程序，我們發現，管理層在釐定存貨減值撥備所採納的假設及應用的判斷均有我們收集所得的相關證據可依。



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 other than the consolidated financial statements and our auditor's report thereon.

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

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

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

羅兵咸永道

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的所有資料(惟不包括綜合財務報表及我們的核數師報告)。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們並不會對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於對我們進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。



羅兵咸永道

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.

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

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

董事及審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按照香港公司條例的披露規定，編製真實而公平的綜合財務報表，以及董事釐定屬必要的內部監控，以使編製的綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會負責監督貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此以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。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。



As part of an audit in accordance with HKSA's, 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.
- 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.

羅兵咸永道

根據香港審計準則進行審計的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及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該等風險，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、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估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，並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。倘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。倘有關披露不足，則修訂我們意見。我們的結論乃基於截至核數師報告日期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無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。

獨立核數師報告(續) INDEPENDENT AUDITOR'S REPORT (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 Dou Wang, Angel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2024

羅兵咸永道

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

我們與審核委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向審核委員會作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及(如適用)已採取的行動以消除威脅或已應用的防範措施。

從與審核委員會溝通的事項中，我們釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計合夥人為陶宏。

羅兵咸永道會計師事務所
執業會計師

香港，二零二四年三月二十五日

綜合資產負債表

CONSOLIDATED BALANCE SHEET

As at 31 December 2023
於二零二三年十二月三十一日

			2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Freehold land	永久產權土地	6	109,393	188,492
Property, plant and equipment	物業、廠房及設備	7	8,493,748	9,606,778
Investment properties	投資物業	8	382,700	268,891
Right-of-use assets	使用權資產	9	1,264,074	1,581,210
Intangible assets	無形資產	10	61,756	65,417
Long-term receivables	長期應收賬款	17	—	146,000
Investments accounted for using the equity method	以權益法入賬之投資	11	379,038	360,040
Deferred income tax assets	遞延所得稅資產	25	397,104	305,617
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	16	15,903	—
			11,103,716	12,522,445
Current assets	流動資產			
Inventories	存貨	13	5,244,583	7,590,105
Properties under development	發展中物業	13	415,549	340,796
Trade and bills receivables	應收貿易及票據款項	14	1,571,477	1,363,146
Financial assets at fair value through other comprehensive income	按公平值計量且其變動計入其他全面收益的金融資產	15	336,761	380,615
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	17	1,826,291	1,274,771
Derivative financial instruments	衍生金融工具	24	84,792	99,353
Pledged bank deposits	已抵押銀行存款	18	66,208	111,647
Cash and cash equivalents	現金及現金等值物	18	2,161,795	2,468,421
			11,707,456	13,628,854
Total assets	資產總值		22,811,172	26,151,299
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital: nominal value	股本：面值	19	96,958	96,958
Share premium	股份溢價	19	462,059	462,059
Other reserves	其他儲備	21	1,054,138	999,848
Retained earnings	保留溢利	21	7,535,924	7,942,758
			9,149,079	9,501,623
Non-controlling interests	非控制性權益		606,279	599,853
Total equity	權益總額		9,755,358	10,101,476

綜合資產負債表(續) CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2023
於二零二三年十二月三十一日

	Note 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
LIABILITIES			
Non-current liabilities			
Borrowings	23	3,577,553	3,388,214
Lease liabilities	9	162,270	258,695
Deferred income tax liabilities	25	198,093	236,030
		3,937,916	3,882,939
Current liabilities			
Trade and bills payables	26	868,848	4,597,463
Supply chain financing	22	2,495,882	549,041
Contract liabilities		481,177	659,458
Accruals and other payables			
	27	849,954	884,143
Current income tax liabilities		222,293	123,880
Borrowings	23	4,145,651	5,155,158
Derivative financial instruments	24	7,055	142,054
Lease liabilities	9	47,038	55,687
		9,117,898	12,166,884
Total liabilities		13,055,814	16,049,823
Total equity and liabilities		22,811,172	26,151,299

The notes on pages 101 to 224 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 93 to 224 were approved by the Board of Directors on 25 March 2024 and were signed on its behalf by:

於第101至224頁之附註為此等綜合財務報表之一部分。

於第93至224頁之綜合財務報表已於二零二四年三月二十五日獲董事會批准，並由下列董事代表董事會簽署其中的綜合資產負債表：

Hong Tianzhu
Director

Zhu Yongxiang
Director

洪天祝
董事

朱永祥
董事

綜合收益表

CONSOLIDATED INCOME STATEMENT

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

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	5	22,725,317
Cost of sales	銷售成本	29	(21,262,702)
Gross profit	毛利		1,462,615
Selling and distribution costs	銷售及分銷開支	29	(730,358)
General and administrative expenses	一般及行政開支	29	(1,178,578)
Net accrual of impairment losses on financial assets	預提金融資產 減值虧損淨額		(68,218)
Other income	其他收入	28	114,493
Other gains/(losses) — net	其他收益/(虧損) — 淨額	28	789,864
Operating profit	經營溢利		389,818
Finance income	財務收入	31	98,358
Finance costs	財務費用	31	(615,950)
Finance costs — net	財務費用 — 淨額	31	(517,592)
Share of (losses)/profits of investments accounted for using the equity method	分佔使用權益法入賬之 投資(虧損)/溢利	11	(2,414)
(Loss)/profit before income tax	除所得稅前(虧損)/ 溢利		(130,188)
Income tax (expense)/credit	所得稅(開支)/抵免	33	(169,194)
(Loss)/profit for the year	年度(虧損)/溢利		(299,382)
Attributable to:	由以下各方應佔：		
Owners of the Company	本公司擁有人		(375,700)
Non-controlling interests	非控制性權益		76,318
			(299,382)
(Losses)/earnings per share for (loss)/profit attributable to owners of the Company	本公司擁有人應佔 (虧損)/溢利之每股 (虧損)/盈利		
— Basic (losses)/earnings per share	— 每股基本 (虧損)/盈利	34	RMB 人民幣(0.41)
— Diluted (losses)/earnings per share	— 每股攤薄 (虧損)/盈利	34	RMB 人民幣(0.41)

The notes on pages 101 to 224 are an integral part of these consolidated financial statements.

於第101至224頁之附註為此等綜合財務報表之一部分。

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	Note 附註		
(Loss)/profit for the year	年度(虧損)/溢利	(299,382)	201,186
Other comprehensive income	其他全面收益		
<i>Items that will not be reclassified subsequently to profit or loss</i>	其後不會重新分類至損益之項目		
Revaluation of buildings	樓宇重估		
— Gross	— 總額	—	8,198
— Deferred income tax	— 遞延所得稅	—	23,662
<i>Item that may be reclassified subsequently to profit or loss</i>	其後可能會重新分類至損益之項目		
Currency translation differences	貨幣兌換差額	21	52,626
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	(272,263)	285,672
Attributable to:	由以下各方應佔:		
Owners of the Company	本公司擁有人	(352,544)	229,789
Non-controlling interests	非控制性權益	80,281	55,883
		(272,263)	285,672

The notes on pages 101 to 224 are an integral part of these consolidated financial statements.

於第101至224頁之附註為此等綜合財務報表之一部分。

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔				Non-controlling interests 非控制性權益	Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留溢利			
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元			RMB'000 人民幣千元
Balance at 1 January 2022	於二零二二年一月一日的結餘		96,958	462,059	907,534	8,571,719	562,682	10,600,952
Comprehensive income	全面收益							
Profit for the year	年度溢利		—	—	—	156,808	44,378	201,186
Other comprehensive income:	其他全面收益：							
Surplus on revaluation of buildings	重估樓宇之盈餘							
— Gross	— 總額		—	—	8,198	—	—	8,198
— Deferred income tax	— 遞延所得稅		—	—	23,662	—	—	23,662
Currency translation differences	貨幣兌換差額	21	—	—	41,121	—	11,505	52,626
Total comprehensive income for the year	年度全面收益總額		—	—	72,981	156,808	55,883	285,672
Transactions with owners	與股權持有人之交易							
Capital withdrawn by non-controlling shareholders of subsidiaries	附屬公司非控股股東撤資		—	—	—	—	(3,476)	(3,476)
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資		—	—	—	—	30,273	30,273
Dividend paid to non-controlling interests	向非控制性權益派付之股息		—	—	—	—	(45,509)	(45,509)
Dividends relating to 2021	二零二一年之股息	35	—	—	—	(447,492)	—	(447,492)
Dividends relating to 2022	二零二二年之股息	35	—	—	—	(318,944)	—	(318,944)
Transfer to statutory reserves	轉撥至法定儲備	21	—	—	27,137	(27,137)	—	—
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利		—	—	—	—	—	—
— Gross	— 總額		—	—	(10,097)	10,097	—	—
— Deferred income tax	— 遞延所得稅		—	—	2,293	(2,293)	—	—
Total transactions with owners	與股權持有人之交易總額		—	—	19,333	(785,769)	(18,712)	(785,148)
Balance at 31 December 2022	於二零二二年十二月三十一日的結餘		96,958	462,059	999,848	7,942,758	599,853	10,101,476

綜合權益變動表(續)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元	Non-	Total equity 權益總額 RMB'000 人民幣千元
						controlling interests 非控制性 權益 RMB'000 人民幣千元	
Balance at 1 January 2023	於二零二三年一月一日的結餘	96,958	462,059	999,848	7,942,758	599,853	10,101,476
Comprehensive loss (Loss)/profit for the year	全面虧損 年度(虧損)/溢利	—	—	—	(375,700)	76,318	(299,382)
Other comprehensive loss: Currency translation differences	其他全面虧損: 貨幣兌換差額	21	—	23,156	—	3,963	27,119
Total comprehensive loss for the year	年度全面虧損總額	—	—	23,156	(375,700)	80,281	(272,263)
Transactions with owners	與股權持有人之交易						
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資	—	—	—	—	1,500	1,500
Dividend paid to non-controlling interests	向非控制性權益派付之股息	—	—	—	—	(75,355)	(75,355)
Transfer to statutory reserves	轉撥至法定儲備	21	—	39,836	(39,836)	—	—
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利	—	—	(7,229)	7,229	—	—
— Gross	— 總額	—	—	(7,229)	7,229	—	—
— Deferred income tax	— 遞延所得稅	—	—	837	(837)	—	—
Disposal of subsidiaries	出售附屬公司	—	—	(2,310)	2,310	—	—
Total transactions with owners	與股權持有人之交易總額	—	—	31,134	(31,134)	(73,855)	(73,855)
Balance at 31 December 2023	於二零二三年十二月三十一日的結餘	96,958	462,059	1,054,138	7,535,924	606,279	9,755,358

The notes on pages 101 to 224 are an integral part of these consolidated financial statements.

於第101至224頁之附註為此等綜合財務報表之一部分。

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

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

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
		Note 附註	
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營所產生之現金	36(a)	1,935,434
Interest received	已收利息		37,743
Income tax paid	已付所得稅		(353,050)
Net cash generated from operating activities	經營活動所得現金淨額		1,620,127
Cash flows from investing activities	來自投資活動的現金流量		
Net proceeds on disposal of subsidiaries	出售附屬公司所得款項淨額	17	186,764
Purchase of financial instruments	購買金融工具		—
Purchases of property, plant and equipment	購買物業、廠房及設備		(1,833,211)
Purchases of land use rights	購買土地使用權		(244,589)
Purchase of freehold land	購買永久產權土地		(9,147)
Proceeds from sale of property, plant and equipment and land use rights	出售物業、廠房及設備及土地使用權所得款項	36(a)	235,839
Proceeds from sales of pollution discharge rights	出售排污權所得款項		—
Repayments of/(proceeds from) loans to related parties	關聯方之貸款之償還款項/(所得款項)	38(a)	(91,433)
Net proceeds from settlement of financial instruments	金融工具結算所得款項淨額		16,559
Decrease in pledge of bank deposits	已抵押銀行存款減少	18	13,234
Net cash generated from/(used in) investing activities	投資活動所得/(所耗)現金淨額		(1,725,984)

綜合現金流量表(續)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
		Note 附註	
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from borrowings	借貸所得款項	36(c)	12,610,261
Repayments of borrowings	償還借貸	36(c)	(13,508,537)
Repayments of supply chain financing	償還供應鏈融資	36(c)	(889,677)
Proceeds from supply chain financing	供應鏈融資所得款項	36(c)	170,000
Principal elements of lease payments	租賃付款之本金部分	36(c)	(78,037)
Payment of long-term payables due within 1 year	支付於一年內到期的長期應付款項	36(c)	—
Dividends paid	已付股息		(30,726)
Capital injection from non-controlling shareholders of subsidiaries	附屬公司非控股股東注資		(766,436)
Capital withdrawn by non-controlling shareholders of subsidiaries	附屬公司非控股股東撤資		1,500
Dividend paid to non-controlling interests	向非控制性權益派付之股息		—
Interest paid	已付利息		(75,355)
Loan from a minority shareholder	來自一名少數股東之貸款		(522,416)
Increase in pledged bank deposits	已抵押銀行存款增加	18	2,624
			(47,947)
Net cash used in financing activities	融資活動所耗現金淨額		(2,337,584)
			(30,664)
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額		(322,426)
			(136,521)
Cash and cash equivalents at beginning of the year	年初之現金及現金等值物	18	2,468,421
Effect of foreign exchange rate changes	匯率變動之影響		15,800
Cash and cash equivalents at end of the year	年終之現金及現金等值物	18	2,161,795
			2,468,421

The notes on pages 101 to 224 are an integral part of these consolidated financial statements.

於第101至224頁之附註為此等綜合財務報表之一部分。

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Texhong International Group Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and sales of yarns, grey fabrics, non-woven fabrics and garment fabrics.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 9 December 2004.

These consolidated financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board of Directors of the Company on 25 March 2024.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) as issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

HKFRSs comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss (“FVPL”), financial assets at fair value through other comprehensive income (“FVOCI”), which are carried at fair value.

1. 一般資料

天虹國際集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要業務為製造及銷售紗線、坯布、無紡布及面料。

本公司乃於二零零四年七月十二日在開曼群島根據開曼群島公司法註冊成立為一間獲豁免有限公司。其註冊辦事處之地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

自從二零零四年十二月九日起，本公司股份已經在香港聯合交易所有限公司主板上市。

除另有說明外，該等綜合財務報表乃以人民幣(「人民幣」)呈報。該等綜合財務報表於二零二四年三月二十五日獲本公司董事會批准及授權刊發。

2. 編製基準及會計政策變更

2.1 編製基準

本公司之綜合財務報表已根據香港會計師公會所頒佈之所有適用香港財務報告準則(「香港財務報告準則」)編製，並已遵照香港公司條例的披露規定妥為編製。

香港財務報告準則包括以下具權威性文獻：

香港財務報告準則

香港會計準則

香港會計師公會頒佈之詮釋。

綜合財務報表按照歷史成本法編製，並就按公平值計入損益(「按公平值計入損益」)之樓宇、金融資產及金融負債(包括衍生工具)的重估、按公平值計量且其變動計入其他全面收益(「按公平值計量且其變動計入其他全面收益」)的金融資產(均按公平值列賬)而作出修訂。

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Changes in accounting policies and disclosures

(a) New standard and amendments to HKFRSs adopted by the Group in 2023

A number of new standard and amendments to existing standards became applicable for the current reporting period. These amendments to existing standards did not give rise to any significant impact on the Group's financial statements. These amendments are set out below:

Definition of Accounting Estimates — Amendments to HKAS 8

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction — Amendments to HKAS 12

Disclosure of Accounting Policies — Amendments to HKAS 1 and HKFRS Practice Statement 2

Insurance Contracts — HKFRS 17

International Tax Reform — Pillar Two Model Rules — Amendments to HKAS 12

2. 編製基準及會計政策變更(續)

2.1 編製基準(續)

編製符合香港財務報告準則之財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度判斷或複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，於附註4披露。

2.2 會計政策變更及披露

(a) 本集團於二零二三年採納之香港財務報告準則新準則及修訂

多項現有準則的新準則及修訂於本報告期間適用。該等現有準則的修訂並無對本集團的財務報表產生任何重大影響。該等修訂列示如下：

會計估計之定義 — 香港會計準則第8號之修訂

與單一交易產生的資產及負債相關的遞延稅項 — 香港會計準則第12號之修訂

會計政策披露 — 香港會計準則第1號及香港財務報告準則實務報告第2號之修訂

保險合約 — 香港財務報告準則第17號

國際稅收改革 — 支柱二規則範本 — 香港會計準則第12號之修訂

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

- (b) The following new standard and amendments to HKFRSs that have been issued but not effective for the financial year beginning on 1 January 2023 and have not been early adopted by the Group:

Amendments to HKAS 1 'Classification of Liabilities as Current or Non-current', effective for annual periods beginning on or after 1 January 2024.

Amendments to HKAS 1 'Non-current Liabilities with Covenants', effective for annual periods beginning on or after 1 January 2024.

Amendments to HKFRS 16 'Lease Liability in a Sale and Leaseback', effective for annual periods beginning on or after 1 January 2024.

Amendments to HKAS 7 and HKFRS 7 'Supplier Finance Arrangements', effective for annual periods beginning on or after 1 January 2024.

Hong Kong Interpretation 5 (Revised) 'Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause', effective for annual periods beginning on or after 1 January 2024.

Amendments to HKAS 21 'Lack of Exchangeability', effective for annual periods beginning on or after 1 January 2025.

Amendments to HKFRS 10 and HKAS 28 'Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture'. The effective date is to be determined.

2. 編製基準及會計政策變更(續)

2.2 會計政策變更及披露(續)

- (b) 以下已頒佈的香港財務報告準則的新訂準則及修訂但尚未於二零二三年一月一日起之財政年度生效，且未獲本集團提前採納：

香港會計準則第1號之修訂「將負債分類為流動或非流動」，自二零二四年一月一日或之後起年度期間生效。

香港會計準則第1號之修訂「具有契諾之非流動負債」，自二零二四年一月一日或之後起年度期間生效。

香港財務報告準則第16號之修訂「售後租回之租賃負債」，自二零二四年一月一日或之後起年度期間生效。

香港會計準則第7號及香港財務報告準則第7號之修訂「供應商融資安排」，自二零二四年一月一日或之後起年度期間生效。

香港詮釋第5號(經修訂)「財務報表之呈列 — 借款人對含有按要求償還條款之定期貸款的分類」，自二零二四年一月一日或之後起年度期間生效。

香港會計準則第21號之修訂「缺乏可兌換性」，自二零二五年一月一日或之後起年度期間生效。

香港財務報告準則第10號及香港會計準則第28號之修訂「投資者與其聯營公司或合營企業之間的資產出售或注資」，其生效日期有待釐定。

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

(c) Change in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which will be effective from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("MPF Benefits") of an entity would no longer be eligible to offset against its obligations on long service payment ("LSP") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the "practical expedient") to account for the offsettable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" (the "Guidance") which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a "simple type of contributory plans" to which the practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 December 2022 or for the year ended was not material and hence no adjustment was made to the beginning retained earnings, or another component of equity.

2. 編製基準及會計政策變更(續)

2.2 會計政策變更及披露(續)

(c) 香港長期服務金計劃抵銷安排的會計政策變更

於二零二二年六月，香港政府頒佈二零二二年僱傭及退休計劃法例(抵銷安排)(修訂)條例(「修訂條例」)，將自二零二五年五月一日(「過渡日期」)起生效。根據修訂條例，因實體根據強積金計劃作出的僱主強制性供款(「強積金福利」)而產生的任何應計福利，將不再合資格抵銷其於過渡日期或之後就長期服務金(「長期服務金」)部分應計的長期服務金責任。在過渡日期前應計長期服務金部分，其最後每月工資的計算基準亦有所變更。

於二零二三年一月一日前，本集團應用香港會計準則第19號第93(b)段之實際權宜方法(「實際權宜方法」)將可抵銷強積金福利入賬列作視作僱員供款，以減少提供相關服務期間的當前服務成本。

於二零二三年七月，香港會計師公會頒佈「取消香港強積金—長期服務金對沖機制之會計影響」(「指引」)，就取消對沖機制的相關會計考慮因素提供澄清及詳細指引。該指引澄清，於修訂條例頒佈後，長期服務金不再為擬應用可行權宜方法之「簡單類型供款計劃」。

根據指引，本集團已更改其會計政策，且不再應用可行權宜方法，並根據香港會計準則第19號第93(a)段，自僱員服務就長期服務金法例而言首次導致權益之日起，以直線法重新歸類視作僱員供款。截至二零二二年十二月三十一日或截至該日止年度確認該等調整的累計影響並不重大，因此並無對期初保留盈利或權益的其他組成部分作出調整。

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain of its risk exposures on changes in interest rates.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in China, Southeast Asia and Americas. Most of the Group's transactions, assets and liabilities are denominated in RMB, HKD or United States dollars ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group is exposed to foreign exchange risk primarily through pledged bank deposits, cash and cash equivalents, financial assets at FVPL, trade and bills receivables, trade and bills payables, supply chain financing and borrowings that are denominated in a currency other than the functional currency of the relevant group entity. It manages its foreign exchange risks by performing regular review and monitoring of its foreign exchange exposures and purchase of forward foreign exchange contracts and cross currency swap contracts (Note 24). In 2023, the Group has entered into the forward foreign exchange contracts and cross currency swap contracts to manage the expected fluctuation of RMB against USD or HKD.

3. 財務風險管理

3.1 財務風險因素

本集團的業務面對多種市場風險(包括外匯風險、價格風險、現金流量及公平值利率風險)、信貸風險及流動資金風險。本集團的風險管理著重金融市場的不可預計因素，並尋求將可能對本集團財政表現產生負面影響的因素降至最低。本集團利用衍生金融工具以對沖利率變動而產生的若干風險。

(a) 市場風險

(i) 外匯風險

本集團主要在中國、東南亞及美洲營運。本集團大部分交易、資產及負債以人民幣、港元或美元(「美元」)計值。外匯風險來自於未來海外業務中的商業交易、已確認資產及負債及投資淨額。本集團面對的外匯風險，主要來自已抵押銀行存款、現金及現金等值物、按公平值計入損益的金融資產、應收貿易及票據款項、應付貿易及票據款項、供應鏈融資以及借貸，因前述各項均以相關集團實體之功能貨幣以外之貨幣結算。本集團進行定期檢討及監察其外匯敞口和購買遠期外匯合約及交叉貨幣掉期合約(附註24)以管理其外匯風險。於二零二三年，本集團已簽訂遠期外匯合約及交叉貨幣掉期合約以管理人民幣兌美元或港元的預期波動。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At 31 December 2023, if RMB had weakened by 1.7% (2022: 9.2%) against USD with all other variable held constant, post-tax profit for the year would have been RMB11,132,000 (2022: RMB281,135,000) higher/lower, mainly as a result of the net foreign exchange gains on translation of USD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, financial assets at FVPL, trade and bills payables, supply chain financing and borrowings.

At 31 December 2023, if RMB had weakened by 1.4% (2022: 9.3%) against HKD with all other variable held constant, post-tax profit for the year would have been RMB32,577,000 (2022: RMB247,307,000) lower/higher, mainly as a result of the net foreign exchange losses/gains on translation of HKD-denominated pledged bank deposits, cash and cash equivalents, trade and bills receivables, trade and bills payables and borrowings.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零二三年十二月三十一日，倘人民幣兌美元的匯率貶值1.7%(二零二二年：9.2%)，而所有其他可變因素維持不變，則年內稅後溢利將會增加／減少人民幣11,132,000元(二零二二年：人民幣281,135,000元)，主要由於匯兌以美元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、按公平值計入損益的金融資產、應付貿易及票據款項、供應鏈融資以及借貸產生的外匯收益淨額所致。

於二零二三年十二月三十一日，倘人民幣兌港元的匯率貶值1.4%(二零二二年：9.3%)，而所有其他可變因素維持不變，則年內稅後溢利將會減少／增加人民幣32,577,000元(二零二二年：人民幣247,307,000元)，主要由於匯兌以港元列示的已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、應付貿易及票據款項以及借貸產生的外匯虧損／收益淨額所致。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Price risk

The Group is exposed to raw material price risk because of the volatility of the price of main raw material, cotton. The management of the Group analyze the trend of raw material price on weekly basis. To manage its price risk, the Group has entered into the cotton future contracts and cotton option contracts and decides to enter long term contracts (Note 24) to mitigate the impact from raw material price changes, and diversify the suppliers if they expect significant fluctuation in the future.

(iii) Cash flow and fair value interest rate risk

Except for pledged bank deposits, cash at bank (Note 18) and long-term receivables (Note 17), the Group has no other significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from changes in interest rates on interest bearing assets.

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. As at 31 December 2023, approximately 52% (2022: 53%) of the Group's borrowings were at fixed rates and the remaining 48% (2022: 47%) were at floating rates before entering into cross currency swap contracts. After entering into cross currency swap contracts, the percentage of the Group's borrowings at fixed rates as at 31 December 2023 increased to approximately 60% (2022: 70%).

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 價格風險

本集團所面對的原材料價格風險乃由於主要原材料 — 棉花的價格波動所致。本集團管理層每週分析原材料的價格趨勢。倘彼等預期日後將出現大幅波動，為管理該價格風險，本集團已訂立棉花期貨合約和棉花期權合約，並決定訂立長期合約(附註24)以降低原材料價格變動的影響，以及使供應商多元化以應對未來價格的重大波動。

(iii) 現金流量及公平值利率風險

除已抵押銀行存款、銀行現金(附註18)及長期應收賬款(附註17)外，本集團並無其他重大計息資產。大部分本集團的收入及經營現金流量均獨立於市場利率變動。管理層預期計息資產的利率變動將不會產生重大影響。

本集團的利率風險來自借貸。按浮息獲取的借貸令本集團面對現金流量利率風險，按定息獲取的借貸則令本集團面對公平值利率風險。於二零二三年十二月三十一日，於訂立交叉貨幣掉期合約前，本集團約52%(二零二二年：53%)之借貸為定息，其餘48%(二零二二年：47%)為浮息。於簽訂交叉貨幣掉期合約後，本集團於二零二三年十二月三十一日按定息之借貸比例增至約60%(二零二二年：70%)。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk (Continued)

The Group manages certain of its cash flow and fair value interest rate risk by purchasing cross currency swap contracts (Note 24). Such cross currency swaps have the economic effect of converting borrowings from floating rates to fixed rates. As at 31 December 2023 and 2022, the Group in substance converted majority of its borrowings from floating rates to fixed rates through purchasing cross currency swap contracts. So there is no significant interest rate risk for the Group.

(b) Credit risk

The Group has no significant concentration of credit risk because the Group has more than 5,000 customers. The carrying amounts of pledged bank deposits, cash and cash equivalents, trade and bills receivables, financial assets at FVOCI, other receivables and financial assets at FVPL represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The Group's management performs periodic credit evaluations/reviews of its customers and ensures that sales are made to customers with an appropriate credit history. The Group places deposits with major banks in Mainland China and Hong Kong, to limit the amount of credit exposure to any financial institution.

Trade and bills receivables, financial assets at FVOCI and other receivables are subject to the expected credit loss model.

To lower the Group's exposure to credit risk, the Group may request 5% deposits from certain of their customers before delivery of goods. In addition, 100% (2022: 100%) of the bills receivable of the Group are endorsed by banks as at 31 December 2023.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 現金流量及公平值利率風險(續)

本集團透過購買交叉貨幣掉期合約而管理其若干現金流量及公平值利率風險(附註24)。該等交叉貨幣掉期之經濟影響為將借貸由浮息轉為定息。於二零二三年及二零二二年十二月三十一日,本集團實質上通過購買交叉貨幣掉期合約將其大多數借貸由浮息轉為定息。因此本集團無重大利率風險。

(b) 信貸風險

由於本集團有超過5,000名客戶,故本集團並無重大集中信貸風險。已抵押銀行存款、現金及現金等值物、應收貿易及票據款項、按公平值計量且其變動計入其他全面收益的金融資產、其他應收賬款以及按公平值計入損益的金融資產的賬面值指本集團就其金融資產所須面對的最大信貸風險。

本集團通常授出少於90日的信貸期予中國內地的客戶,以及授出少於120日的信貸期予其他國家的客戶。本集團管理層定期對其客戶進行信貸評估/檢討,並確保向具合適信貸記錄之客戶銷貨。本集團將存款存於中國內地及香港的主要銀行,以限制承擔任何一間金融機構的信貸風險金額。

應收貿易及票據款項、按公平值計量且其變動計入其他全面收益的金融資產以及其他應收賬款須遵守預期信貸虧損模式。

為降低本集團所面對之信貸風險,本集團可能在交付貨品前要求若干客戶提供5%之按金。另外,於二零二三年十二月三十一日,100%(二零二二年:100%)之本集團應收票據款項由銀行背書。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Impairment of trade and bills receivables and financial assets at FVOCI

The Group has trade and bills receivables and financial assets at FVOCI from sales of products that are subject to HKFRS 9's 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 trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing days. The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2023 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 affecting the ability of the customers to settle the receivables, including Gross Domestic Product and industrial added value. On that basis, the loss allowance as at 31 December 2023 was determined as follows:

Trade receivables

		Within 180 days 180日以內 RMB'000 人民幣千元	181 days to 1 year 181日至1年 RMB'000 人民幣千元	1 year to 2 years 1年至2年 RMB'000 人民幣千元	Over 2 years 超過2年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2023	於二零二三年 十二月三十一日					
Gross carrying amount	賬面總值	1,025,709	49,489	63,101	1,224	1,139,523
Expected loss rate	預期虧損率	0.20%	7.55%	34.61%	100.00%	2.53%
Loss allowance	虧損撥備	2,006	3,734	21,840	1,224	28,804
At 31 December 2022	於二零二二年 十二月三十一日					
Gross carrying amount	賬面總值	1,042,541	37,782	9,917	183	1,090,423
Expected loss rate	預期虧損率	0.67%	7.81%	53.66%	100.00%	1.41%
Loss allowance	虧損撥備	6,970	2,949	5,321	183	15,423

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 應收貿易及票據款項及按公平值計量且其變動計入其他全面收益的金融資產減值

本集團有須遵守香港財務報告準則第9號預期信貸虧損模式的產品銷售的應收貿易及票據款項及按公平值計量且其變動計入其他全面收益的金融資產。本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有應收貿易款項撥備全期內的預期虧損。為計量預期信貸虧損，應收貿易款項已根據攤佔信貸風險特點及賬齡分類。預期虧損率基於二零二三年十二月三十一日前36個月期間銷售的付款情況及本期間內出現的相應過往信貸虧損。過往虧損率作出調整以反映影響客戶結算應收賬款能力的宏觀經濟因素的當前及前瞻性資料(包括國內生產總值及產業增值)。按此基準，於二零二三年十二月三十一日的虧損撥備乃釐定如下：

應收貿易款項

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Impairment of trade and bills receivables and financial assets at FVOCI (Continued)

Bill receivables and financial assets at FVOCI

The loss allowance of bills receivables and financial assets at FVOCI as at 31 December 2023 and 2022 was immaterial.

Impairment losses on trade and bills receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At 1 January	於一月一日	15,423	11,327
Accrual of provision for impairment of trade and bills receivables	預提應收貿易及票據款項減值撥備	20,704	22,400
Written off	撇銷	(7,323)	(18,304)
At 31 December	於十二月三十一日	28,804	15,423

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 應收貿易及票據款項及按公平值計量且其變動計入其他全面收益的金融資產減值(續)

應收票據款項及按公平值計量且其變動計入其他全面收益的金融資產於二零二三年及二零二二年十二月三十一日，應收票據款項及按公平值計量且其變動計入其他全面收益的金融資產的虧損撥備並不重大。

應收貿易及票據款項的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額則計入同一項目。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of other receivables and long-term receivables

Other receivables and long-term receivables comprised receivables from disposal of subsidiaries, receivables from disposal of land use rights and property, plant and equipment, value-added tax recoverable, prepaid income tax, prepayments for purchase of raw materials, due from related parties, deposits, prepaid expenses, rental income receivables from investment properties, receivables from sales of pollution discharge rights, receivables from return of prepayments of equipment and other receivables (Note 17).

The Directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year ended 31 December 2023. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;
- actual or expected significant changes in the operating results of the third party;
- significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 其他應收賬款及長期應收賬款減值

其他應收賬款及長期應收賬款包括附屬公司出售應收賬款、土地使用權及物業、廠房及設備出售應收賬款、應退增值稅、預付所得稅、購買原材料的預付款項、應收關聯方款項、按金、預付開支、投資物業租金收入應收賬款、排污權出售應收賬款、退回設備預付款項應收賬款及其他應收賬款(附註17)。

本公司董事在初始確認資產時考慮違責或然率以及截至二零二三年十二月三十一日止年度信貸風險是否持續大幅增加。為評估信貸風險是否大幅增加，本集團比較資產於報告日發生違約的風險及於初始確認日的違約風險。特別是納入以下指標：

- 預期將導致第三方履行義務的能力重大變動的業務、財務經濟狀況的實際或預期重大不利變化；
- 第三方經營業績的實際或預期的重大變動；
- 預期第三方表現及行為重大變動，包括第三方支付款狀態變動。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of other receivables and long-term receivables (Continued)

Impairment on other receivables and long-term receivables are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. If a significant increase in credit risk of a receivable under the circumstance of aging over 12 months has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. On that basis, the loss allowance as at 31 December 2023 was determined as follows for other receivables and long-term receivables:

		Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
		第一階段	第二階段	第三階段	總計
		12個月	全期預期	全期預期	
		預期信貸虧損	信貸虧損	信貸虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2023	於二零二三年 十二月三十一日				
Gross carrying amount	總賬面值	1,345,135	—	33,748	1,378,883
Expected loss rate	預期虧損率	0.50%	—	100.00%	2.93%
Loss allowance	虧損撥備	6,705	—	33,748	40,453
At 31 December 2022	於二零二二年 十二月三十一日				
Gross carrying amount	總賬面值	759,898	—	33,034	792,932
Expected loss rate	預期虧損率	—	—	100.00%	4.17%
Loss allowance	虧損撥備	—	—	33,034	33,034

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 其他應收賬款及長期應收賬款減值(續)

其他應收賬款及長期應收賬款減值按12個月預期信貸虧損或全期預期信貸虧損計量，惟視乎信貸風險自初步確認以來有否大幅增加而定。為評估信貸風險是否大幅增加，公司比較於報告日期就資產發生的違約風險與於初始確認日期的違約風險。其會考慮可得合理及具理據前瞻性資料。倘在賬齡超過12個月的情況下應收賬款的信貸風險自初步確認以來大幅增加，則減值按全期預期信貸虧損計量。按該基準，於二零二三年十二月三十一日之虧損撥備乃就其他應收賬款及長期應收賬款釐定如下：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of other receivables and long-term receivables (Continued)

During the year, the Group made a value-added tax recoverable impairment of RMB40,095,000 (2022: RMB18,804,000).

The loss allowances for other receivables and long-term receivables as at 31 December reconcile to the opening loss allowances as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Opening loss allowance at 1 January	於一月一日的期初虧損撥備	51,838	34,623
Increase in loss allowance recognised in profit or loss during the year	年內已於損益確認的虧損撥備增加	47,514	17,215
Closing loss allowance at 31 December	於十二月三十一日的期末虧損撥備	99,352	51,838

(iii) Net impairment losses on financial assets recognised in profit or loss

During the year ended 31 December 2023 and 2022, the following losses were recognised in profit or loss in relation to impaired financial assets:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Impairment losses	減值虧損		
— Trade receivables	— 應收貿易款項	20,704	22,400
— Other receivables	— 其他應收賬款	47,514	17,215
		68,218	39,615

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 其他應收賬款及長期應收賬款減值(續)

年內，本集團作出應退增值稅減值人民幣40,095,000元(二零二二年：人民幣18,804,000元)。

於十二月三十一日其他應收賬款及長期應收賬款的虧損撥備與期初虧損撥備的對賬如下：

(iii) 於損益確認的金融資產的減值虧損淨額

於截至二零二三年及二零二二年十二月三十一日止年度，已就減值金融資產於損益中確認以下虧損：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. Details of the undrawn borrowing facilities available to the Group are disclosed in Note 23 to the consolidated financial statements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2023	於二零二三年 十二月三十一日					
Borrowings (Note 23)	借貸(附註23)	4,145,651	2,184,860	1,387,693	5,000	7,723,204
Supply chain financing (Note 22)	供應鏈融資(附註22)	2,495,882	—	—	—	2,495,882
Interest payable on borrowings and supply chain financing	借貸及供應鏈融資 應付利息	268,695	129,721	18,829	91	417,336
Derivative financial instruments (Note 24)	衍生金融工具 (附註24)	7,055	—	—	—	7,055
Trade and bills payables (Note 26)	應付貿易及票據款項 (附註26)	868,848	—	—	—	868,848
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他應付 賬款(不包括非 金融負債)	470,560	—	—	—	470,560
Lease liabilities (Note 9)	租賃負債(附註9)	48,782	38,641	80,692	54,352	222,467
		8,305,473	2,353,222	1,487,214	59,443	12,205,352

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團採取審慎的流動資金風險管理，透過充裕的已承諾信貸融資保持足夠現金及可動用的資金。本集團旨在透過維持可用的已承諾信貸融資，以保持資金之靈活彈性。有關本集團的未動用借貸融資詳情於綜合財務報表附註23中披露。

下表載列本集團的金融負債分析，此乃按相關到期組別並根據由結算日至合約到期日的剩餘期間進行分析。表內披露的金額為合約性未貼現的現金流量。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一年至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩年至五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2022	於二零二二年 十二月三十一日					
Borrowings (Note 23)	借貸(附註23)	5,155,158	2,323,407	1,064,807	—	8,543,372
Supply chain financing (Note 22)	供應鏈融資(附註22)	549,041	—	—	—	549,041
Interest payable on borrowings	借貸應付利息	282,318	124,224	22,681	—	429,223
Derivative financial instruments (Note 24)	衍生金融工具 (附註24)	142,054	—	—	—	142,054
Trade and bills payables (Note 26)	應付貿易及票據款項 (附註26)	4,597,463	—	—	—	4,597,463
Accruals and other payables (excluding non-financial liabilities)	預提費用及其他應付 賬款(不包括非 金融負債)	551,927	—	—	—	551,927
Lease liabilities (Note 9)	租賃負債(附註9)	65,884	52,701	114,975	131,429	364,989
		11,343,845	2,500,332	1,202,463	131,429	15,178,069

3.2 Capital risk 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet), supply chain financing and lease liabilities less pledged bank deposits and cash and cash equivalents. Total capital is calculated as 'total equity' as shown in the consolidated balance sheet less non-controlling interests plus net debt.

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)

3.2 資金風險管理

本集團管理資金的目標為保障本集團持續經營的能力，為股東帶來回報及為其他權益持有人帶來利益，並維持理想資本結構以減少資本成本。

為維持或調整資本結構，本集團或會調整向股東派付股息金額或發行新股份。

與業內其他公司一樣，本集團利用資產負債比率監察資本。此比率以負債淨額除以資本總額計算。負債淨額以借貸總額(包括綜合資產負債表內列示之「流動及非流動借貸」、供應鏈融資及租賃負債減已抵押銀行存款及現金及現金等值物計算。資本總額以綜合資產負債表內列示之「總權益」扣除非控制性權益加負債淨額計算。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

The net gearing ratios at 31 December 2023 and 2022 are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Total borrowings (Note 23)	借貸總額(附註23)	7,723,204	8,543,372
Supply chain financing (Note 22)	供應鏈融資(附註22)	2,495,882	549,041
Lease liabilities (Note 9)	租賃負債(附註9)	209,308	314,382
Less: pledged bank deposits and cash and cash equivalents (Note 18)	減：已抵押銀行存款及現金及現金等值物(附註18)	(2,228,003)	(2,580,068)
Net debt	負債淨額	8,200,391	6,826,727
Total equity excluding non-controlling interests	總權益，扣除非控制性權益	9,149,079	9,501,623
Total capital	資本總額	17,349,470	16,328,350
Net gearing ratio	淨資產負債比率	47%	42%

3. 財務風險管理(續)

3.2 資金風險管理(續)

於二零二三年及二零二二年十二月三十一日之淨資產負債比率如下：

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2023 and 2022, the Group held forward foreign exchange contracts, cross currency swap contracts, cotton future contracts, cotton option contracts, bills receivables held both by collecting contractual cash flows and selling of these assets and equity investments that are held for trading. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Cross currency swaps are fair valued using forward exchange rates that are quoted in an active market and interest rates extracted from observable yield curves. Cotton future contracts and cotton option contracts are fair valued using forward cotton price that are quoted in an active market. Bills receivables held both by collecting contractual cash flows and selling of these assets are fair valued using interest rates that are quoted in an active market. Equity investments that are held for trading are fair valued using seed transaction price that are not based on observable market data.

3. 財務風險管理(續)

3.3 公平值估計

公平值等級

下表以估值法分析按公平值列賬之金融工具，各等級分析如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除報價(計入第一級)外，資產或負債之直接(如價格)或間接(如源自價格者)可觀察輸入資料(第二級)。
- 並非根據可觀察市場數據釐定之資產或負債輸入資料(即不可觀察輸入資料)(第三級)。

於二零二三年及二零二二年十二月三十一日，本集團持有遠期外匯合約、交叉貨幣掉期合約、棉花期貨合約、棉花期權合約、藉收集合約現金流及出售該等資產而持有的應收票據款項以及持作買賣之股本投資。該等遠期外匯合約以活躍市場報價的遠期匯率計算公平值。交叉貨幣掉期乃使用活躍市場報價的遠期匯率及從可觀察收益曲線摘錄的利率計算公平值。棉花期貨合約及棉花期權合約乃使用活躍市場報價的遠期棉花價格計算公平值。藉收集合約現金流及出售該等資產而持有的應收票據款項使用活躍市場報價的利率計算公平值。持作買賣之股本投資使用並非基於可觀察市場數據的種子交易價格計量公平值。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Fair value hierarchy (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2023 and 2022:

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2023	於二零二三年 十二月三十一日				
Assets	資產				
Financial assets at FVOCI	按公平值計量且其 變動計入其他全面收益 的金融資產	—	336,761	—	336,761
Financial assets at FVPL	按公平值計入損益的 金融資產	—	—	15,903	15,903
Derivative financial instruments	衍生金融工具	—	84,792	—	84,792
		—	421,553	15,903	437,456
Liabilities	負債				
Derivative financial instruments	衍生金融工具	—	7,055	—	7,055
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2022	於二零二二年 十二月三十一日				
Assets	資產				
Financial assets at FVOCI	按公平值計量且其 變動計入其他全面 收益的金融資產	—	380,615	—	380,615
Derivative financial instruments	衍生金融工具	—	99,353	—	99,353
		—	479,968	—	479,968
Liabilities	負債				
Derivative financial instruments	衍生金融工具	—	142,054	—	142,054

3. 財務風險管理(續)

3.3 公平值估計(續)

公平值等級(續)

下表列示本集團的資產及負債，其按二零二三年及二零二二年十二月三十一日的公平值計量：

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal 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.

4.1 Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each balance sheet date.

4.2 Impairment of trade and bills receivables and financial assets at FVOCI

The Group's management determines the provision for impairment of trade and bills receivables and financial assets at FVOCI based on the expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Management 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. Management reassesses the provision at each balance sheet date.

4. 關鍵會計估計及判斷

各項估計及判斷均持續評估，並根據歷史經驗及其他因素(包括於各種情況下對未來事件被認為合理之預期)評估。

本集團作出有關未來情況的估計及假設，按照定義，會計估計結果一般將不會相等於有關實際結果。估計及假設對於就下一個財政年度內的資產及負債賬面值作出重大調整而構成的重大風險討論如下。

4.1 存貨之可變現淨值

存貨之可變現淨值乃經扣除完成之估計成本及銷售開支後之日常業務估計售價。該等估計乃基於現行市況及製造與銷售性質類似產品之過往經驗而定，可能會因技術創新、客戶喜好改變及競爭對手為回應嚴峻行業週期採取之行動而出現重大變動。管理層於各結算日重新評估該等估計。

4.2 應收貿易及票據款項及按公平值計量且其變動計入其他全面收益的金融資產減值

本集團管理層根據預期信貸虧損釐定應收貿易及票據款項及按公平值計量且其變動計入其他全面收益的金融資產減值撥備，而對所有應收貿易及票據款項使用全期的預期虧損撥備。金融資產的虧損撥備基於對違約風險及預期虧損率的假設。於各報告期末，管理層根據本集團過往歷史、當前市場狀況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。管理層於各結算日重新評估撥備。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.3 Estimated impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets 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 to sell or 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 in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of comprehensive income.

4. 關鍵會計估計及判斷(續)

4.3 物業、廠房及設備估計減值

當有事件出現或情況改變顯示賬面值可能無法收回時，檢討物業、廠房及設備有否減值。可收回金額按使用價值計算法或市值釐定。於該等計算中須作出判斷及估計。

管理層須於檢討資產減值時作出判斷，尤其是在估計下列各項時：(i) 有否顯示有關資產價值可能無法收回的事件出現；(ii) 資產賬面值有否可收回金額，即公平值減銷售成本與假設繼續於業務中使用有關資產而可得的估計未來現金流量現值淨額的較高者；及(iii) 預測現金流量時應用的適當主要假設，包括有關現金流量預測有否根據適當比率貼現。管理層評估減值時選用的假設(包括現金流量預測的貼現率或增長率假設)的變動可能對減值測試中的現值淨額有重大影響，繼而影響本集團財務狀況及經營業績。倘預測表現及相應的未來現金流量預測有重大不利變動，則或須於綜合全面收益表中列出減值開支。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.4 Income taxes and deferred income tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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 income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

5. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

The chief operating decision-maker has been identified as the Committee of Executive Directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Committee of Executive Directors reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Committee of Executive Directors considers the business from both a product and geographical perspective. From a product perspective, management assesses the performance from sales of yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments.

China now includes Mainland China, Hong Kong and Macao. Southeast Asia now includes Vietnam and Cambodia. Americas now includes United States, Mexico, Nicaragua and Honduras.

4. 關鍵會計估計及判斷(續)

4.4 所得稅及遞延所得稅

本集團須於若干司法管轄區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在正常業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據估計附加稅是否將到期而確認預期發出的審核稅負債。倘該等事項的最終稅務後果與最初記錄金額不同，差額將影響作出此等釐定期間的所得稅及遞延稅項撥備。

凡管理層認為日後極可能有應課稅溢利用作抵銷暫時差額或稅項虧損，則若干暫時差額及稅項虧損有關的遞延稅項資產將予確認。倘預期金額與原定估計不同，則該等差額將會影響該等估計出現變動期間的遞延稅項資產及所得稅支出的確認。

5. 收入及分部資料

(a) 分部及主要業務介紹

主要經營決策者被視為本公司執行董事委員會。經營分部以向主要經營決策者提供內部呈報一致的形式呈報。執行董事委員會審閱本集團之內部申報，以評估表現及分配資源。管理層已根據該等報告釐定經營分部。

執行董事委員會認為業務可按產品及地區角度分類。管理層從產品角度評估紗線、坯布、無紡布、面料和服裝之銷售表現。

中國現包括中國內地、香港及澳門。東南亞現包括越南及柬埔寨。美洲現包括美國、墨西哥、尼加拉瓜及洪都拉斯。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

(Continued)

(a) Description of segments and principal activities

(Continued)

The revenues from external customers in Asia and Americas accounted for 92.9% and 6.8% (2022: 89.9% and 9.5%) of the Group's total revenue respectively.

The Committee of Executive Directors assesses the performance of the operating segments based on revenue and operating profit.

(b) Segment profit or loss

The segment information for the year ended 31 December 2023 is as follows:

5. 收入及分部資料(續)

(a) 分部及主要業務介紹(續)

來自亞洲及美洲外部客戶的收入分別佔本集團總收入的92.9%及6.8% (二零二二年: 89.9%及9.5%)。

執行董事委員會根據收入及經營溢利評估經營分部之業績。

(b) 分部損益

截至二零二三年十二月三十一日止年度之分部資料如下:

		Year ended 31 December 2023 截至二零二三年十二月三十一日止年度																
		Yarns 紗線				Garment fabrics and Garments 面料及服裝						Grey fabrics 坯布		Non-woven fabrics 無紡布		Others 其他		Total 總額
		Southeast		Asia	Americas	Others	Southeast		Asia	Americas	Southeast		Southeast		Southeast			
		China	東南亞	美洲	其他	China	東南亞	美洲	China	東南亞	China	東南亞	China	東南亞	China	東南亞		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total revenue	總收入	21,879,282	6,526,924	281,788	379,517	2,767,929	1,155,679	925,581	596,299	418,721	53,985	79,462	190,072	109,180	35,364,419			
Inter-segment revenue	分部間收入	(5,525,556)	(4,985,364)	(198,011)	(2,483)	(88,036)	(964,853)	(260,567)	(65,122)	(418,241)	—	(63,465)	—	(67,404)	(12,639,102)			
Revenue (from external customers)	收入(來自外部客戶)	16,353,726	1,541,560	83,777	377,034	2,679,893	190,826	665,014	531,177	480	53,985	15,997	190,072	41,776	22,725,317			
Timing of revenue recognition	收入確認時間																	
— At a point in time	— 於某個時間點	16,353,726	1,541,560	83,777	377,034	2,679,893	190,826	665,014	531,177	480	53,985	15,997	190,072	41,776	22,725,317			
Segment results	分部業績	487,410	(591,497)	(62,423)	(48,528)	476,749	(19,049)	25,590	(7,871)	1,057	(10,013)	(39,568)	8,154	12,698	232,709			
Unallocated profit	未分配溢利														157,109			
Operating profit	經營溢利														389,818			
Finance income	財務收入														98,358			
Finance costs	財務費用														(615,950)			
Share of losses of investments accounted for using the equity method	分佔以權益法入賬之投資的虧損														(2,414)			
Income tax expense	所得稅開支														(169,194)			
Loss for the period	期內虧損														(299,382)			
Depreciation and amortisation	折舊及攤銷	(453,412)	(328,801)	(67,092)	(19,583)	(108,402)	(61,889)	(40,934)	(10,178)	(22,478)	—	(30,628)	(67)	(10,155)	(1,153,619)			

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

5. REVENUE AND SEGMENT INFORMATION

(Continued)

(b) Segment profit or loss (Continued)

The segment information for the year ended 31 December 2022 is as follows:

		Year ended 31 December 2022 截至二零二二年十二月三十一日止年度											
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額
		Southeast		Others	Southeast		Americas	Southeast		China	Southeast	Total	
		China	Asia	Americas	Others	China	Asia	Americas	China	Asia	China	Asia	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total revenue	總收入	25,160,952	8,268,556	239,632	469,647	3,985,993	1,165,346	1,365,820	797,831	523,424	39,469	95,987	42,112,657
Inter-segment revenue	分部間收入	(8,566,668)	(6,998,754)	(210,178)	—	(527,280)	(1,060,308)	(277,449)	(69,872)	(523,403)	—	(73,391)	(18,307,303)
Revenue (from external customers)	收入(來自外部客戶)	16,594,284	1,269,802	29,454	469,647	3,458,713	105,038	1,088,371	727,959	21	39,469	22,596	23,805,354
Timing of revenue recognition	收入確認時間												
— At a point in time	— 於某個時間點	16,594,284	1,269,802	29,454	469,647	3,458,713	105,038	1,088,371	727,959	21	39,469	22,596	23,805,354
Segment results	分部業績	210,057	248,397	(42,021)	46,000	185,915	(12,855)	(411)	15,587	3,857	(840)	(71,904)	581,782
Unallocated profit	未分配溢利												20,079
Operating profit	經營溢利												601,861
Finance income	財務收入												37,743
Finance costs	財務費用												(504,604)
Share of profits of investments accounted for using the equity method	分佔以權益法入賬之投資的溢利												36,159
Income tax credit	所得稅抵免												30,027
Profit for the period	期內溢利												201,186
Depreciation and amortisation	折舊及攤銷	(407,538)	(323,725)	(45,910)	(18,114)	(94,090)	(41,603)	(34,083)	(10,230)	(23,080)	—	(30,677)	(1,029,050)

5. 收入及分部資料(續)

(b) 分部損益(續)

截至二零二二年十二月三十一日止年度之分部資料如下：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION

(Continued)

(c) Segment assets and liabilities

The segment assets and liabilities as at 31 December 2023 are as follows:

		As at 31 December 2023 於二零二三年十二月三十一日													
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Others 其他		Total 總額
		Southeast				Southeast			Southeast		Southeast		Southeast		
		China	Asia	Americas	Others	China	Asia	Americas	China	Asia	China	Asia	China	Asia	
		中國	東南亞	美洲	其他	中國	東南亞	美洲	中國	東南亞	中國	東南亞	中國	東南亞	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total segment assets	分部總資產	8,270,885	5,317,237	1,239,803	451,234	3,196,269	858,792	568,174	344,806	448,149	4,563	490,483	495,389	365,095	22,050,879
Unallocated assets	未分配資產														760,293
Total assets of the Group	本集團總資產														22,811,172
Total segment liabilities	分部總負債	(4,794,702)	(2,730,622)	(968,097)	(289,962)	(617,767)	(635,743)	(332,710)	(202,918)	(365,251)	(373)	(498,084)	(414,740)	(353,493)	(12,204,462)
Unallocated liabilities	未分配負債														(851,352)
Total liabilities of the Group	本集團總負債														(13,055,814)
Addition to non-current assets	添置非流動資產	218,189	125,636	51,060	1,144	83,459	65,146	16,640	3,028	11,445	—	2,195	—	321,059	899,001

The segment assets and liabilities as at 31 December 2022 are as follows:

於二零二二年十二月三十一日之分部資產及負債如下：

		As at 31 December 2022 於二零二二年十二月三十一日												
		Yarns 紗線				Garment fabrics and Garments 面料及服裝			Grey fabrics 坯布		Non-woven fabrics 無紡布		Total 總額	
		Southeast				Southeast			Southeast		Southeast			
		China	Asia	Americas	Others	China	Asia	Americas	China	Asia	China	Asia		
		中國	東南亞	美洲	其他	中國	東南亞	美洲	中國	東南亞	中國	東南亞		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Total segment assets	分部總資產	10,815,352	6,156,506	1,189,212	507,466	3,452,885	1,415,621	626,556	365,726	454,044	2,668	537,003	25,523,039	
Unallocated assets	未分配資產												628,260	
Total assets of the Group	本集團總資產												26,151,299	
Total segment liabilities	分部總負債	(5,968,788)	(3,037,955)	(862,945)	(326,382)	(206,986)	(1,140,683)	(407,921)	(213,425)	(398,391)	(135)	(503,779)	(13,067,390)	
Unallocated liabilities	未分配負債												(2,982,433)	
Total liabilities of the Group	本集團總負債												(16,049,823)	
Addition to non-current assets	添置非流動資產	830,096	724,655	381,479	14,397	149,393	116,623	27,350	20,236	120,625	—	6,176	2,391,030	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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5. REVENUE AND SEGMENT INFORMATION

(Continued)

(d) Sales disclosures

Analysis of the Group's sales by products is shown below:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Sales of goods	商品銷售		
— Yarns	— 紗線	17,537,022	17,587,450
— Woven garment fabrics	— 梭織面料	2,056,331	2,647,893
— Trading	— 貿易	1,480,616	1,822,180
— Knitted garment fabrics	— 針織面料	797,448	866,442
— Grey fabrics	— 坯布	531,657	727,980
— Non-woven fabrics	— 無紡布	69,982	62,065
— Jeanswear	— 牛仔服裝	20,413	91,344
		22,493,469	23,805,354
Others	其他		
— Properties	— 物業	190,072	—
— Utilities	— 動力及燃料	41,776	—
		22,725,317	23,805,354

(e) Accounting policies of revenue recognition

(i) Sales of goods

The Group manufactures and sells yarns, grey fabrics, non-woven fabrics and garment fabrics as well as garments in the market. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract. For domestic sales, revenue is recognised when the products are shipped to the agreed delivery locations in accordance with the contracts, and customers confirm the acceptance. For overseas sales, revenue is recognised when the products pass the ship's rail in the port of shipment. The Group enters into sales contracts with customers for each transaction. Revenue from these sales is recognised based on the price specified in the contract. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Delivery occurs when the products have been shipped to the specific location.

5. 收入及分部資料(續)

(d) 銷售披露

本集團按產品劃分的銷售分析列示如下：

(e) 收入確認之會計政策

(i) 商品銷售

本集團製造及在市場銷售紗線、坯布、無紡布和面料及服裝。當產品船運至指定地點、陳舊風險及損失已轉移至客戶，且客戶已根據銷售合約接納產品，則發生交付。就國內銷售而言，當產品根據合約船運至經協定交付地點，且客戶確認接納時，則會確認收入。就海外銷售而言，當產品通過船運港口的船軌時，則會確認收入。本集團就各項交易與客戶訂立銷售合約。該等銷售的收入按合約指定的價格確認。本集團預期並無任何由承諾貨品轉讓予客戶至客戶付款期間超過一年的合約。於產品已運送至指定地點時即屬交付落實。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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5. SEGMENT INFORMATION (Continued)

(e) Accounting policies of revenue recognition (Continued)

(i) Sales of goods (Continued)

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No significant financing component is deemed present as the sales are made with a credit term of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries, which is consistent with market practice.

A receivable is usually recognised when revenue recognised 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.

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities mainly comprise advanced payment and 5% deposits from certain of their customers before delivery of goods.

Arrangements that involve shipment of goods to a customer might include promises related to the shipping service that give rise to a performance obligation. Management should assess the explicit shipping terms to determine when control of the goods transfers to the customer and whether the shipping services are a separate performance obligation.

Shipping and handling services should be considered a separate performance obligation if control of the goods transfers to the customer before shipment, but the entity has promised to ship the goods (or arrange for the goods to be shipped) for overseas sales. Shipping is not a promised service to the customer as control of a good does not transfer to the customer before shipment for domestic sales. This is because shipping is a fulfilment activity as the costs are incurred as part of transferring the goods to the customer.

Management assess the Group is the principal for the shipping service and it is a separate performance obligation for overseas sales. The gross amount of revenue allocated to the shipping service is recorded.

5. 收入及分部資料(續)

(e) 收入確認之會計政策(續)

(i) 商品銷售(續)

收入僅於重大撥回極大可能不會產生時確認。由於給予中國內地客戶的銷售之信貸期少於90日，其他國家客戶則為120日，符合市場慣例，故不會被視為存在重大融資成分。

應收賬款通常於收入確認時確認，原因是代價於這時間點變為無條件，僅須待時間過去便可收取付款。

合約負債為本集團因已自客戶收取代價(或到期收取的代價)，而須向客戶轉讓商品或服務的責任。本集團的合約負債主要包括墊付款項及其若干客戶於交付貨品前的5%按金。

涉及向客戶船運貨品的安排可能包括有關產生履約責任的船運服務的承諾。管理層應評估明確船運條款，以釐定貨品的控制權何時轉移至客戶及船運服務是否一項獨立履約責任。

倘貨品的控制權於船運前轉移至客戶，但實體已承諾船運貨品(或安排船運貨品)作海外銷售，則船運及處理服務應被視為獨立履約責任。倘貨品的控制權未於國內銷售船運前轉移至客戶，則船運並非給予客戶的已承諾服務，原因是船運為作為轉移貨品至客戶產生的成本的履約活動。

管理層評估本集團為船運服務的主要責任人，且其對海外銷售為獨立履約責任。分配至船運服務的收益總額已記賬。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023
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5. SEGMENT INFORMATION (Continued)

(e) Accounting policies of revenue recognition (Continued)

(ii) Sales of properties

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

5. 收入及分部資料(續)

(e) 收入確認之會計政策(續)

(ii) 物業銷售

收入於資產控制權轉移至客戶時確認。對於在某一時點轉移物業控制權的物業開發及銷售合約，收入於客戶取得已竣工物業的實物所有權或法定所有權且本集團擁有現時收款權並很可能收回代價時確認。

6. FREEHOLD LAND

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Freehold land	永久產權土地	109,393	188,492

6. 永久產權土地

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Opening net book amount	年初賬面淨值	188,492	163,957
Transfer to Investment properties (Note 8)	轉撥至投資物業(附註8)	(77,887)	—
Additions	添置	—	9,147
Currency translation differences	貨幣匯兌差額	(1,212)	15,388
Closing net book amount	年末賬面淨值	109,393	188,492

The Group's freehold land is analysed as follows:

本集團之永久產權土地分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Freehold land	永久產權土地		
— In Cambodia	— 於柬埔寨	50,446	127,491
— In Turkey	— 於土耳其	27,085	29,973
— In Mexico	— 於墨西哥	15,557	14,995
— In Uruguay	— 於烏拉圭	10,837	10,656
— In Nicaragua	— 於尼加拉瓜	5,468	5,377
		109,393	188,492

Freehold land is the land owned for an unlimited time. Freehold land is not amortized, which located in Cambodia, Turkey, Mexico, Uruguay and Nicaragua.

永久產權土地乃就無限時間擁有的土地。永久產權土地並無攤銷，有關土地位於柬埔寨、土耳其、墨西哥、烏拉圭及尼加拉瓜。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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7. PROPERTY, PLANT AND EQUIPMENT

7. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Furniture and fixtures 傢俬及裝置 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in-progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日						
Cost or valuation	成本或估值	4,165,476	8,432,929	74,872	66,729	1,509,660	14,249,666
Accumulated depreciation	累計折舊	(787,079)	(4,162,296)	(36,239)	(34,933)	—	(5,020,547)
Net book amount	賬面淨值	3,378,397	4,270,633	38,633	31,796	1,509,660	9,229,119
Year ended 31 December 2022	截至二零二二年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	3,378,397	4,270,633	38,633	31,796	1,509,660	9,229,119
Additions	添置	7,058	36,487	18,115	9,091	1,816,550	1,887,301
Revaluation	重估	8,198	—	—	—	—	8,198
Transfers	轉讓	383,283	1,299,907	2,045	2,196	(1,687,431)	—
Disposals (Note 36)	出售(附註36)	(21,389)	(116,519)	(4,893)	(809)	(324,000)	(467,610)
Depreciation charges (Note 29)	折舊支出(附註29)	(156,050)	(738,567)	(11,576)	(9,548)	—	(915,741)
Transfer to investment properties (Note 8)	轉撥至投資物業(附註8)	(238,353)	—	—	—	—	(238,353)
Currency translation differences	貨幣匯兌差額	46,447	52,877	2,585	941	1,014	103,864
Closing net book amount	年末賬面淨值	3,407,591	4,804,818	44,909	33,667	1,315,793	9,606,778
At 31 December 2022	於二零二二年十二月三十一日						
Cost or valuation	成本或估值	4,302,575	9,387,736	71,818	73,084	1,315,793	15,151,006
Accumulated depreciation and impairment charges	累計折舊及減值支出	(894,984)	(4,582,918)	(26,909)	(39,417)	—	(5,544,228)
Net book amount	賬面淨值	3,407,591	4,804,818	44,909	33,667	1,315,793	9,606,778
Year ended 31 December 2023	截至二零二三年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	3,407,591	4,804,818	44,909	33,667	1,315,793	9,606,778
Additions	添置	7,512	143,787	4,131	4,291	558,708	718,429
Transfers	轉讓	165,785	689,164	1,043	8,481	(864,473)	—
Disposals (Note 36)	出售(附註36)	(376,914)	(242,848)	(2,727)	(2,554)	(130,673)	(755,716)
Depreciation charges (Note 29)	折舊支出(附註29)	(160,683)	(834,262)	(11,551)	(8,262)	—	(1,014,758)
Transfer to investment properties (Note 8)	轉撥至投資物業(附註8)	(58,459)	—	—	—	—	(58,459)
Impairment charges (Note 29)	減值支出(附註29)	—	(3,978)	—	—	—	(3,978)
Currency translation differences	貨幣匯兌差額	2,532	(1,218)	2,718	21	(2,601)	1,452
Closing net book amount	年末賬面淨值	2,987,364	4,555,463	38,523	35,644	876,754	8,493,748
At 31 December 2023	於二零二三年十二月三十一日						
Cost or valuation	成本或估值	3,848,580	9,342,584	47,260	76,248	876,754	14,191,426
Accumulated depreciation and impairment charges	累計折舊及減值支出	(861,216)	(4,787,121)	(8,737)	(40,604)	—	(5,697,678)
Net book amount	賬面淨值	2,987,364	4,555,463	38,523	35,644	876,754	8,493,748

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7. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year ended 31 December 2023, depreciation of RMB904,025,000 (2022: RMB818,096,000) was included in cost of sales, RMB5,236,000 (2022: RMB4,647,000) was included in selling and distribution costs and RMB105,497,000 (2022: RMB92,998,000) was included in general and administrative expenses.

During the year ended 31 December 2023, finance cost of RMB6,581,000 was capitalised as part of property, plant and equipment (2022: RMB63,607,000) (Note 31).

As at 31 December 2023 and 2022, no property, plant and equipment were pledged.

Buildings comprise mainly factories and offices. Buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. The gross carrying amount is restated to revalued amount of the asset. The accumulated amortisation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. The Group did not revalue the buildings as at 31 December 2023, because in the opinion of the directors, the net book amount of RMB2,987,364,000 as at 31 December 2023 for such buildings did not differ materially from which would be determined using fair value.

The valuation performed as at 31 December 2022 was determined using the depreciated replacement costs approach and was within level 3 of the fair value hierarchy. Current gross reproduction costs of the buildings are adjusted for physical deterioration and all relevant forms of obsolescence and optimization.

The revaluation surplus, net of applicable deferred income tax liabilities, was regarded as other comprehensive income and credited to revaluation reserve in equity (Note 21).

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

— Buildings	15 to 40 years	2.5%–6.7%
— Machinery and equipment	6 to 15 years	6.7%–16.7%
— Furniture and fixtures	3 to 10 years	10.0%–33.3%
— Motor vehicles	5 to 7 years	14.3%–20.0%

See Note 42.7 for the other accounting policies relevant to property, plant and equipment.

7. 物業、廠房及設備(續)

於截至二零二三年十二月三十一日止年度，人民幣904,025,000元(二零二二年：人民幣818,096,000元)的折舊已計入銷售成本，人民幣5,236,000元(二零二二年：人民幣4,647,000元)的折舊已計入銷售及分銷開支及人民幣105,497,000元(二零二二年：人民幣92,998,000元)的折舊已計入一般及行政開支。

於截至二零二三年十二月三十一日止年度，人民幣6,581,000元的財務費用(二零二二年：人民幣63,607,000元)已資本化為物業、廠房及設備之一部分(附註31)。

於二零二三年及二零二二年十二月三十一日，概無物業、廠房及設備被抵押。

樓宇主要包括工廠和辦公室。樓宇根據外部獨立估值師定期(但最少每三年一次)進行的估值按公平值減其後的折舊列賬。賬面值總額已重列至資產的重估金額。在重估日期的累計攤銷經調整以等於資產的賬面總值與賬面值之間的差額(經計及累計減值虧損)。本集團並無重估該等樓宇於二零二三年十二月三十一日之價值，因董事認為該等樓宇於二零二三年十二月三十一日之賬面淨值人民幣2,987,364,000元與使用公平值釐定之價值差別並不重大。

二零二二年十二月三十一日進行之估值乃採用折舊重置成本法釐定，並歸入公平值層級第三級內。樓宇目前的整體複製成本已就實體老化及所有陳舊及優化相關形式作出調整。

重估盈餘扣除適用的遞延所得稅負債，作為其他全面收益並已計入權益內的重估儲備(附註21)。

物業、廠房及設備的折舊以直線法計算，以分配其成本值或重估值至其於估計可使用年期之剩餘價值如下：

— 樓宇	15至40年	2.5%–6.7%
— 機器及設備	6至15年	6.7%–16.7%
— 傢俬及裝置	3至10年	10.0%–33.3%
— 汽車	5至7年	14.3%–20.0%

有關物業、廠房及設備的其他會計政策，請參閱附註42.7。

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7. PROPERTY, PLANT AND EQUIPMENT (Continued)

If buildings were stated on historical cost basis, the amounts would be as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Cost	成本	3,530,103	3,984,098
Accumulated depreciation	累計折舊	(887,467)	(838,897)
Net book amount	賬面淨值	2,642,636	3,145,201

7. 物業、廠房及設備(續)

倘樓宇以歷史成本法列賬，金額將為如下：

8. INVESTMENT PROPERTIES

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Year ended 31 December 2023	截至二零二三年十二月三十一日止年度		
Opening net book amount	年初賬面淨值	268,891	—
Transfer from property, plant and equipment (Note 7)	轉撥自物業、廠房及設備(附註7)	58,459	238,353
Transfer from freehold land (Note 6)	轉撥自永久產權土地(附註6)	77,887	—
Transfer from right-of-use assets	轉撥自使用權資產	3,911	49,508
Depreciation (Note 28)	折舊(附註28)	(27,768)	(18,970)
Currency translation differences	貨幣匯兌差額	1,320	—
Closing net book amount	年末賬面淨值	382,700	268,891
At 31 December 2023	於二零二三年十二月三十一日		
Cost	成本	499,561	287,861
Accumulated depreciation	累計折舊	(116,861)	(18,970)
Net book amount	賬面淨值	382,700	268,891

The Group's investment properties are stated at historical cost at the end of each reporting period.

本集團的投資物業於各報告期末按歷史成本列賬。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

8. INVESTMENT PROPERTIES (Continued)

(i) Amounts recognised in profit or loss for investment properties

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Other income (Note 28)	其他收入(附註28)		
Rental income from operating leases	經營租賃的租金收入	42,212	26,843
Depreciation expenses	折舊開支	(27,768)	(18,970)

The above investment properties, excluding the related freehold land, are located in China, Vietnam and Cambodia and are depreciated on a straight-line basis over 3 to 50 years. Freehold land is not subject to depreciation.

The fair value of the investment properties as at 31 December 2023 was RMB431,376,000 (2022: RMB289,799,000). The valuation was determined using the sale comparison approach and was within level 3 of the fair value hierarchy. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input to this valuation approach is price per square metre.

The Group classifies cash outflows to acquire or construct investment properties as investing and rental inflows as operating cash flows.

See Note 42.6 for the other accounting policies relevant to investment properties.

8. 投資物業(續)

(i) 投資物業於損益表確認的金額

以上投資物業，除相關永久產權土地外，位於中國、越南及柬埔寨，並按3至50年以直線法折舊。永久產權土地毋須折舊。

於二零二三年十二月三十一日，投資物業的公平值為人民幣431,376,000元(二零二二年：人民幣289,799,000元)。估值乃採用銷售比較法釐定，並歸入公平值層級第三級內。鄰近可資比較物業的售價已就主要特點(如物業大小)之差異作出調整。此估值法最重大輸入數據為每平方米價格。

本集團將收購或建造投資物業的現金流出分類為投資，將租金流入分類為經營現金流量。

有關投資物業的其他會計政策，請參閱附註42.6。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

9. LEASES

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Land use rights	土地使用權	1,078,554	1,287,843
Buildings and warehouses	樓宇及倉庫	178,913	263,242
Equipment and others	設備及其他	6,607	30,125
		1,264,074	1,581,210
Current lease liabilities	即期租賃負債	47,038	55,687
Non-current lease liabilities	非即期租賃負債	162,270	258,695
Total lease liabilities	租賃負債總額	209,308	314,382

Additions to the right-of-use assets during the 2023 financial year were RMB180,572,000 (2022: RMB494,582,000).

二零二三年財政年度添置使用權資產為人民幣180,572,000元(二零二二年：人民幣494,582,000元)。

9. 租賃

(a) 於綜合資產負債表確認的金額

與租賃相關的金額載於綜合資產負債表如下：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

9. LEASES (Continued)

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets	使用權資產折舊支出		
Land use rights	土地使用權	34,486	31,204
Buildings and warehouses	樓宇及倉庫	66,990	52,111
Equipment and others	設備及其他	5,956	7,363
		107,432	90,678
Interest expense (included in finance cost) (Note 31)	利息開支 (計入財務費用) (附註31)	11,343	10,183
Expense relating to short-term leases (included in selling and distribution costs and administrative expenses) (Note 29)	有關短期租賃的開支 (計入銷售及分銷開支 以及行政開支) (附註29)	6,510	27,690
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses) (Note 29)	有關未列示為上述短期租賃的低價值資產租賃的開支(計入銷售成本及行政開支)(附註29)	15	152

The total cash outflow for leases in 2023 was RMB181,750,000 (2022: RMB332,523,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases buildings, warehouses and machinery and equipment. Rental contracts are typically made for fixed periods and have no extension or termination options. Rental contracts for buildings and warehouses are typically made for 2 to 50 years. The Group leases various machinery and equipment under both operating and finance lease agreement. The original lease terms are from 2 to 10 years. Under the terms of the finance leases, the lessors transfer ownership of the assets to the Group by the end of the lease term.

9. 租賃(續)

(b) 已於綜合收益表確認的金額

綜合收益表列示以下有關租賃的款項：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets		
Land use rights	34,486	31,204
Buildings and warehouses	66,990	52,111
Equipment and others	5,956	7,363
	107,432	90,678
Interest expense (included in finance cost) (Note 31)	11,343	10,183
Expense relating to short-term leases (included in selling and distribution costs and administrative expenses) (Note 29)	6,510	27,690
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales and administrative expenses) (Note 29)	15	152

二零二三年的租賃現金流出總額為人民幣181,750,000元(二零二二年：人民幣332,523,000元)。

(c) 本集團的租賃活動及其入賬方式

本集團租賃樓宇、倉庫、機器及設備。租約一般具有固定租期，且並無延長或終止選擇權。樓宇及倉庫的租賃合約一般為期2至50年。本集團根據經營及融資租賃協議租賃多項機器及設備。原租期為2至10年。根據融資租賃條款，出租人於租期結束時將資產所有權轉讓予本集團。

9. LEASES (Continued)

(c) The Group's leasing activities and how these are accounted for (Continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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

To determine the incremental borrowing rate, the Group:

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

Right-of-use assets 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. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

9. 租賃(續)

(c) 本集團的租賃活動及其入賬方式(續)

租賃條款均單獨商定，並且包括眾多不同的條款及條件。租賃協議不施加任何契諾，惟出租人持有的租賃資產中的抵押權益除外。租賃資產不得用作借貸抵押。

租賃付款按照租賃內含利率貼現。如果無法確定該利率(此情況普遍存在於本集團租賃中)，則應採用承租人的增量借貸利率，即個別承租人為在類似經濟環境下獲得與使用權資產價值相近的資產，以類似條款、抵押和條件借入資金而必須支付的利率。

為釐定增量借貸利率，本集團：

- 在可能情況下，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；
- 使用累加法，首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租賃的調整，例如期限、國家、貨幣及抵押。

使用權資產一般按資產的可使用年期與租賃期兩者之中較短者以直線法進行折舊。倘本集團合理確定行使採購選擇權，則使用權資產於相關資產的可使用年期內予以折舊。本集團對物業、廠房及設備中呈列的土地及樓宇進行重估，但對於本集團持有的使用權樓宇則不予重估。

9. LEASES (Continued)

(c) The Group's leasing activities and how these are accounted for (Continued)

All land in the Mainland China and Vietnam is state-owned and no individual land ownership right exists. The Group acquired the right to use certain land. The premiums paid for such right are treated as prepayment for operating lease and recorded at cost as right-of-use assets, which are depreciated over the lease periods using the straight-line method.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

See Note 42.24 for the other accounting policies relevant to leases.

9. 租賃(續)

(c) 本集團的租賃活動及其入賬方式(續)

中國內地及越南的所有土地均屬國有，不存在任何個人土地擁有權。本集團取得使用若干土地的權利。就有關權利支付的地價視為經營租賃的預付款項，並以成本列作使用權資產，於租賃期內以直線法折舊。

與設備及汽車短期租賃及低價值資產所有租賃相關的付款以直線法於損益確認為開支。短期租賃指租賃期為12個月或以下的租賃。低價值資產包括資訊科技設備及小型辦公傢俬。

有關租賃的其他會計政策，請參閱附註42.24。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

10. INTANGIBLE ASSETS

10. 無形資產

		Customer relationship 客戶關係 RMB'000 人民幣千元	Goodwill 商譽 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年 一月一日			
Cost or valuation	成本或估值	54,918	26,974	81,892
Accumulated amortisation	累計折舊	(12,814)	—	(12,814)
Net book amount	賬面淨值	42,104	26,974	69,078
Year ended 31 December 2022	截至二零二二年 十二月三十一日 止年度			
Opening net book amount	年初賬面淨值	42,104	26,974	69,078
Amortisation charges (Note 29)	攤銷開支(附註29)	(3,661)	—	(3,661)
Closing net book amount	年末賬面淨值	38,443	26,974	65,417
At 31 December 2022	於二零二二年 十二月三十一日			
Cost or valuation	成本或估值	54,918	26,974	81,892
Accumulated amortisation	累計攤銷	(16,475)	—	(16,475)
Net book amount	賬面淨值	38,443	26,974	65,417
Year ended 31 December 2023	截至二零二三年 十二月三十一日 止年度			
Opening net book amount	年初賬面淨值	38,443	26,974	65,417
Amortisation charges (Note 29)	攤銷開支(附註29)	(3,661)	—	(3,661)
Closing net book amount	年末賬面淨值	34,782	26,974	61,756
At 31 December 2023	於二零二三年 十二月三十一日			
Cost or valuation	成本或估值	54,918	26,974	81,892
Accumulated amortisation	累計攤銷	(20,136)	—	(20,136)
Net book amount	賬面淨值	34,782	26,974	61,756

During the year ended 31 December 2023, amortisation of RMB3,661,000 (2022: RMB3,661,000) was included in general and administrative expenses.

截至二零二三年十二月三十一日止年度，攤銷人民幣3,661,000元(二零二二年：人民幣3,661,000元)已計入一般及行政開支。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

10. INTANGIBLE ASSETS (Continued)

(a) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Customer relationship	15 years
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(b) Customer relationship

Customer relationship acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(c) Goodwill

The Directors have performed an impairment review of the carrying amount of goodwill as at 31 December 2023 and have concluded that no provision for impairment is required. For the purposes of impairment testing, goodwill acquired has been allocated to the lowest level of cash-generating units identified by business segments.

A summary of goodwill by reporting segment is presented below:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Garment fabrics and Garments	面料及服裝	17,641	17,641
Yarns	紗線	9,333	9,333
		26,974	26,974

10. 無形資產(續)

(a) 攤銷方法及期間

本集團使用直線法按下列期間對具有有限可使用年期之無形資產予以攤銷：

客戶關係	15年
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(b) 客戶關係

在業務合併中購入的客戶關係按購買日的公平值確認。客戶關係的可用年期有限，隨後按成本減累計攤銷及減值虧損列賬。

(c) 商譽

董事已對商譽於二零二三年十二月三十一日之賬面值進行減值檢討，並認為毋須計提減值撥備。就減值測試而言，所收購商譽已分配至按業務分部識別之最低現金產生單位水平。

按報告分部分列之商譽摘要如下：

10. INTANGIBLE ASSETS (Continued)**(c) Goodwill (Continued)**

The recoverable amount of the CGUs is determined based on value-in-use calculations. The calculation of goodwill on the garment fabrics and garments and yarns segment use cash flow projections based on financial estimates made by the Directors, with reference to the prevailing market conditions, covering a period of five years and assuming revenue growth rate ranging from -4.3% to 10.0% (2022: -5.0% to 10.0%) and 5.0% (2022: 5.0%) and gross profit margins ranging from 11.2% to 11.6% (2022: 11.2% to 11.6%) and 4.6% to 5.6% (2022: 4.8% to 5.8%). The long-term growth rate is 10.0% (2022: 10.0%) and 5.0% (2022: 5.0%). The cash flows are extrapolated with reference to the production capacity of the cash generating units acquired. The cash flow projections are discounted at a pre-tax discount rate of 8.0% (2022: 8.0%) and 12.0% (2022: 12.0%) per annum. Based on management's assessment results, there was no impairment of goodwill as at 31 December 2023 and 2022 and any reasonable change to the key assumptions would not lead to an impairment.

Goodwill is measured as described in Note 42.2. Goodwill on acquisition 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 for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units 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.

10. 無形資產(續)**(c) 商譽(續)**

現金產生單位的可收回金額乃根據使用價值計算釐定。面料與服裝及紗線分部的商譽乃使用根據董事經參考現行市況作出的財務估計的現金流量預測計算，涵蓋五年期間，並假設收入增長率介乎-4.3%至10.0% (二零二二年：-5.0%至10.0%) 及5.0% (二零二二年：5.0%) 以及毛利率介乎11.2%至11.6% (二零二二年：11.2%至11.6%) 及4.6%至5.6% (二零二二年：4.8%至5.8%)。長期增長率為10.0% (二零二二年：10.0%) 及5.0% (二零二二年：5.0%)。現金流量乃參考所收購現金產生單位的產能推算得出。現金流量預測按每年8.0% (二零二二年：8.0%) 及12.0% (二零二二年：12.0%) 的稅前貼現率貼現。根據管理層的評估結果，於二零二三年及二零二二年十二月三十一日，商譽並無減值，而主要假設的任何合理變動均不會導致減值。

商譽按附註42.2所述計量。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損失列示。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

商譽會被分配至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)確認。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheet are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Associates	聯營公司	374,448	355,774
Joint ventures	合營企業	4,590	4,266
At 31 December	於十二月三十一日	379,038	360,040

11. 以權益法列賬的投資

以下為已於綜合資產負債表確認的金額：

The amounts recognised in the consolidated income statement are as follows:

以下為已於綜合收益表確認的金額：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Associates	聯營公司	(2,738)	36,024
Joint ventures	合營企業	324	135
For the year ended 31 December	截至十二月三十一日 止年度	(2,414)	36,159

(a) Investments in associates

(a) 於聯營公司的投資

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Share of net assets of unlisted associates	分佔非上市聯營公司 資產淨值	374,448	355,774

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Investments in associates (Continued)

Movements of shares of net assets of associates attributable to the Group are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Opening amount	期初金額	355,774	316,807
Additions (i)	添置(i)	22,000	—
Share of (loss)/profit based on equity held	根據所持的權益應佔(虧損)/溢利	(2,738)	36,024
Share of other comprehensive income based on equity held	根據所持的權益應佔其他全面收益	(588)	2,943
Closing amount	期末金額	374,448	355,774

(i) On 28 September 2023, the Group subscribed 20% equity interest in Jiangsu Yifeng New Materials Technology Co., Ltd. and it became an associate of the Group. As at 31 December 2023, the investment has not paid, which is recorded as accruals and other payables (Note 27).

There are no contingent liabilities relating to the Group's interests in the associates.

Set out below are the associates of the Group as at 31 December 2023 which, in the opinion of the directors, are individually immaterial to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The countries of incorporation or registration is also their principal places of business.

11. 以權益法列賬的投資(續)

(a) 於聯營公司的投資(續)

本集團應佔聯營公司資產淨值變動如下：

(i) 於二零二三年九月二十八日，本集團認購江蘇益豐新材料科技有限公司的20%股權，其成為本集團聯營公司。於二零二三年十二月三十一日，該投資尚未支付，入賬為預提費用及其他應付賬款(附註27)。

不存在與本集團於聯營公司權益相關之或然負債。

以下為於二零二三年十二月三十一日，董事認為個別對本集團並不重要之本集團聯營公司。下列聯營公司之股本僅由普通股組成，並由本集團直接持有。其註冊成立或註冊國家亦為其主要營業地點。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Investments in associates (Continued)

The Group's investments in associates that are individually immaterial to the Group as at 31 December 2023 are:

Name of associate	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities	Particulars of issued share capital	Interest held
聯營公司名稱		主要業務	已發行股本詳情	所持權益
Hongyan Vietnam Holdings Limited and its subsidiaries 鴻雁越南控股有限公司及其附屬公司	British Virgin Islands, 2 July 2015, limited liability company 英屬處女群島，二零一五年七月二日，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行投資控股	RMB166,167,000 人民幣166,167,000元	45%
Xinghong International (Hong Kong) Co., Limited and its subsidiary 星宏國際(香港)有限公司及其附屬公司	Hong Kong, 11 June 2019, limited liability company 香港，二零一九年六月十一日，有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	USD5,000,000 5,000,000美元	30%
Hualida Vietnam (Quang Ninh) Holdings Limited and its subsidiary 華利達越南(廣寧)控股有限公司及其附屬公司	Hong Kong, 16 November 2018, limited liability company 香港，二零一八年十一月十六日，有限責任公司	Investment holding in Hong Kong 於香港進行投資控股	HKD20,000 20,000港元	45%
Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary 江蘇大生智能科技發展有限公司及其附屬公司	Nantong, Mainland China, 9 March 2020, limited liability company 中國內地南通，二零二零年三月九日，有限責任公司	Manufacturing and sales of textile products 製造及銷售紡織品	RMB10,000,000 人民幣10,000,000元	30%
Treasure Reap Limited and its subsidiaries 豐寶有限公司及其附屬公司	British Virgin Islands, February 2017, limited liability company 英屬處女群島，二零一七年二月，有限責任公司	Investment holding in British Virgin Islands 於英屬處女群島進行投資控股	USD100 100美元	45%
HLD (HK) Trading Limited	Hong Kong, 24 February 2022, limited liability company	Trading of textile products in Hong Kong	HKD100	45%
HLD (HK) Trading Limited	香港，二零二二年二月二十四日，有限責任公司	於香港進行紡織產品貿易	100港元	45%
Jiangsu Yifeng New Materials Technology Co., Ltd. 江蘇益豐新材料科技有限公司	Changzhou, Mainland China, 28 September 2023, limited liability company 中國內地常州，二零二三年九月二十八日，有限責任公司	Manufacturing and sales of textile products 製造及銷售紡織品	RMB110,000,000 人民幣110,000,000元	20%

11. 以權益法列賬的投資(續)

(a) 於聯營公司的投資(續)

於二零二三年十二月三十一日，本集團於對本集團個別並不重大的附屬公司的投資：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(b) Investment in a joint venture

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Opening amount	期初金額	4,266	4,131
Share of profit	分攤溢利	324	135
At 31 December	於十二月三十一日	4,590	4,266

There are no contingent liabilities relating to the Group's interests in the joint venture.

Set out below is the joint venture of the Group as at 31 December 2023 which, in the opinion of the directors, is immaterial to the Group. The joint venture as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business.

The Group's investment in a joint venture as at 31 December 2023 is:

本集團於合營企業的權益並無任何或然負債。

以下為於二零二三年十二月三十一日，董事認為對本集團並不重要之本集團合營企業。下列合營企業之股本僅由普通股組成，並由本集團直接持有；其註冊成立或註冊國家亦為其主要營業地點。

於二零二三年十二月三十一日本集團於合營企業的投資：

Name of the joint venture	Place and date of incorporation and form of legal entity 註冊成立地點及日期以及法律實體類別	Principal activities	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
Texhong Tan Cang Logistics Joint Stock Company	Vietnam, 30 June 2016, limited liability company	Cargo transportation by land and sea; other assistant services; cargo landing-over, storage, management consulting	VND20,000,000,000	50%
天虹新港物流股份公司	越南，二零一六年六月三十日，有限責任公司	海陸貨物運輸；其他輔助服務；貨物卸運、儲存、管理諮詢	20,000,000,000越南盾	50%

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(c) Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for associates and joint ventures as a group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments.

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current assets	流動資產	1,093,130	938,566
Non-current assets	非流動資產	914,135	807,329
Current liabilities	流動負債	1,099,269	932,271
Non-current liabilities	非流動負債	8,246	10,416

11. 以權益法列賬的投資(續)

(c) 聯營公司及合營企業的概要財務資料

下表提供聯營公司及合營企業(作為一個組別)的概要財務資料。已披露資料反映相關聯營公司及合營企業的財務報表所呈列的金額，而並非本集團分佔該等金額。其已獲修訂以反映實體於使用權益法時作出的調整，包括公平值調整。

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue	收入	2,369,891	2,035,016
Cost of sales	銷售成本	2,214,813	1,867,487
(Loss)/profit for the year	年度(虧損)/溢利	(3,962)	73,239

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

12. FINANCIAL INSTRUMENTS BY CATEGORY

12. 按類別劃分的金融工具

		Financial assets at FVPL	Financial assets at FVOCI	Financial assets at amortised cost	Total
		按公平值計入 損益的 金融資產	按公平值計量 且其變動計入 其他全面收益 的金融資產	按攤銷成本 列賬的 金融資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2023	二零二三年 十二月三十一日				
Assets as per balance sheet	資產負債表所列資產				
Trade and bills receivables (Note 14)	應收貿易及票據款項 (附註14)	—	—	1,571,477	1,571,477
Financial assets at FVOCI (Note 15)	按公平值計量且其變動計 入其他全面收益的 金融資產(附註15)	—	336,761	—	336,761
Financial assets at FVPL (Note 16)	按公平值計入損益的 金融資產(附註16)	15,903	—	—	15,903
Derivative financial instruments (Note 24)	衍生金融工具(附註24)	84,792	—	—	84,792
Deposits and other receivables (Note 17)	按金及其他應收賬款 (附註17)	—	—	1,338,430	1,338,430
Pledged bank deposits and cash and cash equivalents (Note 18)	已抵押銀行存款及 現金及現金等值物 (附註18)	—	—	2,228,003	2,228,003
Total	總計	100,695	336,761	5,137,910	5,575,366
31 December 2022	二零二二年 十二月三十一日				
Assets as per balance sheet	資產負債表所列資產				
Trade and bills receivables (Note 14)	應收貿易及票據款項 (附註14)	—	—	1,363,146	1,363,146
Financial assets at FVOCI (Note 15)	按公平值計量且其變動計 入其他全面收益的 金融資產(附註15)	—	380,615	—	380,615
Derivative financial instruments (Note 24)	衍生金融工具 (附註24)	99,353	—	—	99,353
Deposits and other receivables (Note 17)	按金及其他應收賬款 (附註17)	—	—	613,898	613,898
Long-term receivables (Note 17)	長期應收賬款(附註17)	—	—	146,000	146,000
Pledged bank deposits and cash and cash equivalents (Note 18)	已抵押銀行存款及 現金及現金等值物 (附註18)	—	—	2,580,068	2,580,068
Total	總計	99,353	380,615	4,703,112	5,183,080

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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12. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

12. 按類別劃分的金融工具(續)

		Financial liabilities at FVPL	Financial liabilities at amortised cost	Total
		按公平值計入損益的金融負債	按攤銷成本列賬的金融負債	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
31 December 2023	二零二三年十二月三十一日			
Liabilities as per balance sheet	資產負債表所列負債			
Supply chain financing (Note 22)	供應鏈融資(附註22)	—	2,495,882	2,495,882
Borrowings (Note 23)	借貸(附註23)	—	7,723,204	7,723,204
Derivative financial instruments (Note 24)	衍生金融工具(附註24)	7,055	—	7,055
Trade and bills payables (Note 26)	應付貿易及票據款項(附註26)	—	868,848	868,848
Accruals and other payables excluding statutory liabilities (Note 27)	預提費用及其他應付賬款(不包括法定負債)(附註27)	—	470,560	470,560
Lease liabilities (Note 9)	租賃負債(附註9)	—	209,308	209,308
Total	總計	7,055	11,767,802	11,774,857
31 December 2022	二零二二年十二月三十一日			
Liabilities as per balance sheet	資產負債表所列負債			
Supply chain financing (Note 22)	供應鏈融資(附註22)	—	549,041	549,041
Borrowings (Note 23)	借貸(附註23)	—	8,543,372	8,543,372
Derivative financial instruments (Note 24)	衍生金融工具(附註24)	142,054	—	142,054
Trade and bills payables (Note 26)	應付貿易及票據款項(附註26)	—	4,597,463	4,597,463
Accruals and other payables excluding statutory liabilities (Note 27)	預提費用及其他應付賬款(不包括法定負債)(附註27)	—	551,927	551,927
Lease liabilities (Note 9)	租賃負債(附註9)	—	314,382	314,382
Total	總計	142,054	14,556,185	14,698,239

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

本集團面臨與金融工具相關的各種風險載於附註3。於報告期末，最大信貸風險為上述各類金融資產的賬面值。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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13. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT

(a) Inventories

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Raw materials	原材料	3,076,504	4,515,136
Work-in-progress	在製品	360,810	604,728
Finished goods	製成品	2,149,564	3,075,127
		5,586,878	8,194,991
Less: provision for write-down of inventories to net realisable value	減：撇減存貨至可變現淨值之撥備	(342,295)	(604,886)
		5,244,583	7,590,105

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. 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.

The cost of inventories recognised as expense and included in cost of sales amounted to RMB17,398,540,000 (2022: RMB16,420,861,000) (Note 29).

Reversal of write-downs of inventories to net realisable value amounted to RMB262,591,000 (2022: accrual of RMB495,159,000). These amounts have been included in 'cost of sales' in the consolidated income statement (Note 29).

13. 存貨及發展中物業

(a) 存貨

原材料、在製品及製成品以成本及可變現淨值的較低者列賬。成本以加權平均法釐定。製成品及在製品的成本包括原材料、直接勞工、其他直接成本及相關間接生產費用(根據正常經營能力計算)，而不包括借貸費用。可變現淨值為日常業務過程中估計售價(扣除估計完成成本及銷售所需的估計成本)。

確認為費用且列入銷售成本的存貨成本金額為人民幣17,398,540,000元(二零二二年：人民幣16,420,861,000元)(附註29)。

撇減存貨至可變現淨值撥回為人民幣262,591,000元(二零二二年：計提人民幣495,159,000元)。該等金額已計入綜合收益表之「銷售成本」中(附註29)。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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13. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT (Continued)

(b) Properties under development

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Properties under development expected to be completed:	預期竣工的發展中物業：		
— Expected to be completed within 12 months	— 預期12個月內完成	185,322	—
— Expected to be completed after more than 12 months	— 預期12個月後完成	230,227	340,796
		415,549	340,796
Properties under development comprise:	發展中物業包括：		
— Land use rights	— 土地使用權	225,141	236,440
— Construction cost	— 建築成本	190,408	104,356
		415,549	340,796

Properties under development 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 the anticipated costs to completion.

Development cost of properties comprises cost of land use rights, construction costs, borrowing costs and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

As at 31 December 2023, land use rights of RMB225,141,000 (2022: RMB236,440,000) were in Mainland China with lease terms of 40 to 70 years.

As at 31 December 2023, land use rights with net book value of RMB25,531,000 (2022: RMB32,959,000) is under development, and the construction cost is RMB190,408,000 (2022: RMB104,356,000). The remaining land use rights with net book value of RMB199,610,000 (2022: RMB203,481,000) has not been constructed.

13. 存貨及發展中物業(續)

(b) 發展中物業

發展中物業按成本與可變現淨值之較低者列賬。可變現淨值考慮最終預期將會變現之價格，並扣除適用可變銷售開支及預計完成成本。

物業之發展成本包括於發展期內產生之土地使用權成本、建築成本、借貸成本及專業費用。於落成時，該等物業乃轉撥至已落成待售物業。

於二零二三年十二月三十一日，在中國內地的土地使用權為人民幣225,141,000元(二零二二年：人民幣236,440,000元)，租賃期限為40至70年。

於二零二三年十二月三十一日，賬面淨值為人民幣25,531,000元(二零二二年：人民幣32,959,000元)的土地使用權仍在發展中，建築成本為人民幣190,408,000元(二零二二年：人民幣104,356,000元)。賬面淨值為人民幣199,610,000元(二零二二年：人民幣203,481,000元)的餘下土地使用權尚未建設。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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13. INVENTORIES AND PROPERTIES UNDER DEVELOPMENT (Continued)

(b) Properties under development (Continued)

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

14. TRADE AND BILLS RECEIVABLES

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Trade receivables	應收貿易款項	1,139,523	1,090,423
Bills receivable	應收票據款項	460,758	288,146
		1,600,281	1,378,569
Less: provision for impairment	減：減值撥備	(28,804)	(15,423)
		1,571,477	1,363,146

As at 31 December 2023, included in the trade receivables were amounts due from related parties of RMB25,136,000 (2022: RMB13,984,000) (Note 38).

Due to the short-term nature of the trade and bills receivables, their carrying amount is considered to be the same as their fair value.

Trade and bills receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of trade and bills receivables are expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. Trade and bills receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and bills receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3.

13. 存貨及發展中物業(續)

(b) 發展中物業(續)

發展中物業乃分類為流動資產，除非相關物業發展項目之建築期預期會於一般經營週期之後完成。

14. 應收貿易及票據款項

於二零二三年十二月三十一日，應收貿易款項中包括應收關聯方款項共計人民幣25,136,000元(二零二二年：人民幣13,984,000元)(附註38)。

由於應收貿易及票據款項之短期性質，其賬面值被視為與公平值相同。

應收貿易及票據款項為在日常業務過程中就售出商品應收客戶之款項。倘應收貿易及票據款項預期可於一年或之內收款(或倘時間更長，則在業務正常營運周期)，則分類為流動資產。應收貿易及票據款項初步按無條件代價金額確認，除非其包含重大融資成分，並按公平值確認。本集團持有應收貿易及票據款項，目的是收取合約現金流量，因此其後以實際利率法按攤銷成本計量。有關本集團減值政策及虧損撥備計算的詳情載於附註3。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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14. TRADE AND BILLS RECEIVABLES (Continued)

The Group generally grants credit terms of less than 90 days to its customers in Mainland China and 120 days to its customers in other countries. The ageing analysis of the trade and bills receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within 30 days	30日內	953,266	755,648
31 to 90 days	31至90日	439,782	364,322
91 to 180 days	91至180日	92,457	210,345
181 days to 1 year	181日至1年	50,451	38,154
Over 1 year	1年以上	64,325	10,100
		1,600,281	1,378,569
Less: provision for impairment	減：減值撥備	(28,804)	(15,423)
Trade and bills receivables — net	應收貿易及票據款項 — 淨額	1,571,477	1,363,146

There is no concentration of credit risk with respect to trade and bills receivables, as the Group has a large number of customers.

Trade and bills receivables are denominated in the following currencies:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
USD	美元	812,403	956,910
RMB	人民幣	670,109	361,761
VND	越南盾	98,442	52,996
HKD	港元	5,811	2,538
Others	其他	13,516	4,364
		1,600,281	1,378,569

14. 應收貿易及票據款項(續)

本集團授予其中國內地客戶之信貸期一般為90日內，而授予其他國家客戶之信貸期為120日內。應收貿易及票據款項(包括性質為應收貿易關聯方之款項)按發票日期之賬齡分析如下：

由於本集團擁有大批客戶，故應收貿易及票據款項無集中的信貸風險。

應收貿易及票據款項按以下貨幣計值：

14. TRADE AND BILLS RECEIVABLES (Continued)

Impairment and risk exposure

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables.

The creation and release of provision for impaired receivables have been included in net accrual of impairment losses on financial assets in 2023 and 2022. Amounts charged to the allowance account are written off when there is no expectation of receiving additional cash.

Information about the impairment of trade and bills receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1. The maximum exposure to credit risk at the reporting date is the carrying amount of trade and bills receivables.

15. FINANCIAL ASSETS AT FVOCI

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current — bills receivables 即期 — 應收票據款項	336,761	380,615

Bills receivables held both by collecting contractual cash flows and selling of these assets are classified as financial assets at FVOCI.

14. 應收貿易及票據款項(續)

減值及風險敞口

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有應收貿易及票據款項採用全期預期虧損撥備。

增設及解除已減值應收賬款撥備於二零二三年及二零二二年已列入應計金融資產之減值虧損淨額。當預期未能收取額外現金時，在撥備賬中扣除的款項將被撤銷。

有關應收貿易及票據款項及本集團所面臨的信貸風險、外匯風險及利率風險的詳情載於附註3.1。於報告日期，本集團面對的最大信貸風險為應收貿易及票據款項賬面值。

15. 按公平值計量且其變動計入其他全面收益的金融資產

藉收集合約現金流量及出售該等資產持有的應收票據款項分類為按公平值計量且其變動計入其他全面收益的金融資產。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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16. FINANCIAL ASSETS AT FVPL

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current	非即期	15,903	—

Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI are classified as financial assets at FVPL.

See Note 42.9 for the remaining relevant accounting policies.

(a) Amounts recognised in the consolidated income statement

During the year, the following gains were recognised in the consolidated income statement:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Fair value gains on equity investments at FVPL recognised in other gains/(losses) — net (Note 28)	於其他收益/(虧損) — 淨額確認的按公平值計入損益的股本投資的公平值收益(附註28)	3,454	—

(b) Risk exposure and fair value measurements

Information about the Group's exposure to price risk is provided in Note 3.1. For information about the methods and assumptions used in determining fair value see Note 3.3.

16. 按公平值計入損益的金融資產

實體並無選擇透過其他全面收益確認公平值收益及虧損之股本投資分類為按公平值計入損益的金融資產。

有關其餘相關會計政策，請參閱附註42.9。

(a) 已於綜合收益表確認之金額

年內，以下收益已於綜合收益表確認：

(b) 風險敞口及公平值計量

有關本集團面臨價格風險的資料載於附註3.1。有關釐定公平值所用方法及假設的資料，請參閱附註3.3。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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17. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND LONG-TERM RECEIVABLES

17. 預付款項、按金、其他應收賬款及長期應收賬款

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Prepayments, deposits, other receivables	預付款項、按金、其他應收賬款		
Receivables from disposal of subsidiaries (Note (a))	附屬公司出售應收賬款 (附註(a))	676,085	146,000
Receivables from disposal of land use rights and property, plant and equipment (Note (b))	土地使用權及物業、廠房及設備出售應收賬款 (附註(b))	487,543	—
Value-added tax recoverable	應退增值稅	327,619	433,356
Prepaid income tax	預付所得稅	96,474	79,763
Prepayments for purchase of raw materials	購買原材料的預付款項	87,974	136,732
Due from related parties (Note 38)	應收關聯方款項(附註38)	77,524	150,141
Deposits	按金	60,234	49,482
Prepaid expenses	預付開支	34,693	29,826
Rental income receivables from investment properties	投資物業租金收入應收賬款	32,425	22,233
Receivables from sales of pollution discharge rights	排污權出售應收賬款	14,559	—
Receivables from return of prepayments of equipment (Note (d))	退回設備預付款項應收賬款 (附註(d))	—	222,000
Other receivables	其他應收賬款	30,513	57,076
		1,925,643	1,326,609
Less: provision for expected credit loss (Note (c))	減：預期信貸虧損撥備 (附註(c))	(40,453)	(33,034)
value-added tax recoverable impairment (Note (c))	應退增值稅減值 (附註(c))	(58,899)	(18,804)
Prepayments, deposits, other receivables — net	預付款項、按金及其他應收賬款淨額	1,826,291	1,274,771
long-term receivables	長期應收賬款		
Receivables from disposal of subsidiaries (Note (a))	附屬公司出售應收賬款 (附註(a))	—	146,000

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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17. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND LONG-TERM RECEIVABLES

(Continued)

Due to the short-term nature of the deposits and other receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of deposits and other receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1. The maximum exposure to credit risk at the reporting date is the carrying amount of deposits and other receivables.

Note (a):

The receivables from disposal of subsidiaries comprised:

- On 4 August 2023, a sale and purchase agreement, was entered into between an indirect wholly owned subsidiary of the Company, as the seller, and a third party company, as the purchaser, for the sale and purchase of the entire issued share capital of Fashion Time Viet Nam Limited (the "Target"), an indirect wholly owned subsidiary of the Company, together with the assignment of loan payable to the Group at the total consideration of USD78,766,000 (after adjustment), which comprised the consideration for the disposal of the equity interest at USD12,776,000 and the assignment of the loan payable to the Group of USD65,990,000 which shall be payable by the purchaser to the seller within 12 months from the date of the framework agreement. The gains on the disposal of Fashion Time Viet Nam Limited were RMB93,441,000. As at 31 December 2023, the consideration receivables amounted to USD74,836,000, equivalent to RMB530,085,000.
- On 13 October 2023, a sale and purchase agreement, was entered into between an indirect wholly owned subsidiary of the Company, as the seller and a third party individual as the purchaser, for the sale and purchase of the entire issued share capital of Hongan Textile (Huaian) Co., Ltd. (the "Target"), an indirect wholly owned subsidiary of the Company. The losses on the disposal of Hongan Textile (Huaian) Co., Ltd. were RMB1,352,000. The consideration for the disposal of the equity interest is RMB7,000,000 which was received on 13 November 2023.

17. 預付款項、按金、其他應收賬款及長期應收賬款(續)

由於按金及其他應收賬款之短期性質，其賬面值被視為與公平值相同。

有關按金及其他應收賬款及本集團所面臨的信貸風險、外匯風險及利率風險的詳情載於附註3.1。於報告日期，本集團面對的最大信貸風險為按金及其他應收賬款賬面值。

附註(a)：

附屬公司出售應收賬款包括：

- 於二零二三年八月四日，本公司間接全資附屬公司作為賣方與第三方公司作為買方就買賣時針越南有限公司(「目標公司」，本公司間接全資附屬公司)全部已發行股本，連同轉讓應付本集團的貸款，訂立買賣協議，總代價為78,766,000美元(經調整)，包括出售股權的代價12,776,000美元及轉讓應付本集團的貸款65,990,000美元，須由買方於框架協議日期起計十二個月內支付予賣方。出售時針越南有限公司之收益為人民幣93,441,000元。於二零二三年十二月三十一日，應收代價金額為74,836,000美元(相當於人民幣530,085,000元)。
- 於二零二三年十月十三日，本公司間接全資附屬公司作為賣方與第三方個人作為買方就買賣虹安紡織(淮安)有限公司(「目標公司」，本公司間接全資附屬公司)全部已發行股本，訂立買賣協議。出售虹安紡織(淮安)有限公司之虧損為人民幣1,352,000元。出售股權的代價為人民幣7,000,000元，已於二零二三年十一月十三日收取。

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17. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND LONG-TERM RECEIVABLES

(Continued)

Note (a): (Continued)

— On 5 November 2021, a share transfer and assignment of loan agreement, was entered into between the Company, as the seller, and a third party, as the purchaser, for the sale and purchase, of the entire issued share capital of Great Triumph Investments Limited (the "Target"), a direct wholly owned subsidiary of the Company, together with the assignment of loan and dividend payable to the Company at the total consideration of RMB810,387,000. The total consideration comprised the consideration for the disposal of the equity interest at RMB130,950,000, the consideration for the assignment of the dividend payable to the Company of RMB68,571,000 which shall be payable by the purchaser to the Company within 12 months from the date of the framework agreement, and the consideration for the assignment of the loan payable to the Group of RMB610,866,000 which shall be payable to the Group with four instalments by 1 December 2024 and bearing with interest at 5% per annum. And as a security for the payment of the consideration relating to the loan assignment, it was also agreed that the equity interest for some subsidiaries of the Target shall be pledged in favour of the Group until such consideration has been fully paid. As at 31 December 2023, the current portion of the consideration outstanding amounting to RMB146,000,000 were included in other receivables (2022: the current and non-current portion of the consideration outstanding were RMB146,000,000 and RMB146,000,000 respectively).

The net proceeds received on disposal of subsidiaries in 2023 were RMB170,013,000 (2022: RMB186,764,000).

Note (b):

On 3 November 2023, an asset disposal agreement, was entered into between Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd., an indirect non-wholly owned subsidiary of the Company, as the seller and Shaoxing Paojiang Venture Construction Development Co., Ltd. (the "Purchaser") as the purchaser for the sale and purchase of the properties and land use rights located in Shaoxing, China at the total consideration of RMB975,085,000.

As at 31 December 2023, the current portion of the consideration outstanding were disclosed as other receivables amounting to RMB487,543,000 and there is no non-current portion of the consideration outstanding were disclosed as long-term receivables.

Note (c):

In 2023, the Group made an expected credit loss and value-added tax recoverable impairment of RMB7,419,000 (Note 3.1) and RMB40,095,000 (2022: RMB18,804,000) respectively. The Group reversed expected credit loss of RMB1,589,000 in 2022 (Note 3.1).

Note (d):

All the receivables from return of prepayments of equipment have been received by the Group between January 2023 and March 2023.

17. 預付款項、按金、其他應收賬款及長期應收賬款(續)

附註(a): (續)

— 於二零二一年十一月五日，本公司作為賣方與第三方公司作為買方(「買方」)就買賣豐捷投資有限公司(「目標公司」，本公司直接全資附屬公司)全部已發行股本以及轉讓貸款及應付本公司股息，訂立股份轉讓及貸款轉讓協議，總代價為人民幣810,387,000元。總代價包括出售股權的代價人民幣130,950,000元，轉讓應付本公司股息的代價為人民幣68,571,000元(須由買方於框架協議日期起計十二個月內向本公司支付)以及轉讓應付本集團貸款的代價為人民幣610,866,000元(須於二零二四年十二月一日止分四期支付本集團，年利率為5%)。此外，作為貸款轉讓代價付款的抵押，彼此亦同意將目標公司若干附屬公司的股權質押予本集團，直至有關代價悉數支付為止。於二零二三年十二月三十一日，未支付代價的即期部分人民幣146,000,000元計入其他應收賬款(二零二二年：未支付代價的即期部分及非即期部分分別為人民幣146,000,000元及人民幣146,000,000元)。

於二零二三年，出售附屬公司收取的所得款項淨額為人民幣170,013,000元(二零二二年：人民幣186,764,000元)。

附註(b):

於二零二三年十一月三日，本公司間接非全資附屬公司浙江慶茂紡織印染有限公司作為賣方與紹興袍江創業建設發展有限公司作為買方(「買方」)就買賣位於中國紹興的物業及土地使用權訂立資產出售協議，總代價為人民幣975,085,000元。

於二零二三年十二月三十一日，未支付代價的即期部分披露為其他應收賬款人民幣487,543,000元，並無未支付代價的非即期部分披露為長期應收賬款。

附註(c):

於二零二三年，本集團分別計提預期信貸虧損及應退增值稅減值人民幣7,419,000元(附註3.1)及人民幣40,095,000元(二零二二年：人民幣18,804,000元)。本集團於二零二二年撥回預期信貸虧損人民幣1,589,000元(附註3.1)。

附註(d):

本集團已於二零二三年一月至二零二三年三月收取來自退回設備預付款項的所有應收款項。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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18. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	66,208	111,647
Cash and cash equivalents	現金及現金等值物		
— Cash at bank and in hand	— 銀行及手頭現金	2,161,795	2,468,421
		2,228,003	2,580,068

As at 31 December 2023, bank deposits with net book amount of RMB11,168,000 (2022: RMB104,179,000), RMB53,957,000 (2022: RMB6,010,000) and RMB1,083,000 (2022: RMB757,000) were pledged as collateral for the Group's trade and bills payable, the Group's bank borrowings and guarantees for operating activities, such as utilities, labor wages, etc. respectively.

As at 31 December 2023, the Group has no bank deposits pledged as collateral for the Group's construction projects (2022: RMB701,000).

Pledged bank deposits and cash and cash equivalents are denominated in the following currencies:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
RMB	人民幣	1,033,030	1,385,664
USD	美元	793,463	989,224
VND	越南盾	306,938	142,272
HKD	港元	66,427	44,648
European Monetary Unit ("EUR")	歐洲貨幣單位(「歐元」)	3,275	5,519
Others	其他	24,870	12,741
		2,228,003	2,580,068

Majority of the cash and cash equivalents are deposited with banks in Mainland China and Hong Kong. The conversion of the RMB denominated balances into other currencies and the remittance of funds out of Mainland China are subject to the rules and regulations relating to foreign exchange controls promulgated by the Mainland China Government.

18. 已抵押銀行存款以及現金及現金等值物

於二零二三年十二月三十一日，賬面淨值分別為人民幣11,168,000元(二零二二年：人民幣104,179,000元)、人民幣53,957,000元(二零二二年：人民幣6,010,000元)、人民幣1,083,000元(二零二二年：人民幣757,000元)的銀行存款已作質押，分別作為本集團應付貿易及票據款項、本集團銀行借貸以及經營活動(如動力及燃料、勞工工資等)保證金之抵押品。

於二零二三年十二月三十一日，本集團並無銀行存款已作質押作為本集團建築項目之抵押品(二零二二年：人民幣701,000元)。

已抵押銀行存款以及現金及現金等值物按以下貨幣計值：

大部分現金及現金等值物存放於中國內地及香港之銀行。將人民幣計值結餘兌換為其他貨幣以及將資金匯出中國內地，均須遵守中國內地政府頒佈之有關外匯管制之規則及法規。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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19. SHARE CAPITAL AND SHARE PREMIUM

19. 股本及股份溢價

	Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 HKD'000 千港元
Authorised: Ordinary shares of HKD0.1 each At 31 December 2022 and 2023	法定： 每股面值0.1港元普通股 於二零二二年及二零二三年 十二月三十一日	4,000,000 400,000

	Number of shares 股份數目 (thousands) (千股)	Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Issued and fully paid: Ordinary shares of HKD0.1 each At 31 December 2022 and 2023	已發行及繳足： 每股面值0.1港元普通股 於二零二二年及二零二三 年十二月三十一日	918,000	96,958	462,059 559,017

Ordinary shares are classified as equity.

普通股分類列為權益。

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.

與發行新股或購股權直接有關的增量成本，列入權益作為所得款項的減值(扣除稅項)。

20. SHARE-BASED PAYMENT**Share Option Scheme**

Pursuant to a shareholders' resolution passed on 7 April 2014, the Company adopted a share option scheme ("the Share Option Scheme"), which will remain in force for a period of 10 years up to April 2024. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group from time to time must not in aggregate exceed 30% of the ordinary share of the Company in issued from time to time.

Pursuant to the Share Option Scheme, share options to subscribe for an aggregate of 5,000,000 ordinary shares of the Company were granted to two executive directors of the Company on 23 March 2015. The subscription price is HKD8.7 per share. 1,670,000 share options are exercisable over the period from 1 January 2016 to 22 March 2025, 1,670,000 share options are exercisable over the period from 1 January 2017 to 22 March 2025 and 1,660,000 share options are exercisable from 1 January 2018 to 22 March 2025. On 28 December 2015, share options to subscribe for an aggregate of 1,500,000 ordinary share of the Company were granted to one executive director of the Company. The subscription price is HKD5.7 per share. 300,000 share options are exercisable over the period from 1 January 2017 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2018 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2019 to 27 December 2025, 300,000 share options are exercisable over the period from 1 January 2020 to 27 December 2025 and 300,000 share options are exercisable over the period from 1 January 2021 to 27 December 2025. The Group has no legal or constructive obligation to repurchase or settle the above options in cash.

The fair value of options granted on 23 March 2015 was determined using the Binomial Option-Pricing Model. The total fair value of these options at grant date was RMB17,154,000, and no administrative expenses was charged as all the options have been vested.

The fair value of options granted on 28 December 2015 was determined using the Binomial Option-Pricing Model. The total fair value of these options was RMB3,171,000 and no administrative expenses was charged as all the options have been vested.

20. 以股份為基礎付款**購股權計劃**

根據於二零一四年四月七日通過之股東決議案，本公司採納一項購股權計劃（「購股權計劃」），於截至二零二四年四月止十年期間將仍屬有效。接納授出購股權時應付的名義代價為1港元。在購股權計劃及本集團不時採納的任何其他購股權計劃以下所有授出有待行使購股權獲行使時最高可予發行的股份數目合計不得超過本公司不時已發行普通股的30%。

根據購股權計劃，本公司於二零一五年三月二十三日向兩名本公司執行董事授出合共可認購5,000,000股本公司普通股的購股權。認購價為每股8.7港元。1,670,000份購股權可於二零一六年一月一日至二零二五年三月二十二日期間行使；1,670,000份購股權可於二零一七年一月一日至二零二五年三月二十二日期間行使；及1,660,000份購股權可於二零一八年一月一日至二零二五年三月二十二日期間行使。本公司於二零一五年十二月二十八日向一名本公司執行董事授出合共可認購1,500,000股本公司普通股的購股權。認購價為每股5.7港元。300,000份購股權可於二零一七年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一八年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零一九年一月一日至二零二五年十二月二十七日期間行使；300,000份購股權可於二零二零年一月一日至二零二五年十二月二十七日期間行使；及300,000份購股權可於二零二一年一月一日至二零二五年十二月二十七日期間行使。本集團並無法定或推定責任以現金購回或結算上述購股權。

於二零一五年三月二十三日授出之購股權之公平值乃採用二項式期權定價模式釐定。此等購股權於授出日期之公平值總額為人民幣17,154,000元，而由於所有購股權都已歸屬，並無於行政開支扣除。

於二零一五年十二月二十八日授出之購股權之公平值乃採用二項式期權定價模式釐定。此等購股權之公平值總額為人民幣3,171,000元，且由於所有購股權都已歸屬，並無於行政開支扣除。

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20. SHARE-BASED PAYMENT (Continued)

Share Option Scheme (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		2023 二零二三年		2022 二零二二年	
		Average exercise price in HK\$ per share 每股港元 平均行使價	Options 購股權 (thousands) (千份)	Average exercise price in HK\$ per share 每股港元 平均行使價	Options 購股權 (thousands) (千份)
At 1 January	於一月一日	8.27	3,500	8.27	3,500
Lapsed	已失效	—	(3,500)	—	—
At 31 December	於十二月三十一日	—	—	8.27	3,500

Mr. Hui Tsz Wai resigned from the Group on 30 June 2023, and his outstanding options 3,500,000 were lapsed. As at 31 December 2023, the Group has no outstanding options (31 December 2022: 3,500,000), and out of the outstanding options, no options (31 December 2022: 3,500,000) were exercisable as at 31 December 2023.

20. 以股份為基礎付款(續)

購股權計劃(續)

未行使購股權數目及其相關加權平均行使價之變動如下：

許子慧先生於二零二三年六月三十日辭任本集團職務，其3,500,000份尚未行使的購股權已告失效。於二零二三年十二月三十一日，本集團並無尚未行使的購股權（二零二二年十二月三十一日：3,500,000份），而於二零二三年十二月三十一日，尚未行使的購股權中，概無購股權（二零二二年十二月三十一日：3,500,000份）可予行使。

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21. OTHER RESERVES AND RETAINED EARNINGS

(a) Other reserves

		Capital reserve (i)	Share-based compensation reserve	Statutory reserves (ii)	Revaluation reserve	Translation reserve	Transactions with non- controlling interests	Total
		資本儲備(i)	以股份為基礎 補償儲備	法定儲備(ii)	重估儲備	匯兌儲備	非控制性 權益交易	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2022	於二零二二年一月一日	162,041	12,145	592,648	168,986	(11,166)	(17,120)	907,534
Transfer to statutory reserves	轉撥至法定儲備	—	—	27,137	—	—	—	27,137
Currency translation differences	貨幣換算差額	—	—	—	—	41,121	—	41,121
Surplus on revaluation of buildings	樓宇重估盈餘	—	—	—	—	—	—	—
— Gross	— 總額	—	—	—	8,198	—	—	8,198
— Deferred income tax (Note 25)	— 遞延所得稅 (附註25)	—	—	—	23,662	—	—	23,662
Transfer from revaluation reserve to retained earnings for buildings revaluation	就樓宇重估由重估儲備轉 撥至保留溢利	—	—	—	—	—	—	—
— Gross	— 總額	—	—	—	(10,097)	—	—	(10,097)
— Deferred income tax (Note 25)	— 遞延所得稅 (附註25)	—	—	—	2,293	—	—	2,293
At 31 December 2022	於二零二二年十二月 三十一日	162,041	12,145	619,785	193,042	29,955	(17,120)	999,848
At 1 January 2023	於二零二三年一月一日	162,041	12,145	619,785	193,042	29,955	(17,120)	999,848
Transfer to statutory reserves	轉撥至法定儲備	—	—	39,836	—	—	—	39,836
Currency translation differences	貨幣換算差額	—	—	—	—	23,156	—	23,156
Disposal of subsidiaries	出售附屬公司	—	—	(2,310)	—	—	—	(2,310)
Surplus on revaluation of buildings	樓宇重估盈餘	—	—	—	—	—	—	—
— Gross	— 總額	—	—	—	(7,229)	—	—	(7,229)
— Deferred income tax (Note 25)	— 遞延所得稅 (附註25)	—	—	—	837	—	—	837
At 31 December 2023	於二零二三年十二月 三十一日	162,041	12,145	657,311	186,650	53,111	(17,120)	1,054,138

Notes:

- (i) The capital reserve represents the difference between the amount of share capital issued and the net asset value of the subsidiaries acquired under a group reorganisation in 2004.
- (ii) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior years' losses) to statutory reserves, at rates determined by their respective boards of directors. Such transfer is not required when the amount of the statutory reserve reaches 50% of the corresponding subsidiaries' registered capital.

附註:

- (i) 資本儲備指已發行股本數額與於二零零四年集團重組下收購附屬公司的資產淨值的差額。
- (ii) 根據中國內地頒佈之規例，本公司在中國內地成立及營運之附屬公司須按其各自董事會所釐訂之比例，提撥一部分除稅後溢利（經抵銷過往年度虧損）至法定儲備。倘法定儲備的金額已達相關附屬公司註冊資本的50%，則無需作出此撥款。

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21. OTHER RESERVES AND RETAINED EARNINGS

(Continued)

(a) Other reserves (Continued)

Statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure.

(b) Retained earnings

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
At 1 January	於一月一日	7,942,758	8,571,719
(Loss)/profit for the year	年度(虧損)/溢利	(375,700)	156,808
Transfer from revaluation reserve to retained earnings	由重估儲備轉撥至保留溢利		
— Gross	— 總額	7,229	10,097
— Deferred income tax (Note 25)	— 遞延所得稅 (附註25)	(837)	(2,293)
Dividend relating to 2022/2021	二零二二/二零二一年之 股息	—	(447,492)
Dividend relating to 2023/2022	二零二三/二零二二年之 股息	—	(318,944)
Disposal of subsidiaries	出售附屬公司	2,310	—
Transfer to statutory reserves	轉撥至法定儲備	(39,836)	(27,137)
At 31 December	於十二月三十一日	7,535,924	7,942,758

21. 其他儲備及保留溢利(續)

(a) 其他儲備(續)

法定儲備僅可用於抵銷相關附屬公司虧損、擴充相關附屬公司生產經營或增加相關附屬公司股本。當獲得相關附屬公司股東於股東大會上以決議案通過，相關附屬公司則可將其法定儲備轉換成註冊資本，並按現有股東的持股比例向彼等發行紅股。

(b) 保留溢利

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22. SUPPLY CHAIN FINANCING

22. 供應鏈融資

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current	即期		
Guaranteed (Note (a))	已擔保(附註(a))	2,495,882	426,093
Unguaranteed	無擔保	—	122,948
		2,495,882	549,041

Note:

(a) Supply chain financing of RMB2,495,882,000 (2022: RMB426,093,000) were guaranteed by certain subsidiaries of the Group as at 31 December 2023.

The carrying amounts of the supply chain financing are denominated in RMB, USD and EUR.

At 31 December 2023, the Group's supply chain financing were repayable within 1 year.

附註：

(a) 於二零二三年十二月三十一日，供應鏈融資人民幣2,495,882,000元(二零二二年：人民幣426,093,000元)獲本集團若干附屬公司擔保。

供應鏈融資的賬面值以人民幣、美元及歐元計值。

於二零二三年十二月三十一日，本集團的供應鏈融資須於1年內償還。

23. BORROWINGS

23. 借貸

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current	即期		
Unsecured bank borrowings	無抵押銀行借貸	279,272	36,799
Secured bank borrowings (Note (a))	有抵押銀行借貸 (附註(a))	253,666	—
Other bank borrowings (Note (b))	其他銀行借貸 (附註(b))	3,612,713	5,118,359
		4,145,651	5,155,158
Non-current	非即期		
Unsecured bank borrowings	無抵押銀行借貸	308,718	330,521
Secured bank borrowings (Note (a))	有抵押銀行借貸(附註(a))	—	205,771
Other bank borrowings (Note (b))	其他銀行借貸(附註(b))	3,268,835	2,851,922
		3,577,553	3,388,214
Total borrowings	借貸總額	7,723,204	8,543,372

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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23. BORROWINGS (Continued)

Notes:

- (a) As at 31 December 2023, bank borrowings of RMB53,666,000 (2022: RMB5,771,000) were secured by the pledged bank deposits with amount of approximately RMB53,957,000 (2022: RMB6,010,000) (Note 18).

As at 31 December 2023, bank borrowings of RMB200,000,000 (2022: RMB200,000,000) were secured by entitled export tax rebates to be collected.

- (b) Other bank borrowings of RMB6,881,548,000 (2022: RMB7,970,281,000) were guaranteed by certain subsidiaries of the Group as at 31 December 2023.

The carrying amounts of the borrowings are denominated in the following currencies:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
RMB	人民幣	3,839,683	3,495,201
HKD	港元	2,496,934	2,597,559
VND	越南盾	856,156	—
USD	美元	524,495	2,444,841
Australian Dollar ("AUD")	澳大利亞元(「澳元」)	5,936	5,771
		7,723,204	8,543,372

The weighted average effective interest rates per annum are as follows:

		2023 二零二三年					2022 二零二二年			
		RMB 人民幣	HKD 港元	VND 越南盾	USD 美元	AUD 澳元	RMB 人民幣	HKD 港元	USD 美元	AUD 澳元
Bank borrowings	銀行借貸	3.7%	6.3%	3.9%	4.6%	0.8%	3.9%	2.5%	2.2%	0.8%

23. 借貸(續)

附註：

- (a) 於二零二三年十二月三十一日，銀行借貸人民幣53,666,000元(二零二二年：人民幣5,771,000元)以約為人民幣53,957,000元(二零二二年：人民幣6,010,000元)(附註18)的已質押銀行存款作抵押。

於二零二三年十二月三十一日，銀行借貸人民幣200,000,000元(二零二二年：人民幣200,000,000元)以有權收取的出口退稅作抵押。

- (b) 於二零二三年十二月三十一日，其他銀行借貸人民幣6,881,548,000元(二零二二年：人民幣7,970,281,000元)由本集團若干附屬公司作擔保。

借貸的賬面值按以下貨幣計值：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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23. BORROWINGS (Continued)

At 31 December 2023, the Group's borrowings were repayable as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within 1 year	1年內	4,145,651	5,155,158
Between 1 and 2 years	1至2年	2,184,860	2,323,407
Between 2 and 5 years	2至5年	1,387,693	1,064,807
More than 5 years	5年以上	5,000	—
		7,723,204	8,543,372

The fair values of the borrowings approximate their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

The Group has undrawn borrowing facilities of approximately RMB1,840,635,000 (2022: RMB2,299,757,000). These facilities are subject to review at various dates during 2023.

The Group has complied with the financial covenants of its bank loans during years 2023 and 2022.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1.

23. 借貸(續)

於二零二三年十二月三十一日，本集團借貸的還款期如下：

由於折現之影響微不足道，於結算日，借貸之公平值與其賬面值相若。

本集團未動用之借貸融資為約人民幣1,840,635,000元(二零二二年：人民幣2,299,757,000元)。該等融資須於二零二三年不同日期作審閱。

於二零二三年及二零二二年，本集團遵守其銀行貸款的財務契諾。

有關本集團因流動及非流動借貸所面臨的風險詳情載於附註3.1。

綜合財務報表附註(續)

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24. DERIVATIVE FINANCIAL INSTRUMENTS

24. 衍生金融工具

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Assets:	資產：		
Cross currency swap contracts (Note (a))	交叉貨幣掉期合約(附註(a))	44,949	66,000
Forward foreign exchange contracts (Note (b))	遠期外匯合約(附註(b))	39,843	23,862
Cotton option contracts (Note (c))	棉花期權合約(附註(c))	—	7,096
Cotton future contract (Note (d))	棉花期貨合約(附註(d))	—	2,395
		84,792	99,353
Liabilities:	負債：		
Forward foreign exchange contracts (Note (b))	遠期外匯合約(附註(b))	6,506	131,991
Cotton future contract (Note (d))	棉花期貨合約(附註(d))	549	—
Cross currency swap contracts (Note (a))	交叉貨幣掉期合約(附註(a))	—	10,063
		7,055	142,054

Non-hedging derivatives are classified as current assets or liabilities.

非對沖衍生工具分類為流動資產或負債。

Notes:

附註：

- (a) The cross currency swap contracts as at 31 December 2023 comprised five contracts with notional principal amounts totaling RMB659,327,000 (2022: eight contracts with notional principal amounts totaling RMB1,703,641,000).
- (b) The forward foreign exchange contracts as at 31 December 2023 comprised one hundred and six contracts with notional principal amounts totaling RMB3,801,423,000 (2022: one hundred and seventy-two contracts with notional principal amounts totaling RMB6,743,389,000).
- (c) There is no cotton option contract as at 31 December 2023 (2022: one contract with notional principal amount of USD2,897,000).
- (d) The cotton future contract as at 31 December 2023 comprised one contract with notional principal amount of USD5,268,000 (2022: one contract with notional principal amount of USD32,482,000).

- (a) 於二零二三年十二月三十一日，交叉貨幣掉期合約包括五份名義本金總額為人民幣659,327,000元之合約(二零二二年：八份名義本金總額為人民幣1,703,641,000元之合約)。
- (b) 於二零二三年十二月三十一日，遠期外匯合約包括一百零六份名義本金總額為人民幣3,801,423,000元之合約(二零二二年：一百七十二份名義本金總額為人民幣6,743,389,000元之合約)。
- (c) 於二零二三年十二月三十一日，概無棉花期權合約(二零二二年：一份名義本金總額為2,897,000美元之合約)。
- (d) 於二零二三年十二月三十一日，棉花期貨合約包括一份名義本金總額為5,268,000美元之合約(二零二二年：一份名義本金總額為32,482,000美元之合約)。

綜合財務報表附註(續)

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For the year ended 31 December 2023
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25. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

25. 遞延所得稅

遞延所得稅資產及遞延所得稅負債之分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
— Deferred tax assets to be recovered after more than 12 months	— 超過12個月後收回之遞延稅項資產	203,168	119,076
— Deferred tax assets to be recovered within 12 months	— 在12個月內收回之遞延稅項資產	232,650	223,038
Deferred income tax assets — gross	遞延所得稅資產 — 總額	435,818	342,114
Set-off of deferred income tax assets	抵銷遞延所得稅資產	(38,714)	(36,497)
Deferred income tax assets — net	遞延所得稅資產 — 淨額	397,104	305,617
Deferred income tax liabilities:	遞延所得稅負債：		
— Deferred tax liabilities to be settled after more than 12 months	— 超過12個月後支付之遞延稅項負債	(197,903)	(251,529)
— Deferred tax liabilities to be settled within 12 months	— 在12個月內支付之遞延稅項負債	(38,904)	(20,998)
Deferred income tax liabilities — gross	遞延所得稅負債 — 總額	(236,807)	(272,527)
Set-off of deferred income tax liabilities	抵銷遞延所得稅負債	38,714	36,497
Deferred income tax liabilities — net	遞延所得稅負債 — 淨額	(198,093)	(236,030)

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

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25. DEFERRED INCOME TAX (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets:

		Tax losses	Lease liabilities	Temporary differences	Total
		稅項虧損	租賃負債	暫時差異	總計
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2022	於二零二二年一月一日	22,076	33,239	68,383	123,698
Credited	貸記				
— to the consolidated income statement	— 於綜合收益表	142,432	144	75,840	218,416
At 31 December 2022	於二零二二年十二月三十一日	164,508	33,383	144,223	342,114
Credited/(charged)	貸記/(扣除)				
— to the consolidated income statement	— 於綜合收益表	143,749	9,169	(55,686)	97,232
Disposal of subsidiaries	出售附屬公司	—	(3,528)	—	(3,528)
At 31 December 2023	於二零二三年十二月三十一日	308,257	39,024	88,537	435,818

25. 遞延所得稅(續)

年內遞延所得稅資產及負債的變動(並無考慮抵銷相同稅務司法權區內的結餘)如下:

遞延所得稅資產:

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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25. DEFERRED INCOME TAX (Continued)

Deferred income tax liabilities:

25. 遞延所得稅(續)

遞延所得稅負債：

		Fair value adjustments on assets relating to business combinations 有關業務 合併之 資產之 公平值調整 RMB'000 人民幣千元	Revaluation of buildings 樓宇重估 RMB'000 人民幣千元	Right-of-use assets 使用權資產 RMB'000 人民幣千元	Full deduction of equipment 悉數扣減設備 RMB'000 人民幣千元	Withholding tax relating to unremitted earnings of subsidiaries 有關 附屬公司 未匯付盈利 的預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	100,732	39,583	31,715	—	146,167	318,197
Charged/(credited)	扣除/(貸記)						
— to consolidated income statement	— 於綜合收益表	(9,793)	(2,293)	69	5,104	(15,095)	(22,008)
— to other comprehensive income	— 於其他全面收益	—	(23,662)	—	—	—	(23,662)
At 31 December 2022	於二零二二年 十二月三十一日	90,939	13,628	31,784	5,104	131,072	272,527
Charged/(credited)	扣除/(貸記)						
— to consolidated income statement	— 於綜合收益表	(69,306)	(837)	8,251	(491)	29,908	(32,475)
Disposal of subsidiaries	出售附屬公司	—	—	(3,245)	—	—	(3,245)
At 31 December 2023	於二零二三年 十二月三十一日	21,633	12,791	36,790	4,613	160,980	236,807

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2023, the Group did not recognise deferred tax assets of RMB33,456,000 (2022: RMB42,961,000) in respect of tax losses amounting to RMB446,780,000 (2022: RMB226,187,000) as the Directors believes it is more likely than not that such tax losses would not be utilised before they expire.

遞延所得稅資產乃就結轉之稅項虧損確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。於二零二三年十二月三十一日，本集團並無就人民幣446,780,000元(二零二二年：人民幣226,187,000元)的稅項虧損確認遞延稅項資產人民幣33,456,000元(二零二二年：人民幣42,961,000元)，原因是董事相信有關稅項虧損極有可能於其屆滿前不獲動用。

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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25. DEFERRED INCOME TAX (Continued)

As at 31 December 2023, the tax losses with no deferred tax assets recognised carries forward are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Year of expiry of tax losses	稅項虧損屆滿年度		
2023	二零二三年	—	2,451
2024	二零二四年	43,983	47,154
2025	二零二五年	35,650	57,531
2026	二零二六年	67,875	67,875
2027	二零二七年	51,176	51,176
2028	二零二八年	121,321	—
After 2028	二零二八年後	126,775	—
		446,780	226,187

Deferred income tax of RMB837,000 (2022: RMB2,293,000) was transferred from other reserves to consolidated income statement. This represents deferred tax on the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings.

Deferred income tax liabilities of RMB160,980,000 (2022: RMB131,072,000) have been recognised for the withholding tax that would be payables on the earnings of subsidiaries when remitted to the Company. As at 31 December 2023, the unremitted earnings of subsidiaries is RMB3,219,600,000 (2022: RMB2,621,440,000). There are no unremitted earnings with no deferred tax liabilities recognised (2022: nil).

25. 遞延所得稅(續)

於二零二三年十二月三十一日，已確認並無遞延稅項資產之稅項虧損結轉如下：

人民幣837,000元(二零二二年：人民幣2,293,000元)的遞延所得稅乃由其他儲備轉撥至綜合收益表。此代表樓宇的實際折舊與根據樓宇的歷史成本計算的相同折舊之間的差額的遞延稅項。

本集團已就附屬公司匯入本公司的盈利應付預扣稅確認遞延所得稅負債人民幣160,980,000元(二零二二年：人民幣131,072,000元)。於二零二三年十二月三十一日，附屬公司未匯付盈利為人民幣3,219,600,000元(二零二二年：人民幣2,621,440,000元)。並無未確認的遞延稅項負債的未匯付盈利(二零二二年：無)。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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26. TRADE AND BILLS PAYABLES

26. 應付貿易及票據款項

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Trade payables	應付貿易款項	779,731	562,329
Bills payable	應付票據款項	89,117	4,035,134
		868,848	4,597,463

As at 31 December 2023, included in trade payables were amounts due to related parties of RMB21,802,000 (2022: RMB20,288,000) (Note 38).

於二零二三年十二月三十一日，應付貿易款項中包含應付關聯方的款項人民幣21,802,000元(二零二二年：人民幣20,288,000元)(附註38)。

The fair values of trade and bills payables approximate their carrying amounts.

應付貿易及票據款項之公平值與其賬面值相若。

The ageing analysis of the trade and bills payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

應付貿易及票據款項(包括性質為應付貿易關聯方之款項)按發票日期之賬齡分析如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within 90 days	90日內	809,169	2,873,836
91 to 180 days	91日至180日	33,252	1,695,273
181 days to 1 year	181日至1年	13,041	18,667
Over 1 year	1年以上	13,386	9,687
		868,848	4,597,463

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

26. TRADE AND BILLS PAYABLES (Continued)

Trade and bills payables are denominated in the following currencies:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
RMB	人民幣	527,034	1,574,544
USD	美元	254,548	2,811,221
VND	越南盾	80,823	60,432
Turkish Lira ("TRY")	土耳其里拉(「土耳其里拉」)	2,822	—
HKD	港元	1,798	123,741
Mexican Peso ("MXN")	墨西哥披索 (「墨西哥披索」)	1,399	4,029
EUR	歐元	424	23,496
		868,848	4,597,463

26. 應付貿易及票據款項(續)

應付貿易及票據款項按以下貨幣計值：

27. ACCRUALS AND OTHER PAYABLES

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Accrued wages and salaries	預提工資及薪酬	299,687	282,420
Payables for purchase of property, plant and equipment	購買物業、廠房及設備之 應付賬款	244,270	295,091
Accrual of operating expenses	預提經營開支	127,605	194,605
Tax payables other than enterprise income tax	應付稅項(企業所得稅 除外)	79,707	49,796
Payables for investment in an associate	於聯營公司的投資之 應付賬款	22,000	—
Interest payable	應付利息	15,333	11,250
Loans from a minority shareholder	自一名少數股東之貸款	12,624	10,000
Other payables	其他應付賬款	48,728	40,981
		849,954	884,143

As at 31 December 2023 and 31 December 2022, the carrying amounts of the Group's accruals and other payables approximate their fair values.

於二零二三年十二月三十一日及二零二二年十二月三十一日，本集團的預提費用及其他應付賬款的賬面值與其公平值相若。

綜合財務報表附註(續)

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28. OTHER INCOME AND OTHER GAINS/(LOSSES) — NET

28. 其他收入及其他收益/(虧損) — 淨額

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Other income — net	其他收入 — 淨額		
Subsidy income (a)	補貼收入(a)	100,049	115,179
Rental income (Note 8)	租金收入(附註8)	42,212	26,843
Depreciation of investment properties (Note 8)	投資物業折舊(附註8)	(27,768)	(18,970)
Total other income — net	其他收入總額 — 淨額	114,493	123,052
Other gains/(losses) — net	其他收益/(虧損) — 淨額		
Gains on sales of pollution discharge rights (b)	出售排污權收益(b)	325,055	—
Gains on disposal of property, plant and equipment and land use rights (Note 36(a))	出售物業、廠房及設備及土地使用權收益(附註36(a))	182,841	—
Gains on disposal of subsidiaries (Note 17)	出售附屬公司收益(附註17)	92,089	—
Derivative financial instruments at fair value through profit or loss:	按公平值計入損益的衍生金融工具：		
— Realised gains/(losses)	— 已變現收益/(虧損)	130,977	(11,182)
— Unrealised gains	— 未變現收益	120,438	67,621
Financial assets at fair value through profit or loss:	按公平值計入損益的金融資產：		
— Realised gains	— 已變現收益	5,996	27,741
— Unrealised gains	— 未變現收益	3,454	—
Foreign exchange losses — net (Note 32)	匯兌虧損 — 淨額(附註32)	(100,927)	(162,354)
Compensation for order cancellation	取消訂單賠償	16,222	12,567
Others	其他	13,719	30,847
Total other gains/(losses) — net	其他收益/(虧損)總額 — 淨額	789,864	(34,760)

28. OTHER INCOME AND OTHER GAINS/(LOSSES)
— NET (Continued)

- (a) The subsidy income was mainly related to incentives for development in Mainland China provided by municipal governments based on the amounts of value added tax and income tax paid. The Group has received all the subsidy income and there was no future obligation related to these subsidy income.

Deferral and presentation of government grants

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

- (b) Pursuant to agreements entered into between an indirect non-wholly owned subsidiary of the Company, as the seller, and a third party company, as the purchaser, in the year of 2020 for the sale and purchase of the pollution discharge rights owned by the subsidiary of the Company at the total consideration of RMB344,559,000, subject to the completion of the required approval. During the year ended 31 December 2023, the relevant approval and change in name of the pollution discharge rights to the purchaser were completed, and the Group recognised RMB325,055,000 of gains on sales of pollution discharge rights.

28. 其他收入及其他收益/(虧損)
— 淨額 (續)

- (a) 補貼收入主要為來自於中國內地發展所獲得由市政府根據已付增值稅及所得稅金額提供之優惠。本集團已收取全數補貼收入，以及並無有關該等補貼收入之未來責任。

延期及呈交政府補助

與成本有關的政府補助遞延入賬，並按擬補償的成本配合其所需期間在損益中確認。

與購買物業、廠房及設備有關的政府補助作為遞延收入計入非流動負債，並於相關資產的預期年期內按直線法計入損益。

- (b) 根據本公司間接非全資附屬公司(作為賣方)與第三方公司(作為買方)於二零二零年訂立的協議，以總代價人民幣344,559,000元買賣本公司附屬公司所持有的排污權，惟須待所需審批完成後方可作實。於截至二零二三年十二月三十一日止年度，已向買方完成排污權的相關審批及變更，本集團確認出售排污權收益人民幣325,055,000元。

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29. EXPENSES BY NATURE

29. 開支(按性質分類)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Raw materials and consumables used	耗用原材料及消耗品	16,229,059	17,944,112
Changes in inventories of finished goods and work in progress (Note 13)	製成品及在製品存貨變動(附註13)	1,169,481	(1,523,251)
Employment benefit expenses (Note 30)	僱員福利開支(附註30)	2,366,827	2,594,979
Utilities	動力及燃料	1,559,087	1,528,920
Depreciation and amortisation (Note 7, Note 9, and Note 10)	折舊及攤銷(附註7、附註9及附註10)	1,125,851	1,010,080
Transportation costs	運輸成本	353,858	428,899
Office expenses	辦公開支	123,001	125,675
Impairment charges on property, plant and equipment (Note 7)	物業、廠房及設備減值費用(附註7)	3,978	—
Auditor's remuneration	核數師酬金		
— Annual audit services	— 年度審核服務	3,500	3,500
— Special audit services	— 特別審核服務	—	3,000
— Non-audit services	— 非審核服務	1,400	1,335
Rental expenses for buildings, machinery and others (Note 9)	樓宇、機器及其他租金開支(附註9)	6,525	27,842
Net (reversal)/accrual of provision for decline in value of inventories (Note 13)	存貨減值撥備(撥回)/預提淨額(附註13)	(262,591)	495,159
Losses on disposal of property, plant and equipment (Note 36)	出售物業、廠房及設備虧損(附註36)	—	3,780
Other expenses	其他開支	491,662	608,140
Total cost of sales, selling and distribution costs and general and administrative expenses	銷售成本、銷售及分銷開支以及一般及行政開支總額	23,171,638	23,252,170

綜合財務報表附註(續)

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30. EMPLOYMENT BENEFIT EXPENSES

30. 僱員福利開支

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪酬及花紅	2,030,766	2,235,873
Pension costs — defined contribution plans and retirement benefits (Note (a))	退休金成本 — 界定供款計劃及退休福利(附註(a))	178,576	190,453
Other welfare benefits (Note (b))	其他福利(附註(b))	157,485	168,653
		2,366,827	2,594,979

(a) Pension costs — defined contribution plans and retirement benefits

As stipulated by rules and regulations in Mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in Mainland China. The Group and the eligible employees are required to contribute 13% to 22% and 7% to 8%, respectively, of the employees' basic salary (subject to a cap) at rates as stipulated by the relevant municipal governments. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees. The employees of the Group in Hong Kong join MPF Scheme, a defined contribution plan. During the year ended 31 December 2023, the Group contributed approximately RMB115,905,000 (2022: RMB118,956,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulations in Vietnam, the Group contributes to stated-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 20% of the employee's salary. The stated-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. During the year ended 31 December 2023, the Group contributed approximately RMB49,202,000 (2022: RMB58,288,000) to the aforesaid state-sponsored social insurance scheme.

As stipulated by rules and regulations in other countries and regions, during the year ended 31 December 2023, the Group contributed approximately RMB13,469,000 (2022: RMB13,209,000) to the social insurance scheme of other countries and regions.

(a) 退休金成本 — 界定供款計劃及退休福利

按照中國內地的規則及法規規定，本集團已為其中國內地僱員參與國家資助的界定供款退休計劃。本集團及合資格僱員須分別就僱員基本薪金的13%至22%及7%至8%作出供款(訂有上限)，比率由有關市政府規定。除此項年度供款外，本集團對其任何實際退休金支出或退休後福利則毋須再作任何承擔。退休僱員的所有退休金支出概由國家資助退休計劃承擔。本集團於香港的僱員參與界定供款計劃強積金計劃。於截至二零二三年十二月三十一日止年度，本集團向上述國家資助的退休計劃供款約人民幣115,905,000元(二零二二年：人民幣118,956,000元)。

根據越南的規則及法規規定，本集團已為其越南僱員向國家資助的僱員社會保險計劃作出供款。本集團按僱員薪金的20%向該計劃供款。退休僱員的所有支出概由國家資助的社會保險計劃承擔。於截至二零二三年十二月三十一日止年度，本集團向上述國家資助的社會保險計劃供款約人民幣49,202,000元(二零二二年：人民幣58,288,000元)。

根據其他國家及地區的規則及法規規定，本集團於截至二零二三年十二月三十一日止年度向其他國家及地區之社會福利計劃供款約人民幣13,469,000元(二零二二年：人民幣13,209,000元)。

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30. EMPLOYMENT BENEFIT EXPENSES (Continued)

(b) Other welfare benefits

All of the Group's employees in Mainland China participate in employee social security plans, including medical, housing and other welfare benefits, organised and administered by governmental authorities. During the year ended 31 December 2023, the Group contributed approximately RMB157,485,000 (2022: RMB168,653,000) to these plans and the Group has no further obligations for the actual payment of these plans.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2022: two) directors whose emoluments are reflected in the analysis shown in Note 40. The emoluments payable to the remaining three (2022: three) individuals for the year ended 31 December 2023 are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	6,369	7,999
Bonuses	花紅	5,455	4,634
Benefit scheme contributions	福利計劃供款	147	369
Other benefits	其他福利	42	27
		12,013	13,029

(d) The emoluments of the five highest paid individuals except for the directors, whose emoluments have been disclosed in Note 40, fell within the following bands:

		Number of individuals 人數	
		2023 二零二三年	2022 二零二二年
Emolument bands	薪金範圍		
HKD3,000,001–HKD3,500,000	3,000,001港元至3,500,000港元	1	—
HKD4,000,001–HKD4,500,000	4,000,001港元至4,500,000港元	1	—
HKD4,500,001–HKD5,000,000	4,500,001港元至5,000,000港元	—	1
HKD5,000,001–HKD5,500,000	5,000,001港元至5,500,000港元	—	1
HKD5,500,001–HKD6,000,000	5,500,001港元至6,000,000港元	1	1
		3	3

30. 僱員福利開支(續)

(b) 其他福利

本集團於中國內地的所有僱員均參與僱員社會保障計劃，該計劃包括由政府機構籌劃及監控的醫療、房屋及其他福利。於截至二零二三年十二月三十一日止年度，本集團就上述計劃供款約人民幣157,485,000元(二零二二年：人民幣168,653,000元)及本集團對該等計劃的實際付款並無進一步責任。

(c) 五位最高薪酬人士

於本年度，本集團五位最高薪酬人士其中兩位(二零二二年：兩位)為董事，其薪金於附註40的分析內反映。截至二零二三年十二月三十一日止年度應付予餘下三位(二零二二年：三位)人士之薪金如下：

(d) 除董事(其薪金已於附註40披露)外，五位最高薪酬人士之薪金介乎以下範圍：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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31. FINANCE COSTS — NET

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Interest expenses	利息開支		
— Borrowings	— 借貸	533,080	364,426
— Long term payables	— 長期應付賬款	—	855
— Lease liabilities (Note 9)	— 租賃負債(附註9)	11,343	10,183
		544,423	375,464
Net exchange losses on financing activities (Note 32)	融資活動產生的匯兌虧損淨額(附註32)	78,108	192,747
Less: finance costs capitalised in building and machinery in property, plant and equipment (Note 7)	減: 資本化於物業、廠房及設備的樓宇及機器的財務費用(附註7)	(6,581)	(63,607)
Finance costs	財務費用	615,950	504,604
Interest income — interest income on bank deposits	利息收入 — 銀行存款利息收入	(98,358)	(37,743)
Net finance costs	財務費用淨額	517,592	466,861

31. 財務費用 — 淨額

32. FOREIGN EXCHANGE LOSSES — NET

The exchange differences included in the consolidated income statement are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Other losses — net (Note 28)	其他虧損淨額(附註28)	100,927	162,354
Net finance losses (Note 31)	財務虧損淨額(附註31)	78,108	192,747
Foreign exchange losses — net	匯兌虧損 — 淨額	179,035	355,101

32. 匯兌虧損 — 淨額

於綜合收益表計入之匯兌差額包括以下項目：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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33. INCOME TAX EXPENSE/(CREDIT)

The amount of income tax charged to the consolidated income statement represents:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current tax on profits for the year	年度溢利之即期稅項	298,901	210,397
Deferred income tax (Note 25)	遞延所得稅(附註25)	(129,707)	(240,424)
		169,194	(30,027)

(a) Hong Kong profits tax

Subsidiaries incorporated in Hong Kong are subject to profits tax at a rate of 16.5% (2022: 16.5%).

(b) Mainland China enterprise income tax

Effective from 1 January 2008, the subsidiaries established in Mainland China are required to pay income tax at a rate of 25% in accordance with the Corporate Income Tax Law of the PRC.

As approved by the relevant tax bureau in Mainland China, seventeen subsidiaries of the Company in the PRC obtained High and New Technology Enterprises ("HNTE") status and are entitled to a preferential tax rate of 15% during the year (2022: sixteen subsidiaries). The status is subject to a requirement that these subsidiaries reapply for HNTE status every three years.

(c) Vietnam income tax

As approved by the relevant tax bureau in Vietnam, subsidiaries established in Vietnam are entitled to four years' exemption for income taxes followed by nine years of a 50% tax reduction based on the income tax rate of 20% (2022: 20%), commencing from the first profitable year after offsetting the losses carried forward from the previous years, and are entitled to a preferential income tax rate of 10% for 15 years, commencing from the first year generating income from the operation.

33. 所得稅開支/(抵免)

於綜合收益表扣除之所得稅金額如下：

(a) 香港利得稅

於香港註冊成立之附屬公司須按16.5%(二零二二年:16.5%)之稅率繳納利得稅。

(b) 中國內地企業所得稅

由二零零八年一月一日起，於中國內地成立之附屬公司，須依照中國企業所得稅法按25%之稅率繳納所得稅。

經中國內地相關稅務局批准，本公司於中國的十七間附屬公司取得高新技術企業(「高新技術企業」)資格，並於年內有權享有15%的優惠稅率(二零二二年：十六間附屬公司)。該資格須遵守該等附屬公司每三年重新申請高新技術企業資格的規定。

(c) 越南所得稅

經越南有關稅務局批准，在越南成立的附屬公司有權於抵銷過往年度結轉的虧損後首個獲利年度起，基於20%(二零二二年：20%)的所得稅稅率，免繳所得稅四年，其後九年則可獲稅率減半優惠，並有權由業務產生收入之首個年度起享受優惠所得稅稅率10%達十五年。

33. INCOME TAX EXPENSE/(CREDIT) (Continued)**(c) Vietnam income tax (Continued)**

The applicable tax rates for all subsidiaries in Vietnam range from nil to 20% during the year (2022: nil to 20%).

(d) Other income or profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's subsidiaries established in the British Virgin Islands were incorporated under the International Business Companies Acts or the Business Companies Acts, 2004 of the British Virgin Islands and, accordingly, are exempted from payment of British Virgin Islands income tax.

The Company's subsidiary established in Macao is subject to an income tax rate of 12% (2022: 12%). No provision for Macao profits tax has been made as the Group had no assessable profit arising in or derived from Macao during the year (2022: nil).

The Company's subsidiary established in Uruguay is subject to an income tax rate of 25% (2022: 25%). No provision for Uruguay profits tax has been made as the Group had no assessable profit arising in or derived from Uruguay during the year (2022: nil).

The Company's subsidiary established in Cambodia is subject to income tax at the rate of 20% (2022: 20%). No provision for Cambodia profits tax has been made as the Group had no assessable profit arising in or derived from the subsidiary during the year (2022: nil).

The Company's subsidiaries established in Nicaragua are subject to income tax at the rate of 30% (2022: 30%). As approved by relevant tax bureau in Nicaragua, the subsidiaries are entitled to exemption from profits tax during the year (2022: exempted).

The Company's subsidiaries established in Samoa are exempted from profits tax during the year (2022: exempted).

33. 所得稅開支/(抵免)(續)**(c) 越南所得稅(續)**

年內，在越南的所有附屬公司的適用稅率，介乎零至20%(二零二二年：零至20%)。

(d) 其他所得或利得稅

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，因此獲免繳開曼群島所得稅。

本公司於英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法或二零零四年商業公司法註冊成立，因此獲免繳英屬處女群島所得稅。

本公司於澳門成立之附屬公司須按12%(二零二二年：12%)之稅率繳付所得稅。由於本集團於年內概無在澳門產生或從澳門賺取應課稅溢利，故概無就澳門利得稅作出撥備(二零二二年：零)。

本公司於烏拉圭成立之附屬公司須按25%(二零二二年：25%)之稅率繳付所得稅。由於本集團於年內概無在烏拉圭產生或從烏拉圭賺取應課稅溢利，故概無就烏拉圭利得稅作出撥備(二零二二年：零)。

本公司在柬埔寨成立之附屬公司須按20%(二零二二年：20%)之稅率繳付所得稅。由於本集團於年內概無在該附屬公司產生或從該附屬公司賺取應課稅溢利，故概無就柬埔寨利得稅作出撥備(二零二二年：零)。

本公司在尼加拉瓜成立之附屬公司須按30%(二零二二年：30%)之稅率繳付所得稅。經尼加拉瓜有關稅務局批准，該等附屬公司於年內獲豁免繳付利得稅(二零二二年：豁免)。

本公司在薩摩亞成立之附屬公司於年內獲豁免繳付利得稅(二零二二年：豁免)。

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33. INCOME TAX EXPENSE/(CREDIT) (Continued)

(d) Other income or profits tax (Continued)

The Company's subsidiary established in Turkey is subject to income tax at the rate of 25% (2022: 23%).

The Company's subsidiaries established in the United States are subject to income tax rate within the range from 27.5% to 30% during the year (2022: 27.5% to 30%).

The Company's subsidiaries established in Mexico are subject to income tax at the rate of 30% (2022: 30%).

The Company's subsidiaries established in Honduras are subject to income tax at the rate of 25% (2022: 25%).

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities, as follows:

33. 所得稅開支/(抵免)(續)

(d) 其他所得或利得稅(續)

本公司於土耳其成立之附屬公司須按25%(二零二二年: 23%)之稅率繳付所得稅。

年內,本公司在美國成立之附屬公司須按介乎27.5%至30%(二零二二年: 27.5%至30%)之稅率繳付所得稅。

本公司在墨西哥成立之附屬公司須按30%(二零二二年: 30%)之稅率繳付所得稅。

本公司在洪都拉斯成立之附屬公司須按25%(二零二二年: 25%)之稅率繳付所得稅。

本集團除所得稅前(虧損)/溢利的稅款與根據適用於綜合實體溢利的加權平均稅率計算之理論金額不同,差異如下:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
(Loss)/profit before income tax, after excluding share of net (losses)/profit of investments accounted for using the equity method	除所得稅前(虧損)/溢利(經扣除應佔以權益法入賬之投資淨(虧損)/溢利)	(127,774)	135,000
Tax calculated at domestic tax rates applicable to profits of the respective subsidiaries	按適用於相關附屬公司之溢利之當地稅率計算之稅項	62,156	(21,803)
Effect of income tax exemption	所得稅豁免之影響	(45,881)	(47,582)
Expenses not deductible for income tax purposes	不能為所得稅目的扣除的費用	30,023	64,656
Tax losses for which no deferred income tax assets was recognised	並無確認遞延所得稅資產的稅項虧損	23,665	7,555
Reversal of previous recognised deferred tax assets on taxable loss	撥回過往確認遞延所得稅資產的應課稅虧損	18,744	—
Utilisation of previous unrecognised taxable loss	動用過往未確認的應課稅虧損	(8,953)	(15,372)
Withholding tax relating to unremitted earnings of subsidiaries	有關附屬公司未匯付盈利的預扣稅	29,908	(15,095)
Others	其他	59,532	(2,386)
Income tax expense/(credit)	所得稅開支/(抵免)	169,194	(30,027)

33. INCOME TAX EXPENSE/(CREDIT) (Continued)

(d) Other income or profits tax (Continued)

10% withholding income tax is generally imposed on dividends relating to any profits earned in PRC commencing from 2008 to foreign investors, while for some PRC entities held by companies incorporated in certain places, including Hong Kong and Singapore, preferential tax rate of 5% will be applied if such companies are the beneficial owner of over 25% of these PRC entities according to PRC tax regulations.

(e) OECD Pillar Two model rules

The Group has operation mainly in Mainland China, Hong Kong, Vietnam and Americas. It is within the scope of the OECD Pillar Two model rules. As of the reporting date, there is no public announcement in Mainland China and Americas. Hong Kong has announced that it plans to implement the Global Minimum Tax and Hong Kong Domestic Minimum Top-up Tax starting from 2025 onwards but it is still under public consultation with the expectation that draft legislation will be published in the second half of 2024. Vietnam finally approved the Global Minimum Tax and Qualified Domestic Minimum Top-up Tax which took effect from 1 January 2024.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ("GloBE") effective tax rate for each jurisdiction and the 15% minimum rate. All entities in principal area of operation within the Group have an effective tax rate that exceeds 15%, except for subsidiaries that operates in Vietnam.

For 2023, the average effective tax rate (calculated in accordance with paragraph 86 of HKAS 12) of the entity operating in Vietnam is 9.89%.

33. 所得稅開支／(抵免)(續)

(d) 其他所得或利得稅(續)

中國企業所得稅對境外投資者獲分派二零零八年及之後賺取的利潤的股息一般徵收10%預提所得稅，而就若干地區(包括香港及新加坡)註冊成立之公司所持有的中國實體而言，倘該等公司根據中國之稅務條例為該等中國實體超過25%權益之實益擁有人，則享有5%的優惠稅率。

(e) 經合組織支柱二模型規則

本集團主要於中國內地、香港、越南及美洲營運業務。其乃屬於經合組織支柱二模型規則的範圍。截至報告日期，中國內地及美洲尚未發布公告。香港已宣布計劃從二零二五年起實施全球最低稅及香港本地最低補足稅，惟仍在進行公眾諮詢，預期將於二零二四年下半年公布條例草案。越南最終批准全球最低稅及合資格國內最低補足稅，並於二零二四年一月一日起生效。

由於支柱二法例於報告日期尚未生效，本集團並無相關即期稅項風險。

本集團應用於二零二三年七月頒佈的香港會計準則第12號之修訂所規定的確認及披露與支柱二所得稅相關的遞延稅項資產及負債資料的例外情況。

根據該法例，本集團須就各司法管轄區全球反侵蝕稅基提案(「全球反侵蝕稅基提案」)實際稅率與15%最低稅率之間的差額繳納補足稅。本集團主要經營地區的所有實體的實際稅率均超過15%，惟於越南經營的附屬公司除外。

二零二三年，於越南營運之實體之平均實際稅率(根據香港會計準則第12號第86段計算)為9.89%。

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33. INCOME TAX EXPENSE/(CREDIT) (Continued)

(e) OECD Pillar Two model rules (Continued)

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates for Vietnam that the average effective tax rate based on accounting profit is 9.89% for the annual reporting period to 31 December 2023. However, although the average effective tax rate is below 15%, the Group might not be exposed to paying Pillar Two income taxes in relation to Vietnam. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of HKAS 12 and the exposure to paying Pillar Two income taxes might be deducted by the recognised deferred tax assets relating to tax losses.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. The Group is currently engaged with tax specialists to assist them with applying the legislation.

34. (LOSSES)/EARNINGS PER SHARE

(a) Basic

Basic (losses)/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.

		2023 二零二三年	2022 二零二二年
(Loss)/profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔(虧損)/溢利(人民幣千元)	(375,700)	156,808
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	918,000	918,000
Basic (losses)/earnings per share (RMB per share)	每股基本(虧損)/溢利(每股人民幣元)	(0.41)	0.17

33. 所得稅開支/(抵免)(續)

(e) 經合組織支柱二模型規則(續)

本集團正在評估其於支柱二法例生效時面臨的風險。該評估顯示，截至二零二三年十二月三十一日止年度報告期間，越南基於會計利潤的平均實際稅率為9.89%。然而，儘管平均實際稅率低於15%，本集團可能毋須就越南繳納支柱二所得稅。此乃由於支柱二法例所設想的特定調整的影響，導致實際稅率與根據香港會計準則第12號第86段計算的稅率不同，而支付支柱二所得稅的風險可由與稅項虧損有關的已確認遞延稅項資產扣減。

由於應用該立法及計算全球反侵蝕稅基提案收入的複雜性，已頒佈或實質頒佈的立法的量化影響尚未可合理估計。因此，即使該等會計實際稅率高於15%的實體，仍可能存在支柱二稅務影響。本集團目前正委聘稅務專家協助彼等應用該法例。

34. 每股(虧損)/盈利

(a) 基本

每股基本(虧損)/盈利以本公司擁有人應佔(虧損)/溢利除以年內已發行普通股之加權平均數計算。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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截至二零二三年十二月三十一日止年度

34. (LOSSES)/EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the Company's share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		2023 二零二三年	2022 二零二二年
(Loss)/profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔(虧損)/溢利(人民幣千元)	(375,700)	156,808
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(以千計)	918,000	918,000
Adjustments for:	調整:		
— Share options (thousands)	— 購股權(以千計)	—	144
Weighted average number of ordinary shares for diluted (losses)/earnings per share (thousands)	每股攤薄(虧損)/溢利之普通股加權平均數(以千計)	918,000	918,144
Diluted (losses)/earnings per share (RMB per share)	每股攤薄(虧損)/溢利(每股人民幣元)	(0.41)	0.17

35. DIVIDENDS

No dividend was paid in 2023 (2022: RMB766,436,000, HKD0.95 per ordinary share).

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Final dividend for the year ended 31 December 2022 of HKD nil (2021: HKD0.57) per ordinary share	截至二零二二年十二月三十一日止年度末期股息每股普通股零港元(二零二一年: 0.57港元)	—	447,492
Interim dividend for the year ended 31 December 2023 HKD nil (2022: HKD0.38) per ordinary share	截至二零二三年十二月三十一日止年度中期股息每股普通股零港元(二零二二年: 0.38港元)	—	318,944
		—	766,436

No proposal of final dividend in respect of the year ended 31 December 2023 has been made per ordinary share (2022: nil).

34. 每股(虧損)/盈利(續)

(b) 攤薄

每股攤薄(虧損)/盈利乃透過調整發行在外的普通股加權平均數計算，以假設所有具攤薄影響之潛在普通股獲轉換。就本公司之購股權而言，本公司已根據未行使購股權附帶之認購權之幣值，計算能夠按公平值(釐定為本公司股份之平均年度市價)收購的股份數目。上述計算所得之股份數目與假設購股權獲行使的情況下，已發行的股份數目比較。

35. 股息

於二零二三年，並無支付股息(二零二二年: 人民幣766,436,000元，每股普通股0.95港元)。

截至二零二三年十二月三十一日止年度，概無就每股普通股擬派末期股息(二零二二年: 無)。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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36. CASH FLOW INFORMATION

(a) Cash generated from operations

The reconciliation from (loss)/profit before income tax to cash generated from operations is as follows:

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
(Loss)/profit before income tax	(130,188)	171,159
Adjustments for:		
— Amortisation, depreciation and impairment (Note 28 and Note 29)	1,157,597	1,029,050
— Share of losses/(profit) of investments accounted for using equity method (Note 11)	2,414	(36,159)
— (Gains)/losses on disposal of property, plant and equipment and land use rights (Note 28 and Note 29)	(182,841)	3,780
— Net (reversal)/accrual of provision for decline in the value of inventories (Note 29)	(262,591)	495,159
— Gains on sales of pollution discharge rights (Note 28)	(325,055)	—
— Accrual of provision for impairment of trade receivables (Note 14)	20,704	22,400
— Accrual of provision for impairment of prepayments, deposits and other receivables (Note 17)	47,514	17,215
— Finance costs — net (Note 31)	517,592	466,861
— Fair value gains on derivative financial instruments (Note 28)	(120,438)	(67,621)
— Settlement on derivative financial instruments (Note 28)	(130,977)	11,182
— Fair value gains on financial assets at FVPL (Note 28)	(3,454)	—
— Settlement on financial assets at FVPL (Note 28)	(5,996)	(27,741)
— Gains on disposal of subsidiaries (Note 28)	(92,089)	—
— Net exchange differences	2,980	(168,679)
Changes in working capital (excluding the effects of exchange differences on consolidation):		
— Inventories	2,554,971	(933,597)
— Properties under development	(74,753)	(105,683)
— Trade and bills receivables	(256,283)	334,266
— Financial assets at FVOCI	43,854	(80,767)
— Prepayments, deposits and other receivables	153,016	(44,742)
— Trade and bills payables	(1,020,631)	612,563
— Contract liabilities	151,701	297,824
— Accruals and other payables	(26,789)	(132,467)
— Pledged bank deposits	92,685	71,431
Cash generated from operations	2,112,943	1,935,434

36. 現金流量資料

(a) 經營所產生的現金

除所得稅前(虧損)/溢利與經營所產生的現金對賬如下：

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

36. CASH FLOW INFORMATION (Continued)

(a) Cash generated from operations (Continued)

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment and land use rights include:

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Net book amount — land use rights	262,998	—
Net book amount — property, plant and equipment (Note 7)	755,716	467,610
Less: disposal of subsidiaries	(426,161)	—
Receivables from sales of land use rights and property, plant and equipment or return of prepayments of equipment	(265,543)	(227,991)
Gains/(losses) on disposal of property, plant and equipment and land use rights (Note 28 and Note 29)	182,841	(3,780)
Proceeds from disposal of property, plant and equipment and land use rights	509,851	235,839

(b) Non-cash financing activities

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Supply chain financing	2,666,518	549,041
Additions of lease liabilities	83,657	250,042
	2,750,175	799,083

36. 現金流量資料(續)

(a) 經營所產生的現金(續)

於綜合現金流量表，出售物業、廠房及設備和土地使用權所得款項包括：

(b) 非現金融資活動

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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36. CASH FLOW INFORMATION (Continued)

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Net debt	淨債務		
Cash and cash equivalents	現金及現金等值物	2,161,795	2,468,421
Pledged bank deposits	已抵押銀行存款	66,208	111,647
Supply chain financing	供應鏈融資	(2,495,882)	(549,041)
Borrowings	借貸	(7,723,204)	(8,543,372)
Lease liabilities	租賃負債	(209,308)	(314,382)
Net debt	淨債務	(8,200,391)	(6,826,727)
Cash and cash equivalents	現金及現金等值物	2,161,795	2,468,421
Pledged bank deposits	已抵押銀行存款	66,208	111,647
Gross debt — fixed interest rates	總債務 — 固定利率	(6,732,360)	(4,790,950)
Gross debt — variable interest rates	總債務 — 浮動利率	(3,696,034)	(4,615,845)
Net debt	淨債務	(8,200,391)	(6,826,727)

36. 現金流量資料(續)

(c) 淨債務對賬

本節載列各個呈列年度的淨債務分析及淨債務變動。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

36. CASH FLOW INFORMATION (Continued)

(c) Net debt reconciliation (Continued)

	Other assets 其他資產		Liabilities from financing activities 來自融資活動之負債				Total 總計 RMB'000 人民幣千元
	Cash and cash equivalents 現金及 現金等值物 RMB'000 人民幣千元	Pledged bank deposits 已抵押銀行 存款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Long term payables 長期 應付賬款 RMB'000 人民幣千元	Borrowings and supply chain financing 借貸及 供應鏈融資 RMB'000 人民幣千元		
Net debt as at 1 January 2022	於二零二二年一月一日 的淨債務						
Cash flows	現金流量						
Addition of lease liabilities	添置租賃負債						
Accrued interest expenses	預提利息開支						
Supply chain financing	供應鏈融資						
Foreign exchange adjustments	外匯調整						
Net debt as at 31 December 2022	於二零二二年十二月 三十一日的淨債務						
Cash flows	現金流量						
Addition of lease liabilities	添置租賃負債						
Disposal of leases	處置租賃						
Accrued interest expenses	預提利息開支						
Supply chain financing	供應鏈融資						
Disposal of subsidiaries	出售附屬公司						
Foreign exchange adjustments	外匯調整						
Net debt as at 31 December 2023	於二零二三年十二月 三十一日的淨債務						

37. COMMITMENTS

Capital expenditures at the balance sheet date that have not been incurred are as follows:

37. 承擔

於結算日的資本開支(但未產生)如下:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
Authorised but not contracted for	已授權但未訂約	429,452	532,240
Contracted but not provided for	已訂約但未撥備	290,191	706,762
Total capital expenditure commitments	資本開支承擔總額	719,643	1,239,002

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023
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38. RELATED-PARTY TRANSACTIONS

Related parties are those as defined under Hong Kong Accounting Standard 24 and include key management of the Group. General speaking, parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

As at 31 December 2023, the Group is controlled by New Green Group Limited (incorporated in BVI), which directly and indirectly owns 59.34% of the Company's shares. The remaining 40.66% of the shares are widely held. The ultimate parent of the Group is Texhong Group Holdings Limited (incorporated in Cayman Islands). The ultimate controlling party of the Group is Mr. Hong Tianzhu, the chairman of the Group.

The related parties that had business transactions with the Group are as follows:

38. 與關聯方的交易

關聯方為香港會計準則第24號所定義者，並且包括本集團主要管理層。大致而言，倘其中一方能直接或間接控制另一方或在財務及營運決定方面對另一方行使重大影響力，則被視為關聯方。倘彼等受共同控制，亦被視為關聯方。

於二零二三年十二月三十一日，本集團由New Green Group Limited(於英屬處女群島註冊成立)控制，其直接及間接擁有本公司股份之59.34%。股份餘下之40.66%被廣泛持有。本集團之最終母公司為Texhong Group Holdings Limited(於開曼群島註冊成立)。本集團之最終控制方為本集團主席洪天祝先生。

與本集團進行業務交易的關聯方如下：

Name of related party 關聯方名稱	Relationship with the Group 與本集團關係
Hongyan Vietnam Holdings Limited and its subsidiaries 鴻雁越南控股有限公司及其附屬公司	Associated company 聯營公司
Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary 江蘇大生智能科技發展有限公司及其附屬公司	Associated company 聯營公司
Xinghong International (Hong Kong) Co., Limited and its subsidiary 星宏國際(香港)有限公司及其附屬公司	Associated company 聯營公司
HLD (HK) Trading Limited HLD (HK) Trading Limited	Associated company 聯營公司
Treasure Reap Limited and its subsidiaries 豐寶有限公司及其附屬公司	Associated company 聯營公司
Hualida Vietnam (Quang Ninh) Holdings Limited and its subsidiary 華利達越南(廣寧)控股有限公司及其附屬公司	Associated company 聯營公司
Texhong Tan Cang Logistics Joint Stock Company 天虹新港物流股份公司	Joint venture 合營企業
Hai Ha Industrial Park Vietnam Co., Limited 海河工業園區越南有限公司	A company controlled by the chairman of the Group 由本集團主席所控制之公司

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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38. RELATED-PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
— Xinghong International (Hong Kong) Co., Limited and its subsidiary	— 星宏國際(香港)有限公司及其附屬公司	37,634	46,768
— Hongyan Vietnam Holdings Limited and its subsidiaries	— 鴻雁越南控股有限公司及其附屬公司	24,607	6,267
— HLD (HK) Trading Limited	— HLD (HK) Trading Limited	14,823	4,550
— Hualida Vietnam (Quang Ninh) Holdings Limited and its subsidiary	— 華利達越南(廣寧)控股有限公司及其附屬公司	5,405	393
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary	— 江蘇大生智能科技發展有限公司及其附屬公司	5	10,895
		82,474	68,873
Sales of utilities	銷售動力及燃料		
— Xinghong International (Hong Kong) Co., Limited and its subsidiary	— 星宏國際(香港)有限公司及其附屬公司	9,826	—
— Hongyan Vietnam Holdings Limited and its subsidiaries	— 鴻雁越南控股有限公司及其附屬公司	3,535	—
— Hualida Vietnam (Quang Ninh) Holdings Limited and its subsidiary	— 華利達越南(廣寧)控股有限公司及其附屬公司	539	—
		13,900	—
Sales of property, plant and equipment	銷售物業、廠房及設備		
— Xinghong International (Hong Kong) Co., Limited and its subsidiary	— 星宏國際(香港)有限公司及其附屬公司	—	5,991
(Repayment of)/providing shareholder loan	(償還)/提供股東貸款		
— Xinghong International (Hong Kong) Co., Limited and its subsidiary	— 星宏國際(香港)有限公司及其附屬公司	(72,945)	72,631
— Treasure Reap Limited and its subsidiaries	— 豐寶有限公司及其附屬公司	328	18,802
		(72,617)	91,433

38. 與關聯方的交易(續)

(a) 與關聯方的交易

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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38. RELATED-PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Purchases of goods	購買貨品		
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary	— 江蘇大生智能科技發展有限公司及其附屬公司	183	68
— Hongyan Vietnam Holdings Limited and its subsidiaries	— 鴻雁越南控股有限公司及其附屬公司	—	24,533
		183	24,601
Purchases of utilities	購買動力及燃料		
— Hai Ha Industrial Park Vietnam Co., Limited	— 海河工業園區越南有限公司	212,331	293,128
Purchases of services	購買服務		
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份有限公司	40,704	51,835
— Hai Ha Industrial Park Vietnam Co., Limited	— 海河工業園區越南有限公司	295	1,870
		40,999	53,705
Purchases of land use rights	購買土地使用權		
— Hai Ha Industrial Park Vietnam Co., Limited	— 海河工業園區越南有限公司	97,188	226,313
Purchases of property, plant and equipment	購買物業、廠房及設備		
— Hai Ha Industrial Park Vietnam Co., Limited	— 海河工業園區越南有限公司	226,099	72,464

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and/or the invoices issued by the respective parties.

本公司董事及本集團的管理層認為上述與關聯方的交易乃於日常業務過程並且根據相關協議的條款及/或由有關各方發出的發票進行。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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38. RELATED-PARTY TRANSACTIONS (Continued)

(b) Balance with related parties

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Trade receivables	應收貿易款項		
— Xinghong International (Hong Kong) Co., Limited and its subsidiary	— 星宏國際(香港)有限公司及其附屬公司	14,131	13,293
— Hongyan Vietnam Holdings Limited and its subsidiaries	— 鴻雁越南控股有限公司及其附屬公司	9,542	393
— HLD (HK) Trading Limited	— HLD (HK) Trading Limited	737	—
— Hualida Vietnam (Quang Ninh) Holdings Limited and its subsidiary	— 華利達越南(廣寧)控股有限公司及其附屬公司	726	297
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary	— 江蘇大生智能科技發展有限公司及其附屬公司	—	1
		25,136	13,984
Trade payables	應付貿易款項		
— Hai Ha Industrial Park Vietnam Co., Limited	— 海河工業園區越南有限公司	13,601	18,655
— Texhong Tan Cang Logistics Joint Stock Company	— 天虹新港物流股份有限公司	8,201	1,202
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary	— 江蘇大生智能科技發展有限公司及其附屬公司	—	431
		21,802	20,288
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		
— Xinghong International (Hong Kong) Co., Limited and its subsidiary	— 星宏國際(香港)有限公司及其附屬公司	38,294	111,239
— Jiangsu Dasheng Intelligence Technology Development Co., Ltd. and its subsidiary	— 江蘇大生智能科技發展有限公司及其附屬公司	20,100	20,100
— Treasure Reap Limited and its subsidiaries	— 豐寶有限公司及其附屬公司	19,130	18,802
		77,524	150,141
Accruals and other payables	預提費用及其他應付賬款		
— Hai Ha Industrial Park Vietnam Co., Limited	— 海河工業園區越南有限公司	50,494	—

The amounts due from related parties are unsecured, interest-free and repayable on demand.

應收關聯方款項為無抵押、不計息及按要求償還。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

38. RELATED-PARTY TRANSACTIONS (Continued)

(c) Key management compensation

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Salaries, wages and bonuses	薪金、工資及花紅	14,381	19,857
Pension costs — defined contribution plan	退休金成本 — 界定供款計劃	580	735
Other benefits	其他福利	232	94
		15,193	20,686

38. 與關聯方的交易(續)

(c) 主要管理層薪酬

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

39. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

39. 本公司的資產負債表及儲備變動

(a) 本公司的資產負債表

		As at 31 December 於十二月三十一日	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	508	573
Investments in subsidiaries	於附屬公司的投資	4,126,252	4,126,252
		4,126,760	4,126,825
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	146,615	315,255
Due from subsidiaries	應收附屬公司款項	3,041,937	1,783,878
Derivative financial instruments	衍生金融工具	42,382	61,362
Cash and cash equivalents	現金及現金等值物	154,088	106,242
		3,385,022	2,266,737
Total assets	資產總值	7,511,782	6,393,562
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital: nominal value	股本：面值	96,958	96,958
Share premium	股份溢價	462,059	462,059
Other reserves	其他儲備	184,464	184,464
Retained earnings	保留溢利	3,757,105	2,316,782
Total equity	權益總值	4,500,586	3,060,263
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借貸	1,204,407	1,932,465
		1,204,407	1,932,465
Current liabilities	流動負債		
Bills payable	應付票據款項	24,512	30,801
Accruals and other payables	預提費用及其他應付賬款	17,577	19,630
Due to subsidiaries	應付附屬公司款項	691,506	7,343
Borrowings	借貸	1,072,124	1,311,057
Derivative financial instruments	衍生金融工具	1,070	32,003
		1,806,789	1,400,834
Total liabilities	總負債	3,011,196	3,333,299
Total equity and liabilities	總權益及負債	7,511,782	6,393,562

The balance sheet of the Company was approved by the Board of Directors on 25 March 2024 and was signed on its behalf by:

本公司資產負債表已於二零二四年三月二十五日獲董事會批准，並由下列董事代表董事會簽署：

Hong Tianzhu

Zhu Yongxiang

洪天祝

朱永祥

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

39. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

39. 本公司的資產負債表及儲備變動(續)

(b) 本公司的儲備變動

		Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	184,464	2,921,035
Profit for the year	年度溢利	—	162,183
Dividend relating to 2021	二零二一年之股息	—	(447,492)
Dividend relating to 2022	二零二二年之股息	—	(318,944)
At 31 December 2022	於二零二二年十二月三十一日	184,464	2,316,782
At 1 January 2023	於二零二三年一月一日	184,464	2,316,782
Profit for the year	年度溢利	—	1,440,323
At 31 December 2023	於二零二三年十二月三十一日	184,464	3,757,105

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

40. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

Mr. Zhu Yongxiang is the chief executive officer of the Group.

For the year ended 31 December 2023, the remuneration of every director is set out below:

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Employer's contribution to benefit scheme	Total
						其他福利之估計金錢價值	僱主福利計劃供款	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事:							
Hong Tianzhu (chairman)	洪天祝(主席)	—	1,009	787	—	—	1	1,797
Zhu Yongxiang	朱永祥	—	960	2,198	—	30	114	3,302
Tang Daoping*	湯道平*	—	1,033	1,965	—	30	129	3,157
Independent Non-executive Directors:	獨立非執行董事:							
Shu Wa Tung, Laurence*	舒華東*	109	—	—	—	—	—	109
Tao Xiaoming	陶肖明	163	—	—	—	—	—	163
Cheng Longdi	程隆祿	136	—	—	—	—	—	136
Ting Leung Huel, Stephen*	丁良輝*	115	—	—	—	—	—	115
		523	3,002	4,950	—	60	244	8,779

* Mr. Tang Daoping resigned from Executive Director on 8 December 2023.

Mr. Ting Leung Huel, Stephen retired from Independent Non-executive Director on 25 May 2023.

Mr. Shu Wa Tung, Laurence was appointed as Independent Non-executive Director on 25 May 2023.

40. 董事福利及權益

(a) 董事及行政總裁酬金

朱永祥先生為本集團行政總裁。

截至二零二三年十二月三十一止年度，每位董事的酬金如下：

* 湯道平先生於二零二三年十二月八日辭任執行董事。

丁良輝先生於二零二三年五月二十五日辭任獨立非執行董事。

舒華東先生於二零二三年五月二十五日獲委任為獨立非執行董事。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

40. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' and chief executive's emoluments

(Continued)

For the year ended 31 December 2022, the remuneration of every director is set out below:

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated value of other benefits	Employer's money contribution to benefit scheme	Total
		袍金	薪金	酌情花紅	住屋津貼	其他福利之估計金錢價值	僱主福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事：							
Hong Tianzhu (chairman)	洪天祝 (主席)	—	1,009	781	—	—	1	1,791
Zhu Yongxiang	朱永祥	—	960	2,198	—	27	106	3,291
Tang Daoping	湯道平	—	1,052	4,940	—	27	122	6,141
Hui Tsz Wai*	許子慧*	—	877	121	—	—	88	1,086
Independent non-executive Directors:	獨立非執行董事：							
Ting Leung Huel, Stephen	丁良輝	268	—	—	—	—	—	268
Cheng Longdi	程隆棟	134	—	—	—	—	—	134
Tao Xiaoming	陶肖明	161	—	—	—	—	—	161
		563	3,898	8,040	—	54	317	12,872

* Mr. Hui Tsz Wai resigned from Executive Director on 31 March 2022.

For the year ended 31 December 2022 and 2023, emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking, are set out as above.

(b) Directors' retirement and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year.

(c) Consideration provided to third parties for making available directors' services

The Group did not pay consideration to any third parties for making available directors' services during the year.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year.

40. 董事福利及權益(續)

(a) 董事及行政總裁酬金(續)

截至二零二二年十二月三十一止年度，每位董事的酬金如下：

Name of Director	董事姓名	Fees	Salaries	Discretionary bonuses	Housing allowance	Estimated value of other benefits	Employer's money contribution to benefit scheme	Total
		袍金	薪金	酌情花紅	住屋津貼	其他福利之估計金錢價值	僱主福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors:	執行董事：							
Hong Tianzhu (chairman)	洪天祝 (主席)	—	1,009	781	—	—	1	1,791
Zhu Yongxiang	朱永祥	—	960	2,198	—	27	106	3,291
Tang Daoping	湯道平	—	1,052	4,940	—	27	122	6,141
Hui Tsz Wai*	許子慧*	—	877	121	—	—	88	1,086
Independent non-executive Directors:	獨立非執行董事：							
Ting Leung Huel, Stephen	丁良輝	268	—	—	—	—	—	268
Cheng Longdi	程隆棟	134	—	—	—	—	—	134
Tao Xiaoming	陶肖明	161	—	—	—	—	—	161
		563	3,898	8,040	—	54	317	12,872

* 許子慧先生於二零二二年三月三十一日辭任執行董事。

截至二零二二年及二零二三年十二月三十一日止年度，就個人擔任董事提供服務(不論本公司或其附屬公司)之已付或應付酬金如上所述。

(b) 董事退任及終止僱用福利

年內，概無董事曾或將獲得任何退任福利或終止僱用福利。

(c) 就提供董事服務向第三方提供之代價

年內，本集團概無就提供董事服務向任何第三方支付代價。

(d) 有關以董事、其受控法團或其關連實體為受益人之貸款、準貸款及其他交易的資料

於年末或年內任何時間概無存續以董事、其受控法團及其關連實體為受益人之貸款、準貸款及其他交易。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

40. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(e) Directors' material interests in transactions, arrangements or contracts

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.

41. PRINCIPAL SUBSIDIARIES

The following is a list of the Group's principal subsidiaries, all of which are unlisted, as of 31 December 2023:

40. 董事福利及權益(續)

(e) 董事於交易、安排或合約之重大權益

本公司概無訂立與本集團業務有關，而本公司董事直接或間接擁有重大權益且於年末或年內任何時間存續之重大交易、安排及合約。

41. 主要附屬公司

下表列示本集團截至二零二三年十二月三十一日的主要附屬公司(均為非上市)：

Name of subsidiary	Place and date of incorporation and form of legal entity 註冊成立地點及日期及法律實體類別	Principal activities and place of operations	Particulars of issued share capital or paid-in capital 已發行股本或繳入股本的詳情	Interest held
附屬公司名稱		主要業務及營運地點		所持權益
Directly held: 直接持有：				
Texhong Textile Holdings Limited	British Virgin Islands 26 May 2004, limited liability company	Investment holding in British Virgin Islands	USD100	100%
天虹紡織控股有限公司	英屬處女群島， 二零零四年五月二十六日， 有限責任公司	於英屬處女群島投資控股	100美元	100%
Sunray International Holdings Limited	British Virgin Islands 21 January 2005, limited liability company	Investment holding in British Virgin Islands	USD1	100%
新銳國際控股有限公司	英屬處女群島， 二零零五年一月二十一日， 有限責任公司	於英屬處女群島投資控股	1美元	100%
Renze Investment Limited	British Virgin Islands, 6 September 2006, limited liability company	Investment holding in British Virgin Islands	USD50,000	100%
仁澤投資有限公司	英屬處女群島， 二零零六年九月六日， 有限責任公司	於英屬處女群島投資控股	50,000美元	100%
Prosperous Time Holdings Limited	British Virgin Islands, 12 May 2015, limited liability company	Investment holding in British Virgin Islands	USD1 and CNY393,812,283	100%
好景創投有限公司	英屬處女群島， 二零一五年五月十二日， 有限責任公司	於英屬處女群島投資控股	1美元及人民幣 393,812,283元	100%
Winnitex Textile Holdings Limited	British Virgin Islands, November 2018, limited liability company	Investment holding in British Virgin Islands	USD100 and HKD2,425,766,506	80%
Winnitex Textile Holdings Limited	英屬處女群島， 二零一八年十一月， 有限責任公司	於英屬處女群島投資控股	100美元及 2,425,766,506港元	80%

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

41. PRINCIPAL SUBSIDIARIES (Continued)

41. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Indirectly held: 間接持有：				
Jiangsu Century Textile Co., Ltd. 江蘇世紀紡織有限公司	Xuzhou, Mainland China, 6 June 2000, limited liability company 中國內地徐州， 二零零零年六月六日， 有限責任公司	Manufacturing and sales of yarns, grey fabrics, dyed clothes and dress; processing of cotton in Mainland China 於中國內地製造及銷售紗線、 坯布、染布及服裝；棉花 加工	USD15,000,000 15,000,000美元	100%
Nantong Century Textile Co., Ltd. 南通世紀紡織有限公司	Nantong, Mainland China, 7 June 2002, limited liability company 中國內地南通， 二零零二年六月七日， 有限責任公司	Manufacturing and sales of yarns, grey fabrics and dyed fabrics in Mainland China 於中國內地製造及銷售紗線、 坯布及染布	USD5,500,000 5,500,000美元	100%
Xuzhou Yinfeng Textile Co., Ltd. 徐州銀豐紡織有限公司	Xuzhou, Mainland China, 12 May 2004, limited liability company 中國內地徐州， 二零零四年五月十二日， 有限責任公司	Manufacturing and sales of yarns, grey fabrics, clothes and dyed fabrics in Mainland China 於中國內地製造及銷售紗線、 坯布、布料及染布	USD7,800,000 7,800,000美元	100%
Xuzhou Times Textile Co., Ltd. 徐州時代紡織有限公司	Xuzhou, Mainland China, 29 December 2004, limited liability company 中國內地徐州， 二零零四年十二月二十九日， 有限責任公司	Manufacturing and sales of top- grade yarns, thread, grey fabrics, textile knitting products, and garments in Mainland China 於中國內地製造及銷售高級紗 線、線、坯布、紡織與織 造產品及成衣	USD43,000,000 43,000,000美元	100%
Texhong (China) Investment Co., Ltd. 天虹(中國)投資有限公司	Shanghai, Mainland China, 21 June 2005, Limited liability company 中國內地上海， 二零零五年六月二十一日， 有限責任公司	Investment holding and trading of textile products in Mainland China 投資控股及於中國內地買賣紡 織產品	USD100,000,000 100,000,000美元	100%
Xuzhou Yinyu Textile Co., Ltd. 徐州銀宇紡織有限公司	Xuzhou, Mainland China, 30 March 2006, limited liability company 中國內地徐州， 二零零六年三月三十日， 有限責任公司	Manufacturing top-grade yarns, thread, grey fabrics, dresses, in Mainland China 於中國內地製造高級紗線、 線、坯布及服裝	USD20,500,000 20,500,000美元	100%

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

41. PRINCIPAL SUBSIDIARIES (Continued)

41. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Sunray Macao Commercial Limited. 新睿澳門商業服務有限公司	Macao, 19 December 2005, limited liability company 澳門, 二零零五年十二月十九日, 有限責任公司	Trading in Macao 於澳門貿易	MOP\$300,000 300,000澳門幣	100%
Changzhou Hongwei Textile Co., Ltd. 常州虹緯紡織有限公司	Changzhou, Mainland China, 1 January 1979, limited liability company 中國內地常州, 一九七九年一月一日, 有限責任公司	Manufacturing and sales of textile, decoration and garment in Mainland China 於中國內地製造及銷售紡織 品、飾品及成衣	RMB53,145,000 人民幣53,145,000元	100%
Renze Textile Joint Stock Company 仁澤紡織股份有限公司	Vietnam, 24 October 2006, limited liability company 越南, 二零零六年十月二十四日, 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD30,000,000 30,000,000美元	100%
Weishan Hongwei Textile Technology Limited 微山虹緯紡織科技有限公司	Shandong, Mainland China, 12 April 2018 limited liability company 中國內地山東, 二零一八年四月十二日, 有限責任公司	Manufacturing and sales of yarns in Mainland China 在中國內地製造及銷售紗線	RMB58,000,000 人民幣58,000,000元	100%
Yinlong Technology Company Limited 銀龍科技有限公司	Vietnam, 11 April 2012, limited liability company 越南, 二零一二年四月十一日, 有限責任公司	Manufacturing of yarn in Vietnam 於越南製造紗線	USD40,000,000 40,000,000美元	100%
Shandong Hongwei Textile Co., Ltd. 山東虹緯紡織有限公司	Shandong, Mainland China, 1 May 2004, limited liability company 中國內地山東, 二零零四年五月一日, 有限責任公司	Manufacturing and sales of yarns in Mainland China 於中國內地製造及銷售紗線	RMB700,000,000 人民幣700,000,000元	100%
Galaxy Technology Company Limited 銀河科技有限公司	Vietnam, 13 September 2014, limited liability company 越南, 二零一四年九月十三日, 有限責任公司	Manufacturing of yarns, grey fabrics, garments and dyed fabrics in Vietnam 於越南製造紗線、坯布、成衣 及染布	USD80,000,000 80,000,000美元	100%
Shandong Lanyan Textiles Co., Ltd. 山東蘭雁紡織服裝有限公司	Shandong, Mainland China, 21 August 2015, limited liability company 中國內地山東, 二零一五年八月二十一日, 有限責任公司	Manufacturing of yarns, grey fabrics, garments in Shandong 於山東製造紗線、坯布及成衣	USD3,000,000 3,000,000美元	100%

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

41. PRINCIPAL SUBSIDIARIES (Continued)

41. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Changzhou Grand Textile Co., Ltd. 常州偉業紡織有限公司	Changzhou, Mainland China, August 2016, limited liability company 中國內地常州， 二零一六年八月， 有限責任公司	Trading of textile products in Changzhou 於常州買賣紡織產品	USD19,500,000 19,500,000美元	100%
Foshan Ruhong Textile Co., Ltd. 佛山如虹紡織有限公司	Foshan, Mainland, China, August 2016, limited liability company 中國內地佛山， 二零一六年八月， 有限責任公司	Manufacturing of yarns in Foshan 於佛山製造紗線	USD3,000,000 3,000,000美元	100%
Shanghai Hongrun Textile Co., Ltd. 上海虹潤貿易有限公司	Shanghai, Mainland China, 7 January 2009, limited liability company 中國內地上海， 二零零九年一月七日， 有限責任公司	Trading of textile products in Mainland China 於中國內地買賣紡織產品	RMB5,000,000 人民幣5,000,000元	100%
Taizhou Hongwei Textile Co., Ltd. 泰州虹緯紡織有限公司	Taizhou, Mainland China, 23 April 2002, limited liability company 中國內地泰州， 二零零二年四月二十三日， 有限責任公司	Manufacturing and sales of industrial-use textile products and top-grade blended-spinning in Mainland China 於中國內地製造及銷售工業用 紡織產品及高端混紡品	USD18,580,000 18,580,000美元	100%
Nantong Hongwei Textile Co., Ltd. 南通虹緯紡織有限公司	Nantong, Mainland China, 20 May 2004, limited liability company 中國內地南通， 二零零四年五月二十日， 有限責任公司	Manufacturing and sales of garment, textile knitting products and yarns in Mainland China 於中國內地製造及銷售 成衣、紡織與織造產品及 紗線	USD13,500,000 13,500,000美元	100%
Shandong Lanyan Jeanswear Co., Ltd. 山東蘭雁牛仔服裝有限公司	Shandong, Mainland China, 21 August 2015, limited liability company 中國內地山東， 二零一五年八月二十一日， 有限責任公司	Manufacturing of yarns, grey fabrics, garments in Shandong 於山東製造紗線、坯布及成衣	USD1,000,000 1,000,000美元	100%
Taizhou Yintai Textile Co., Ltd. 泰州銀泰紡織有限公司	Taizhou, Mainland China, 26 May 2006, limited liability company 中國內地泰州， 二零零六年五月二十六日， 有限責任公司	Manufacturing top-grade garment and special textile for construction in Mainland China 於中國內地製造高級成衣和 建築用特別紡織品	USD6,640,000 6,640,000美元	100%

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

41. PRINCIPAL SUBSIDIARIES (Continued)

41. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation and form of legal entity 註冊成立地點及日期及 法律實體類別	Principal activities and place of operations 主要業務及營運地點	Particulars of issued share capital or paid-in capital 已發行股本或 繳入股本的詳情	Interest held 所持權益
Xuzhou Hongwei Intelligence Textile Co., Ltd. 徐州虹緯智能紡織有限公司	Xuzhou, Mainland China, 25 May 2017, limited liability company 中國內地徐州， 二零一七年五月二十五日， 有限責任公司	Manufacturing of yarns in Mainland China 於中國內地製造紗線	USD100,000,000 100,000,000美元	100% 100%
Nantong Textile Group Co., Ltd. 南通紡織控股集團紡織染有限公司	Nantong, Mainland China, 11 September 2002, limited liability company 中國內地南通， 二零零二年九月十一日， 有限責任公司	Manufacturing and sales of top- grade textile knitting products and garments 製造及銷售高級紡織與織造 產品及成衣	USD15,000,000 15,000,000美元	100% 100%
Zhejiang Qing Mao Weaving, Dyeing & Printing Co., Ltd. 浙江慶茂紡織印染有限公司	Shaoxing, Mainland China, 1 October 2002 limited liability company 中國內地紹興， 二零零二年十月一日， 有限責任公司	Manufacturing of cotton and cotton blend yarns, greige, dyed and finished woven fabrics 製造純棉以及混棉紗線、坯 布、染整梭織面料	USD15,000,000 15,000,000美元	80% 80%
Winnitex Limited 慶業有限公司	Hong Kong, 24 January 2003, limited liability company 香港， 二零零三年一月二十四日， 有限責任公司	Sales of woven garment fabrics 銷售梭織面料	HKD1,000 1,000港元	80% 80%
Twin Dragon Marketing, Inc. Twin Dragon Marketing, Inc.	USA, incorporated company 美國， 股份有限公司	Sales of denim fabrics and apparel 銷售牛仔面料及服裝	USD4,063,000 4,063,000美元	65% 65%

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Texhong (China) Investment Co., Ltd. is a wholly foreign owned investment holding company incorporated in Mainland China.

None of above subsidiaries had any loan capital in issue at any time during year ended 31 December 2023 (2022: None).

The English names of certain subsidiaries established in Mainland China represent the best effort by the Group's management to translate their Chinese names, as they do not have official English names.

上表載列董事認為主要影響本集團業績或資產的本集團附屬公司。董事認為提供其他附屬公司的資料將導致篇幅過於冗長。

天虹(中國)投資有限公司為於中國內地註冊成立之全外資投資控股公司。

截至二零二三年十二月三十一日止年度內任何時間，概無上述附屬公司擁有任何已發行借貸股本(二零二二年：無)。

若干於中國內地成立之附屬公司並無正式英文名稱，其英文名稱為本集團管理層盡最大努力將其中文名稱翻譯為英文之版本。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

42.1 Principles of consolidation and equity accounting subsidiaries

(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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of change in equity and consolidated balance sheet respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

42. 其他潛在重要會計政策

42.1 附屬公司合併及權益會計處理原則

(a) 附屬公司

附屬公司指本集團對其有控制權之所有實體(包括結構實體)。於本集團藉對實體之參與而面臨可變回報之風險或取得可變回報之權利，並藉對該實體行使權力而有能力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移予本集團當日起綜合入賬，並由控制權終止當日起停止綜合入賬。

集團內部交易、結存及集團內公司間的交易之未變現收益，均予以對銷。除非有關交易提供已轉讓資產減值證據，否則未變現虧損亦予以對銷。如有需要，附屬公司所呈報之金額已經調整，以貫徹本集團之會計政策。

非控股權益為附屬公司的業績及股權，分別單獨於綜合損益表、綜合全面收益表、綜合權益變動表及綜合資產負債表內列示。

(b) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權或共同控制權之所有實體，本集團一般持有其20%至50%的投票權。聯營公司投資以權益會計法入賬。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.1 Principles of consolidation and equity accounting subsidiaries (Continued)

(c) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income ("OCI") of the investee in OCI. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

42. 其他潛在重要會計政策(續)

42.1 附屬公司合併及權益會計處理原則(續)

(c) 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合約權益和責任而定。本集團已評估其合營安排的性質並釐定為合營企業。

於合營企業的權益初步於綜合資產負債表按成本確認後，乃以權益法入賬。

(d) 權益法

根據會計權益法，投資初步以成本確認，其後經調整以於損益確認本集團分佔被投資公司收購後的溢利或虧損，並於其他全面收益（「其他全面收益」）確認本集團應佔被投資公司其他全面收益的變動。已收或應收聯營公司的股息確認為投資賬面值扣減。

倘本集團應佔權益入賬投資的虧損等於或超逾所持實體的權益（包括任何其他無抵押長期應收賬款），除非本集團承擔責任或已代其他實體付款，否則不會確認進一步虧損。

本集團與其聯營公司之間的未變現交易收益按本集團在該等實體的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。權益入賬被投資方的會計政策已於有需要時變更以符合本集團採納的政策。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.1 Principles of consolidation and equity accounting subsidiaries (Continued)

(d) Equity method (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of net losses of associates' in consolidated statement of profit or loss.

(e) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recorded in equity.

(f) Disposal of subsidiaries, associates and joint arrangements

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is 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.

42. 其他潛在重要會計政策(續)

42.1 附屬公司合併及權益會計處理原則(續)

(d) 權益法(續)

本集團在每個報告日期釐定於聯營公司的投資是否存在任何客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於綜合損益表「分佔聯營公司淨虧損」確認有關金額。

(e) 不導致控制權改變之附屬公司所有者權益變動

不導致失去控制權之非控制性權益交易入賬列作權益交易 — 即以彼等為擁有人之身分與擁有人進行交易。非控股權益調整金額與任何已付或已收代價之間的差額於權益中入賬。

(f) 出售附屬公司、聯營公司及共同安排

本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關之任何金額，按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他全面收益確認之金額重新分類至損益。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.2 Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, the equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's net identifiable assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

42. 其他潛在重要會計政策(續)

42.2 業務合併

本集團採用收購法就業務合併入賬。收購附屬公司的轉讓代價包括所轉讓資產、對被收購方前擁有人所產生負債、本集團所發行股權的公平值、或然代價安排產生的任何資產或負債的公平值及於附屬公司任何先前存在的股權的公平值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日的公平值計量。

本集團以逐項收購為基礎，確認於被收購方的任何非控制性權益。屬於現時擁有權權益並賦予持有人在清盤時按比例分佔主體淨資產的被收購方的非控制性權益，可按公平值或現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日的公平值計量，除非香港財務報告準則規定須以其他計量基準計算。

收購相關成本於產生時支銷。

若業務合併分階段進行，則收購方先前所持被收購方股權於收購日期的賬面值按收購日期公平值重新計量；源於有關重新計量之任何收益或虧損於損益中確認。

或然代價分類為權益或金融負債。分類為金融負債的款項隨後重新計量至公平值，而公平值變動於損益確認。歸類為權益之或然代價並無重新計量，其後續償付於權益中入賬。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.2 Business combinations (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

42.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also 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.

Impairment testing of the investments in subsidiaries is also required according to Note 42.8.

42. 其他潛在重要會計政策(續)

42.2 業務合併(續)

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股權於收購日期的公平值高於所收購可辨認資產淨值的公平值時，其差額以商譽列賬。就議價購買而言，如轉讓代價、已確認非控制性權益及先前持有的權益計量總額低於所收購附屬公司資產淨值的公平值，其差額將直接在綜合收益表中確認。

集團內部交易、結存及集團內公司間的交易或未變現收益，均予以對銷。除非有關交易提供已轉讓資產減值證據，否則未變現虧損亦予以對銷。如有需要，附屬公司所呈報之金額已經調整，以貫徹本集團之會計政策。

42.3 獨立財務報表

於附屬公司之投資乃按成本扣除減值入賬。成本亦包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息基準入賬。

倘自附屬公司收取的股息超出宣派股息期間該附屬公司的全面收入總額，或倘獨立財務報表的投資賬面值超出綜合財務報表所示被投資公司資產淨值(包括商譽)的賬面值，則於自該等投資收取股息時須對於該等附屬公司的投資進行減值測試。

根據附註42.8，亦須對於該等附屬公司的投資進行減值測試。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Committee of Executive Directors of the Company that makes strategic decisions.

42.5 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 RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents 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 within 'other gains/(losses) — net'.

42. 其他潛在重要會計政策(續)

42.4 分部報告

經營分部以向主要經營決策者提供內部呈報一致的形式呈報。負責分配資源及評估經營分部表現之主要經營決策者已確定為作出策略決策之本公司之執行董事委員會。

42.5 外幣換算

(a) 功能及呈報貨幣

本集團旗下每個實體之財務報表所包括之項目，均以該實體之主要營運所在經濟環境之貨幣(「功能貨幣」)計算。本綜合財務報表乃以人民幣呈報，人民幣為本公司功能貨幣及本集團呈報貨幣。

(b) 交易及結餘

外幣交易均按交易當日或估值當日(倘項目再計量)之匯率換算為功能貨幣。此等交易結算以及按年結日之匯率換算外幣資產和負債而產生的匯兌收益及虧損，均於綜合全面收益表內確認。

有關借貸和現金及現金等值物之匯兌收益及虧損於綜合收益表中「財務費用 — 淨額」一項中呈列。所有其他匯兌收益及虧損於綜合收益表中「其他收益/(虧損) — 淨額」中呈列。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)**42.5 Foreign currency translation (Continued)****(b) Transactions and balances (Continued)**

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 and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each consolidated income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

42. 其他潛在重要會計政策(續)**42.5 外幣換算(續)****(b) 交易及結餘(續)**

以公平值計量並以外幣為單位的非貨幣性項目採用公平值確定日期的匯率換算。按公平值列賬的資產及負債的換算差額呈報為公平值損益的一部分。例如，按公平值計入損益的權益等非貨幣性資產及負債的換算差額於損益內確認為公平值損益的一部分，而分類為按公平值計量且其變動計入其他全面收益的權益等非貨幣性資產的換算差額於其他全面收益內確認。

(c) 集團公司

功能貨幣與呈報貨幣不同的所有本集團內實體(當中沒有嚴重通脹貨幣)的業績和財務狀況按如下方法換算為呈報貨幣：

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份綜合收益表內的收入和費用按平均匯率換算(除非此平均匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的貨幣兌換差額於其他全面收益內確認。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.5 Foreign currency translation (Continued)

(c) Group companies (Continued)

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.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

42.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (Note 42.18). Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An item of investment properties is derecognised upon disposal or when no future economic benefits is expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of profit or loss in the period in which the item is derecognised.

42. 其他潛在重要會計政策(續)

42.5 外幣換算(續)

(c) 集團公司(續)

綜合入賬時，換算海外實體任何投資淨額以及指定為該等投資之對沖項目的借貸及其他金融工具產生之匯兌差額於其他全面收益確認。於出售境外業務或償還投資淨額的任何借貸時，相關匯兌差額重新分類至損益，作為出售損益之一部分。

收購國外實體產生之商譽及公平值調整，作為國外實體之資產及負債處理，並按收市匯率兌換。所產生之貨幣兌換差額於其他全面收益確認。

42.6 投資物業

為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由本集團成員公司佔用之物業分類為投資物業。投資物業亦包括正在興建或開發作未來投資物業用途的物業。

投資物業初步按其成本計量，包括相關交易成本及(倘適用)借貸成本(附註42.18)。在初始確認後，投資物業按成本減其後累計折舊及任何累計減值虧損呈列。投資物業於其估計可使用年期及經考慮其估計剩餘價值後採用直線法確認折舊，以撇銷其成本。

投資物業項目於出售或預期持續使用資產不會產生未來經濟利益時終止確認。終止確認資產所產生的任何收益或虧損(按出售所得款項淨額與項目賬面值的差額計算)乃於該項目終止確認期間內計入綜合損益表。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.7 Property, plant and equipment

The Group's accounting policy for buildings is explained in Note 7. 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 the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of buildings are recognised in other comprehensive income. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to the consolidated income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated income statement and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained earnings'.

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 (Note 42.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) — net' in the consolidated income statement. When revalued assets are sold, the amounts included in revaluation reserve are transferred to retained earnings.

42. 其他潛在重要會計政策(續)

42.7 物業、廠房及設備

本集團有關樓宇的會計政策載於附註7。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等項目直接應佔的開支。

只有在與項目相關的未來經濟效益有可能流入本集團，並能夠可靠地計量項目成本的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。所替換之部分的賬面值乃撇除確認。所有其他維護及保養費用均需於產生時於該財務期間之綜合收益表扣除。

樓宇重估後之賬面增值於其他全面收益確認。與同一資產先前增值對銷的減值部分，於其他全面收益中扣除；餘下之所有減值額則於綜合收益表內扣除。每年，根據於綜合收益表扣除之資產的重估賬面值得出之折舊，與根據資產原來成本得出之折舊的差額乃從「重估儲備」撥轉至「保留溢利」。

本集團在各報告期末重檢資產的剩餘價值及可使用年期，並已按適當情況作出調整。

倘資產的賬面值大於其估計可收回金額，資產的賬面值即時撇減至其可收回金額(附註42.9)。

出售之盈利及虧損是按所得款項與賬面值之差額而釐定，並於綜合收益表中「其他收益/(虧損) — 淨額」中確認。重估資產售出後，重估儲備內的金額轉移至保留溢利。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)**42.7 Property, plant and equipment (Continued)**

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at cost, which includes construction expenditures incurred, cost of machinery, interest capitalised and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed and put into use. On completion, construction-in-progress is transferred to appropriate categories of property, plant and equipment.

42.8 Impairment of investments in subsidiaries, associates, joint ventures and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

42. 其他潛在重要會計政策(續)**42.7 物業、廠房及設備(續)**

在建工程指未完成建築工程的樓宇及未安裝的機器，按成本入賬，包括所產生建築開支、機器成本、資本化利息及建築與安裝期間其他直接資本化成本，而扣減累計減值虧損(如有)。於建築及安裝工程完成及投入使用前不會就在建工程作出折舊。當工程完成後，在建工程轉撥至適當物業、廠房及設備類別。

42.8 附屬公司、聯營公司及合營企業的投資及非金融資產減值

可使用年期不確定之資產不予攤銷並每年進行減值測試。當任何事件發生或環境變化預示其賬面值可能無法收回時，會對須予攤銷之資產進行減值測試。若某項資產的賬面值超過其可收回金額時，會就其差額確認減值虧損。資產的可收回金額為資產公平值減出售成本與其可使用價值中較高者。評估減值時，資產按可單獨分辨的最小現金流量(現金產生單位)予以分類。除商譽外減值的非金融資產將於各報告日期檢討撥回減值的可能性。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.9 Financial assets

42.9.1 Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. 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 FVOCI.

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

42.9.2 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.

42. 其他潛在重要會計政策(續)

42.9 金融資產

42.9.1 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公平值(不論計入其他全面收益(其他全面收益或計入損益)計量；及
- 按攤銷成本計量。

分類視乎實體管理金融資產及現金流合約年期之業務模式。

就按公平值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。就並非持作買賣的股本工具投資而言，將取決於本集團是否於初始確認時作出不可撤回選擇，將股本投資以按公平值計量且其變動計入其他全面收益入賬。

本集團只限於當管理該等資產的業務模式改變時重新分類債務投資。

42.9.2 確認及終止確認

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。當從金融資產收取現金流量的權利到期或已轉讓，而本集團已轉讓所有權的絕大部分風險及報酬時，則終止確認金融資產。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.9 Financial assets (Continued)

42.9.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, 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. There are three measurement categories into which the Group classifies its debt instruments:

- 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 gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

42. 其他潛在重要會計政策(續)

42.9 金融資產(續)

42.9.3 計量

於初步確認時，本集團按公平值計量金融資產。倘金融資產並非按公平值計入損益記賬，則加上收購該金融資產直接應佔的交易成本。按公平值計入損益列值的金融資產的交易成本於損益中列作開支。

在確定具有嵌入衍生工具的金融資產的現金流量是否純粹為本金及利息付款時，需從金融資產的整體考慮。

債務工具

債務工具的後續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產的現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生任何收益或虧損直接於損益中確認並於其他收益/(虧損)中呈列，連同匯兌收益及虧損。減值虧損於損益表中呈列為獨立項目。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.9 Financial assets (Continued)

42.9.3 Measurement (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 gains/(losses). 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 gains/(losses) 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 gains/(losses) in the period in which it arises.

42. 其他潛在重要會計政策(續)

42.9 金融資產(續)

42.9.3 計量(續)

- 按公平值計量且其變動計入其他全面收益：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產的現金流量純粹為本金及利息付款，則按公平值計量且其變動計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值損益、利息收入及匯兌損益於損益中確認。於終止確認金融資產時，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益／(虧損)確認。該等金融資產所產生利息收入乃使用實際利率法計入財務收入。匯兌收益及虧損於其他收益／(虧損)呈列，而減值開支在損益表中呈列為獨立項目。
- 按公平值計入損益：不符合攤銷成本或按公平值計量且其變動計入其他全面收益標準的資產乃以按公平值計入損益計量。隨後按公平值計入損益的債務投資的損益於其產生期間在損益中確認並在其他收益／(虧損)中呈列為淨值。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.9 Financial assets (Continued)

42.9.3 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 gains/(losses) in the statement of profit or loss 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.

42.9.4 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 trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 14 for further details.

42. 其他潛在重要會計政策(續)

42.9 金融資產(續)

42.9.3 計量(續)

股本工具

本集團隨後就所有股本投資按公平值計量。當本集團管理層已選擇於其他全面收益呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。

按公平值計入損益的金融資產公平值變動於損益表確認為其他收益/(虧損)(按適用情況)。按公平值計入其他全面收益計量的股本投資的減值虧損(及減值虧損撥回)不會因公平值其他變動而分開列報。

42.9.4 減值

本集團對有關其按攤銷成本列賬及按公平值計量且其變動計入其他全面收益之債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

就應收貿易款項而言，本集團應用香港財務報告準則第9號允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，更多詳情請參閱附註14。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023
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42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet 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 events 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.

42.11 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designed as a hedging instrument, and if so, the nature of item being hedged. Derivative instruments held by the Group do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated income statement within other gains/(losses).

42.12 Government grants/subsidies

Grants/subsidies from government authorities are recognised at their fair value where there is a reasonable assurance that the grant/subsidies will be received and the Group will comply with all attached conditions.

Government grants/subsidies relating to assets are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants/subsidies relating to compensation for relocation are deferred and recognised in the consolidated income statement over the period when the relocation takes place.

42. 其他潛在重要會計政策(續)

42.10 抵銷金融工具

當有可合法強制執行權力抵銷已確認金額，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，並在資產負債表呈報有關淨額。可合法強制執行權利不得取決於未來事件而定，且須在一般業務過程中以及倘本公司或對手方一旦出現拖欠還款、無償債能力或破產時可強制執行。

42.11 衍生金融工具

衍生工具最初於訂立衍生工具合同當日按公平值確認，其後於各報告期末重新計量至其公平值。確認所得盈虧方法，取決於衍生工具是否界定為對沖工具及倘屬對沖工具，則取決於被對沖項目性質。本集團持有之衍生工具並不符合對沖會計所指的衍生工具，並以按公平值計入損益列賬。任何不符合對沖會計的衍生工具的公平值變動，會即時於綜合收益表中其他收益/(虧損)確認。

42.12 政府補助/補貼

假若可合理地確定本集團將獲得政府補助/補貼，以及符合所有附帶之條件，政府補助/補貼以公平值確認入賬。

與資產有關之政府補助/補貼乃於扣減補助以得出資產賬面值後在資產負債表呈列。

有關搬遷賠償的政府補助/補貼遞延處理，並於搬遷進行之期間在綜合收益表中確認。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.13 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

42.14 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks, 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.

42.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

42. 其他潛在重要會計政策(續)

42.13 應收貿易款項及其他應收賬款

應收貿易款項為在日常業務過程中就售出商品應收客戶之款項。倘應收貿易款項及其他應收賬款預期可於一年或之內收款(或倘時間更長,則在業務正常營運周期),則分類為流動資產。倘未能於一年或之內收款,則以非流動資產呈列。

應收貿易款項及其他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成分,並按公平值確認。本集團持有應收貿易款項及其他應收賬款,目的是收取合約現金流量,因此其後以實際利率法按攤銷成本計量。

42.14 現金及現金等值物

在綜合現金流量表中,現金及現金等值物包括手頭現金及銀行通知存款、原到期日為三個月或以內且隨時可轉換為確定金額現金及價值變動風險不重大的其他短期高流動投資。

42.15 應付貿易款項及其他應付賬款

應付貿易款項為在日常業務過程中自供應商收購商品或服務之付款責任。倘應付貿易款項及其他應付賬款於一年或之內到期(或倘時間更長,則在業務正常營運周期),則分類為流動負債。倘並非於一年或之內到期,則以非流動負債呈列。

應付貿易款項及其他應付賬款最初按公平值確認,其後以實際利率法按攤銷成本計量。

綜合財務報表附註(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.16 Supply chain financing

Supply chain financing is referred to as reverse factoring. It involves three parties: a supplier who supplies goods; the Group; and a bank or financier. The bank offers to facilitate payments of the trade payables arising between the Group and supplier, and it might provide finance so that the supplier can be paid earlier (and/or the buyer can pay later) than the normal due date of the trade payables.

The Group applies HKFRS 9's derecognition requirements when assessing whether and when to derecognise the trade payable. The Group derecognises trade payables, recognises a new financial liability at fair value, and recognises a gain or loss based on the difference between the carrying amount of the original financial liability and the fair value of the new financial liability based on management assessment.

42.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

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

42.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

42. 其他潛在重要會計政策(續)

42.16 供應鏈融資

供應鏈融資稱為反向保理。其涉及三方：供應貨品的供應商；本集團；及銀行或融資人。銀行提供便利以支付本集團與供應商之間產生的應付貿易款項，並可能提供融資，以便供應商可在應付貿易款項的正常到期日之前提早付款（及／或買方可在之後付款）。

本集團於評估是否及何時終止確認應付貿易款項時應用香港財務報告準則第9號終止確認規定。本集團終止確認應付貿易款項、按公平值確認新金融負債，並基於管理層評估按原金融負債的賬面值與新金融負債的公平值之間的差額確認收益或虧損。

42.17 借貸

借貸最初按公平值（扣除已產生之交易成本）確認。借貸其後按攤銷成本列賬，如扣除交易成本後之所得款項及贖回價值出現差額，則於借貸期內以實際利率法在綜合收益表內確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少12個月，否則借貸分類為流動負債。

42.18 借貸成本

直接歸屬於購建或生產合資格資產（該等資產需經較長時間方能達至擬定用途或出售狀態）的一般及特定借貸成本，計入該等資產之成本，直至該等資產大致達至其擬定用途或出售狀態為止。

在特定借貸撥作合資格資產支出前之暫時投資所賺取之投資收入，須自合資格資本化之借貸成本中扣除。

所有其他借貸成本於其產生期間於損益確認。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, 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 balance sheet date 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.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, 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 and deferred income tax is 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 substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

42. 其他潛在重要會計政策(續)

42.19 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項在綜合收益表中確認，除非其涉及其他全面收益或直接在權益中確認之項目。在此情況下，稅項亦分別在其他全面收益或直接在權益中確認。

(a) 即期所得稅

即期所得稅費用根據於結算日本公司之附屬公司及聯營公司經營並獲得應課稅收入所在的國家已經頒佈或實際上已頒佈的稅法計算。管理層定期評估適用稅法規定之情況下的納稅申報情況，並且就應付稅務機關的金額作出適當撥備。

(b) 遞延所得稅

內在基準差異

遞延所得稅以負債法就資產及負債的評稅基準與其於綜合財務報表內的賬面值兩者間的暫時差異予以確認。然而，倘遞延稅項負債源自初步確認商譽則不予確認。此外，倘遞延所得稅來自進行交易時初始確認的資產或負債(如屬業務合併則除外)而於進行交易之時並不影響會計或應課稅溢利或虧損，則不確認遞延所得稅。遞延所得稅乃根據於結算日前已頒佈或實際上已頒佈而預期當有關遞延所得稅資產已變現後或遞延所得稅負債已清償後將應用的有關稅率(及法例)釐定。

遞延所得稅資產只會在未来應課稅溢利有可能用作抵銷暫時差異時才會確認。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.19 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

42. 其他潛在重要會計政策(續)

42.19 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在基準差異

遞延所得稅負債須就投資於附屬公司及聯營公司而引致的應課稅暫時差異作出撥備，惟本集團可控制暫時差異會在何時轉回，且暫時差異很可能不會在可見的未來轉回的遞延所得稅負債則除外。本集團一般無法控制聯營公司暫時差異之撥回，僅於可見將來訂立協議賦予本集團能力，可控制暫時差異之撥回，源於聯營公司未分派溢利之應課稅暫時差異之遞延稅項負債不予確認。

僅於暫時差異可能將於日後撥回，且有充足之應課稅溢利而動用暫時差異，方會就於附屬公司及聯營公司投資產生之可扣減暫時差異，確認遞延所得稅資產。

倘若存在可依法強制執行的權利將即期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨額基準清償或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.20 Employee benefits

(a) Employee leave 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 balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations (defined contribution plans)

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group also operates the mandatory provident fund scheme (the "MPF Scheme") for its Hong Kong staff. The MPF Scheme is a defined contribution retirement benefit scheme administered by independent trustees. Each of the employer and the employee has to contribute an amount equal to 5% of the relevant income of the employee to the MPF Scheme, subject to a monthly cap of HK\$1,500. Contributions from the employer are vested in the employees as soon as they are paid to relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to a few exceptions.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

42. 其他潛在重要會計政策(續)

42.20 僱員福利

(a) 僱員所享有假期

僱員所享有的年假當僱員可享有時確認，並因應僱員截至結算日所提供服務而就年假的估計承擔金額作出撥備。僱員所享有的病假及產假於休假時方會確認。

(b) 退休金承擔(界定供款計劃)

界定供款計劃為一項本集團向一個獨立實體支付固定供款之退休金計劃。倘該基金並無持有足夠資產，向所有僱員就其在當期及以往期間之僱用服務提供福利，則本集團亦無法定或推定責任作出進一步供款。

本集團亦為香港地區的僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立信託人管理之界定供款退休福利計劃。按僱員之有關入息，僱主及僱員各作5%供款予強積金計劃，供款上限為每月1,500港元。僱主供款部分於付款予相關強積金計劃時隨即歸屬於僱員，但強制性供款產生之所有利益須保留直至僱員年滿65歲退休年齡之時，惟若干情況除外。

就界定供款計劃而言，本集團以強制、合約或自願基準向公營或私營管理的退休金保險計劃作出供款。一旦作出供款，本集團並無進一步付款責任。該等供款於到期時確認為僱員福利開支。預繳供款確認為資產，惟須以可獲現金退款或扣減日後供款為限。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.20 Employee benefits (Continued)

(c) Bonus plan

The Group recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

42.21 Share-based payments

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, 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 (for example, the requirement for employees to save or hold shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

42. 其他潛在重要會計政策(續)

42.20 僱員福利(續)

(c) 花紅計劃

本集團於合同規定或由過往做法產生推定責任時就花紅確認撥備。

42.21 以股份為基礎之付款

以權益結算以股份為基礎之付款交易

本集團設有一項以權益結算以股份為基礎之酬金計劃，據此，實體視僱員所提供服務為本集團權益工具(購股權)的代價。僱員就獲授購股權所提供服務的公平值確認為開支。將予支銷總金額參照所授出購股權的公平值而釐定：

- 包括任何市場表現條件，例如實體的股價；
- 不包括任何服務及非市場表現歸屬條件的影響，例如盈利能力、銷售增長目標及在特定時限內留聘實體僱員；及
- 包括任何非歸屬條件的影響，例如在特定時限內規定僱員儲蓄或持有股份。

於各報告期末，本集團根據非市場表現及服務條件修訂對預期歸屬之購股權數目所作之估計，並在綜合收益表確認修訂原來估計產生之影響(如有)，並對權益作出相應調整。

此外，在部分情況下，僱員可在授出日期之前提供服務，故授出日期的公平值就確認服務開始期間與授出日期的期間內的開支作出估計。

本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(及股份溢價)。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.22 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.

42.23 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

42. 其他潛在重要會計政策(續)

42.22 撥備

倘本集團因過往事件而有現時法律或推定責任，並可能須資源流出以履行有關責任，且能可靠估計相關金額，則確認撥備。撥備不就未來營運虧損確認。

如有多項類似責任，其需要在償付中流出資源的可能性根據責任的類別整體考慮。即使同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備以預期用以償付責任的開支，按反映當時市場對金錢時間價值的評估及該責任的特有風險的稅前費率計算的現值計量。因時間過去而增加的撥備確認為利息開支。

42.23 利息收入

按實際利率法計算的按攤銷成本列賬的金融資產的利息收入在綜合收益表中確認為其他收入的一部分。利息收入呈列為財務收入，其來自為現金管理目的而持有的金融資產。任何其他利息收入均包括在其他收入中。

利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外。就出現信貸減值的金融資產而言，實際利率適用於金融資產的賬面淨值(扣除虧損撥備後)。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.24 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.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date less any lease incentives received.

42. 其他潛在重要會計政策(續)

42.24 租賃

租賃於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。

合約可能包含租賃及非租賃組成部分。本集團基於其相對單獨價格分配合約的代價至租賃及非租賃組成部分。

租賃產生的資產及負債初步按現值計量。租賃負債包括固定付款(包括實質固定付款)的淨現值，減去任何應收租賃激勵。

根據合理確定的延期選擇權支付的租賃付款也包括在負債計量中。

租賃付款於本金及融資成本之間作出分配。融資成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括初始計量租賃負債的金額及於開始日期或之前作出的任何租賃付款減去任何已收取租賃激勵。

42. OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

42.25 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

42.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, when appropriate.

42. 其他潛在重要會計政策(續)

42.25 每股盈利

(a) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於公司擁有人之溢利，不包括普通股以外之任何支付權益成本除以
- 於財政年度內發行在外普通股之加權平均數，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

(b) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為發行在外額外普通股加權平均數。

42.26 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(倘適用)批准的期間於本集團及本公司的財務報表內確認為負債。



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